

**COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION**

In the Matter of:

**ELECTRONIC APPLICATION OF KENTUCKY)
POWER COMPANY FOR (1) A GENERAL)
ADJUSTMENT OF ITS RATES FOR ELECTRIC)
SERVICE; (2) AN ORDER APPROVING ITS 2017) Case No. 2017-00179
ENVIRONMENTAL COMPLIANCE PLAN; (3) AN)
ORDER APPROVING ITS TARIFFS AND RIDERS;)
(4) AN ORDER APPROVING ACCOUNTING)
PRACTICES TO ESTABLISH REGULATORY)
ASSETS AND LIABILITIES; AND (5) AN ORDER)
GRANTING ALL OTHER REQUIRED APPROVALS)
AND RELIEF)**

**SECTION II
FILING REQUIREMENTS**

VOLUME 3 OF 7

June 28, 2017

Please Take Notice that on or before June 28, 2017 Kentucky Power Company (Kentucky Power or Company) will file with the Kentucky Public Service Commission (Commission) in Case No. 2017-00179 an application pursuant to Chapter 278 of the Kentucky Revised Statutes for authorization to adjust the rates it charges its customers for services rendered on and after July 29, 2017. Kentucky Power is also seeking authority to revise the terms, conditions, and other requirements of service. If approved and not suspended, Kentucky Power will apply the new rates and terms and conditions of service to all customer bills rendered on and after July 29, 2017 to recover costs of providing service to its customers on and after that date. Kentucky Power is also seeking approval of its updated environmental compliance plan to add selective catalytic reduction technology at Rockport Unit 1 and to provide for the recovery of costs of consumables, including a return on the inventory of consumables, necessary to operate the Company's approved projects.

Kentucky Power proposes to create a new Residential Demand-Metered Electric Service tariff, and new stand-alone tariff sheets for the existing Kentucky Economic Development Surcharge and the Home Energy Assistance Program Surcharge. Kentucky Power also proposes to combine the current S.G.S. and M.G.S. tariffs into a new General Service (G.S.) Tariff. Tariffs S.G.S. – T.O.D. and M.G.S. – T.O.D. will remain as separate tariffs. In addition, Kentucky Power is eliminating the following electric tariffs: Pilot Tariff K-12 School, Asset Transfer Rider Tariff, and the Big Sandy Unit 1 Operation Rider.

In addition to the rate changes described below, Kentucky Power has made changes to the text of certain tariffs. Where the text changes to the tariffs are substantive in nature, the proposed language change is described below.

TARIFF CHANGES

TERMS AND CONDITIONS OF SERVICE

1. APPLICATIONS.

Kentucky Power has modified its application process description to clarify that (1) applications may be made in writing, on-line, or via telephone for customers seeking electric service; (2) requests for electric service must be made in a customer's legal name; (3) the Company may request verification of the customer's identity and legal occupancy of the premises to be served before service will be provided; and (4) the Company may reject any request for service in accordance with 807 KAR 5:006, Section 15.

2. INSPECTIONS.

Kentucky Power has modified its inspection provision to clarify that it has the authority to disconnect service if a customer's wiring is deemed unsafe. Additionally, the Company may also require a state inspection prior to reconnection of service where the Company has de-energized service for tampering or theft of service.

4. DEPOSITS.

Kentucky Power clarified its definition of satisfactory payment history and has modified its deposit waiver requirements. Additionally, the Company changed the credit rating levels below which a non-residential customer is considered to not maintain satisfactory credit criteria.

5. PAYMENTS.

Kentucky Power has limited the period during which customers may sign up for the Company's Equal Payment Plan to April through December to avoid having annual settle-up months which coincide with winter billing periods. Customers currently enrolled in the Equal Payment Plan whose accounts are current and have settle-up months during the period from December through February may elect to change their settle-up month. Kentucky Power also deleted reference to payments at business offices and at authorized collection agencies of the Company.

6. PAYMENT ARRANGEMENTS.

Kentucky Power is adding a new section to its Terms and Conditions regarding Payment Arrangements as follows:

In accordance with 807 KAR 5:006 Section 14(2), Kentucky Power shall negotiate and accept reasonable payment arrangements at the request of a residential customer who has received a termination notice for failure to pay. Payment arrangements will include the following reasonable provisions:

- 1) Partial Payment Plans are available up to the day prior to the termination date printed on a customer's termination notice.
- 2) Partial Payment Plans are available only for current balances and balances up to 30 days in arrears.
- 3) Any balances more than 30 days in arrears must be paid in full at least one business day prior to the date the Partial Payment Plan is established.
- 4) Customers with delinquent or otherwise unsatisfied Partial Payment Plans may not be eligible for a Partial Payment Plan.
- 5) Unpaid deposit amounts are not eligible for inclusion in a Partial Payment Plan.
- 6) Company reserves the right to refuse unverifiable third party pledges toward a customer's obligations under a Partial Payment Plan.
- 7) Customers shall be advised, in writing or by telephone, the date and the amount of payment(s) due. Service may be terminated without additional notice if the Customer fails to meet the obligations of the agreed plan.
- 8) It is the responsibility of the customer presenting the Medical Certificate to contact the Company to negotiate a payment arrangement based upon the customer's ability to pay. The payment arrangement shall require that the account become current not later than October 15.
- 9) Customers presenting Certification from the Cabinet for Health and Family Services must do so during the initial 10 day termination notice period. As a condition of the 30 day extension, the customer shall exhibit good faith by entering into a payment arrangement.

78. CUSTOMER LIABILITY.

Kentucky Power has added language to the Customer Liability section of its Terms and Conditions to clarify that it may assess charges based on electric usage and damages to Company equipment in the event it must terminate service.

†718. DENIAL OR DISCONTINUANCE OF SERVICE.

The Company has added language to clarify that the Company can refuse service to any customer if that customer is indebted to the Company for service provided at any address and that the Company can deny or discontinue service if the customer or a member of the customer's household is indebted to the Company for service provided at the current address.

†619. EMPLOYEE DISCOUNT.

The Company has deleted the section of the Terms and Conditions providing for an employee discount.

22. ALERTS AND SUBSCRIPTIONS.

Kentucky Power is adding a new section outlining the terms and conditions of its optional Mobile Alerts Service.

CAPACITY AND ENERGY CONTROL PROGRAM

Kentucky Power is modifying the language in its Capacity and Energy Control Program tariff to update and simplify the description of the program.

STANDARD NOMINAL VOLTAGES

Kentucky Power is adding additional standard secondary distribution voltages for non-residential customers.

**TARIFF F.A.C.
(Fuel Adjustment Clause)**

Kentucky Power is modifying the Fuel Adjustment Clause tariff to provide for the recovery of all fuel-related PJM billing line items through the fuel adjustment clause.

CHANGES APPLICABLE TO TARIFFS R.S., R.S. – L.M. – T.O.D., R.S. – T.O.D., R.S. – T.O.D.2, AND R.S.D.

Kentucky Power has replaced summary descriptions of each applicable surcharge and rider with the following table referring customers to the tariff sheets that describe each surcharge or rider in detail:

Fuel Adjustment Clause	Sheet No. 5
System Sales Clause	Sheet No. 19
Franchise Tariff	Sheet No. 20
Demand-Side Management Adjustment Clause	Sheet No. 22
Kentucky Economic Development Surcharge	Sheet No. 24
Home Energy Assistance Program	Sheet No. 25
Capacity Charge	Sheet No. 28
Environmental Surcharge	Sheet No. 29
School Tax	Sheet No. 33
Purchase Power Adjustment	Sheet No. 35
Decommissioning Rider	Sheet No. 38

**TARIFF R.S.
(Residential Service)**

RATE. (Tariff Codes 015, 017, 022)

Service Charge	\$14.00	17.50¢ per month
Energy Charge	8.79¢	10.65¢ per KWH

STORAGE WATER HEATING PROVISION.

Tariff Code	
012	(a) For Minimum Capacity of 80 gallons, the last 300 KWH of use in any month shall be billed at 5.69¢ 6.41¢ per KWH.
013	(b) For Minimum Capacity of 100 gallons, the last 400 KWH of use in any month shall be billed at 5.69¢ 6.41¢ per KWH.
014	(c) For Minimum Capacity of 120 gallons or greater, the last 500 KWH of use in any month shall be billed at 5.69¢ 6.41¢ per KWH.

LOAD MANAGEMENT WATER-HEATING PROVISION. (Tariff Code 011)

For residential customers who install a load management water-heating system which consumes electrical energy during off-peak hours specified by the Company and stores hot water for use during on-peak hours, of minimum capacity of 80 gallons, the last 250 KWH of use in any month shall be billed at 5.69¢ 6.41¢ per KWH.

**TARIFF R.S. – L.M. – T.O.D.
(Residential Service Load Management Time-of-Day)**

RATE. (Tariff Codes 028, 030, 032, 034)

Service Charge	\$ 13.00	20.00¢ per month
Energy Charge:		
All KWH used during on-peak billing period	13.99¢	16.53¢ per KWH
All KWH used during off-peak billing period	5.09¢	6.41¢ per KWH

**TARIFF R.S. – T.O.D.
(Residential Service Time-of-Day)**

RATE. (Tariff Code 036)

Service Charge	\$ 13.00	20.00¢ per month
Energy Charge:		
All KWH used during on-peak billing period	13.99¢	16.53¢ per KWH
All KWH used during off-peak billing period	5.09¢	6.41¢ per KWH

**TARIFF R.S. – T.O.D.2
(Experimental Residential Service Time-of-Day 2)**

RATE. (Tariff Code 027)

Service Charge	\$13.00	20.00¢ per month
Energy Charge:		
All KWH used during Summer on-peak billing period	10.71¢	20.25¢ per KWH
All KWH used during Winter on-peak billing period	11.89¢	17.39¢ per KWH
All KWH used during off-peak billing period	7.80¢	8.92¢ per KWH

Kentucky Power has replaced summary descriptions of each applicable surcharge and rider with the following table referring customers to the tariff sheets that describe each surcharge or rider in detail:

Fuel Adjustment Clause	Sheet No. 5
System Sales Clause	Sheet No. 19
Franchise Tariff	Sheet No. 20
Demand-Side Management Adjustment Clause	Sheet No. 22
Kentucky Economic Development Surcharge	Sheet No. 24
Capacity Charge	Sheet No. 28
Environmental Surcharge	Sheet No. 29
School Tax	Sheet No. 33
Purchase Power Adjustment	Sheet No. 35
Decommissioning Rider	Sheet No. 38

TARIFF S.G.S. - T.O.D.
(Small General Service Time-of-Day)

RATE, (Tariff Code 227)

Service Charge	\$17.50 \$22.50 per month
Energy Charge:	
All KWH used during Summer on-peak billing period	11.540e 20.636¢ per KWH
All KWH used during Winter on-peak billing period	12.490e 16.91¢ per KWH
All KWH used during off-peak billing period	8.782e 8.617¢ per KWH

TARIFF M.G.S. - T.O.D.
(Medium General Service Time-of-Day)

RATE, (Tariff Code 229)

Service Charge	\$17.50 \$22.50 per month
Energy Charge: All KWH used during on-peak billing period	16.670e 18.19¢ per KWH
All KWH used during off-peak billing period	5.456e 6.418¢ per KWH

The Company is also adding the following section:

METERED VOLTAGE

The rates set forth in this tariff are based upon the delivery and measurement of energy at the same voltage, thus measurement will be made at or compensated to the delivery voltage. At the sole discretion of the Company, such compensation may be achieved through the use of loss compensating equipment, the use of formulas to calculate losses or the application of multipliers to the metered quantities. In such cases, the metered KWH and KW values will be adjusted for billing purposes. If the Company elects to adjust KWH and KW based on multipliers, the adjustment shall be in accordance with the following:

- Measurements taken at the low-side of a customer-owned transformer will be multiplied by 1.01.
- Measurements taken at the high-side of a Company-owned transformer will be multiplied by 0.98.

TARIFF L.G.S.
(Large General Service)

RATE

Tariff Code	Service Voltage			
	Secondary	Primary	Subtransmission	Transmission
240, 242, 260	244, 246, 264	248, 268	250, 270	
Service Charge per Month	\$ 85.00	\$ 127.50	\$ 628.50 679.00	\$ 628.50 679.00
Demand Charge per KW	\$ 4.67 7.84	\$ 4.69 7.08	\$ 4.48 5.75	\$ 4.41 5.61
Excess Reactive Charge per KVA	\$ 3.46	\$ 3.46	\$ 3.46	\$ 3.46
Energy Charge per KWH	7.066 8.61¢	6.869 7.58¢	4.791 5.82¢	4.696 5.77¢

LOAD MANAGEMENT TIME-OF-DAY PROVISION

Available to customers who use energy storage devices with time-differentiated load characteristics approved by the Company which consume electrical energy only during off-peak hours specified by the Company and store energy for use during on-peak hours, and who desire to receive service under this provision for their total requirements.

Customers who desire to separately wire their load management load to a time-of-day meter and their general-use load to a standard meter shall receive service for both under the appropriate provision of this tariff.

RATE, (Tariff Code 251)

Service Charge	\$ 85.00 per month
Energy Charge:	
All KWH used during on-peak billing period	13.136e 15.65¢ per KWH
All KWH used during off-peak billing period	5.925e 6.419¢ per KWH

TARIFF L.G.S. - T.O.D.
(Large General Service Time-of-Day)

RATE

Tariff Code	Service Voltage			
	Secondary	Primary	Subtransmission	Transmission
256	257	258	259	
Service Charge per Month	\$ 85.00	\$ 127.50	\$ 628.50 679.00	\$ 628.50 679.00
Demand Charge per KW	\$ 9.55 10.21	\$ 6.85 7.47	\$ 5.96 7.58	\$ 5.88 7.55
Excessive Reactive Charge per KVA	\$ 3.46	\$ 3.46	\$ 3.46	\$ 3.46
On-Peak Energy Charge per KWH	8.542e 11.538¢	8.244e 11.096¢	8.150e 10.950¢	8.052e 10.798¢
Off-Peak Energy Charge per KWH	4.887e 4.438¢	4.866e 4.306¢	4.829e 4.262¢	4.190e 4.217¢

TARIFF I.G.S.
(Industrial General Service)

RATE

Tariff Code	Service Voltage			
	Secondary	Primary	Subtransmission	Transmission
356	358/370	359/371	360/372	
Service Charge per month	\$ 278.00	\$ 276.00	\$ 794.00	\$ 1,353.00
Demand Charge per KW				
Off monthly on-peak billing demand	\$ 18.29 25.35	\$ 15.21 22.02	\$ 14.02 15.56	\$ 9.75 15.12
Off monthly off-peak billing demand	\$ 1.10 1.66	\$ 1.67 1.61	\$ 1.66 1.58	\$ 1.64 1.55
Energy Charge per KWH	8.242e 3.075¢	8.166e 2.959¢	8.090e 2.918¢	8.062e 2.878¢

Reactive Demand Charge for each kilovar of maximum leading or lagging reactive demand in excess of 50 percent of the KW of monthly metered demand \$0.69 KVAR

For the purpose of this tariff, the on-peak billing period is defined as 7:00 AM to 9:00 PM for all weekdays, Monday through Friday. The off-peak billing period is defined as 9:00 PM to 7:00 AM for all weekdays and all hours of Saturday and Sunday.

MINIMUM DEMAND CHARGE

The minimum demand charge shall be equal to the minimum billing demand times the following minimum demand rates:

Secondary	Primary	Subtransmission	Transmission
\$19.59 27.10KW	\$16.59 22.72KW	\$11.82 17.23KW	\$11.69 16.76KW

TARIFF C.S.-I.R.P.
(Contract Service - Interruptible Power)

AVAILABILITY OF SERVICE

Kentucky Power has clarified that service under Tariff C.S. - I.R.P. is available only to customers taking service under Tariff I.G.S.

TERM OF CONTRACT

Kentucky Power has removed the contract term language from Tariff C.S. - I.R.P. because customers taking service under Tariff C.S. - I.R.P. will be subject to the contract term established under Tariff I.G.S.

TARIFF M.W.
(Municipal Waterworks)

RATE, (Tariff Code 540)

Service Charge	\$ 22.90 per month
Energy Charge:	
All KWH Used Per Month	8.680e 9.92¢ per KWH

MINIMUM CHARGE

This tariff is subject to a minimum monthly charge equal to the sum of the service charge plus \$8.20 \$ 8.89 per KVA as determined from customer's total connected load.

CHANGES APPLICABLE TO TARIFFS O.L. AND S.L.

Kentucky Power has replaced summary description of each applicable surcharge and rider with the following table referring customers to the tariff sheets that describe each surcharge or rider in detail.

Fuel Adjustment Clause	Sheet No. 5
System Sales Clause	Sheet No. 19
Franchise Tariff	Sheet No. 20
Capacity Charge	Sheet No. 28
Environmental Surcharge	Sheet No. 29
School Tax	Sheet No. 33
Purchase Power Adjustment	Sheet No. 35
Decommissioning Rider	Sheet No. 38

TARIFF O.L.
(Outdoor Lighting)

RATE

A. OVERHEAD LIGHTING SERVICE

Tariff Code

084	100 watts (9,500 Lumens).....	\$ 9.90	9.50	per lamp
113	150 watts (16,000 Lumens).....	10.50	10.50	per lamp
097	200 watts (22,000 Lumens).....	12.90	11.85	per lamp
103	250 watts (28,000 Lumens).....	17.60	15.64	per lamp
098	400 watts (50,000 Lumens).....	19.01	17.46	per lamp
093*	175 watts (7,000 Lumens).....	\$ 10.47	9.59	per lamp
095*	400 watts (20,000 Lumens).....	16.07	15.59	per lamp

Company will provide lamp, photo-electric relay control equipment, luminaries and upswing arm not over six feet in length, and will mount same on an existing pole carrying secondary circuits.

B. POST-TOP LIGHTING SERVICE

Tariff Code

111	100 watts (9,500 Lumens).....	\$ 14.40	15.20	per lamp
122	150 watts (16,000 Lumens).....	16.10	25.70	per lamp
121	100 watts Shoe Box (9,500 Lumens).....	\$ 32.85	32.25	per lamp
120	250 watts Shoe Box (28,000 Lumens).....	26.80	27.04	per lamp
126	400 watts Shoe Box (50,000 Lumens).....	42.96	37.36	per lamp
099*	175 watts (7,000 Lumens).....	\$ 12.02	11.29	per lamp

*Effective June 29, 2010 and thereafter these lamps are not available for new installations

Company will provide lamp photo-electric relay control equipment, luminaries, post, and installation including underground wiring for a distance of thirty feet from the Company's existing secondary circuits. *Incremental costs of installation beyond thirty feet shall be the responsibility of the customer.*

C. FLOOD LIGHTING SERVICE

Tariff Code

107	200 watts (22,000 Lumens).....	\$ 14.40	14.30	per lamp
109	400 watts (50,000 Lumens).....	\$ 20.16	20.49	per lamp
110	250 watts (20,500 Lumens).....	\$ 17.80	17.02	per lamp
116	400 watts (36,000 Lumens).....	22.57	20.64	per lamp
131	1000 watts (110,000 Lumens).....	\$ 41.06	35.54	per lamp
130	250 watts Mongoose (19,000 Lumens).....	24.66	21.27	per lamp
136	400 watts Mongoose (40,000 Lumens).....	29.42	24.54	per lamp

Company will provide lamp, photoelectric relay control equipment, luminaries, mounting bracket, and mount same on an existing pole carrying secondary circuits.

When new or additional facilities, other than those specified in Paragraphs A, B, and C, are to be installed by the Company, the customer in addition to the monthly charges, shall pay in advance the installation cost (labor and material) of such additional facilities extending from the nearest or most suitable pole of the Company to the point designated by the customer for the installation of said lamp, except that customer may, for the following facilities only, elect, in lieu of such payment of the installation cost to pay:

Wood pole.....	\$ 9.10	3.60	per month
Overhead wire span not over 150 feet.....	1.80	2.10	per month
Underground wire lateral not over 50 feet.....	6.75	7.80	per month

(Price includes pole riser and connections)

BASE FUEL RATE

The Company has added a new section to Tariff O.L. creating a separate base fuel charge:

Customers receiving service under this tariff will receive bills calculated using per lamp and base fuel charges. The base fuel charge will be calculated each month by multiplying the approved base fuel amount set forth in the Company's Fuel Adjustment Clause tariff by the relevant monthly KWH value set forth in the monthly KWH table included below in the Adjustment Clauses section of this tariff.

TERM OF INITIAL SERVICE.

The Company modified the tariff to provide that if early termination is requested, the customer will be billed on the final bill for the remainder of the 12 month period.

SPECIAL TERMS AND CONDITIONS.

Kentucky Power added a requirement that the customer's account balances must be current before the installation of new or additional lights.

TARIFF S.L.
(Street Lighting)

RATE (Tariff Code 528)

A. Overhead Service on Existing Distribution Poles

1.	High Pressure Sodium			
	100 watts (9,500 lumens).....	\$ 7.85	7.55	per lamp
	150 watts (16,000 lumens).....	\$ 8.88	8.30	per lamp
	200 watts (22,000 lumens).....	\$ 10.70	9.75	per lamp
	400 watts (50,000 lumens).....	\$ 15.96	13.21	per lamp

B. Service on New Wood Distribution Poles

1.	High Pressure Sodium			
	100 watts (9,500 lumens).....	\$ 11.65	11.65	per lamp
	150 watts (16,000 lumens).....	12.20	12.55	per lamp
	200 watts (22,000 lumens).....	\$ 14.15	14.10	per lamp
	400 watts (50,000 lumens).....	19.76	18.36	per lamp

C. Service on New Metal or Concrete Poles

1.	High Pressure Sodium			
	100 watts (9,500 lumens).....	\$ 20.40	28.00	per lamp
	150 watts (16,000 lumens).....	\$ 21.90	28.80	per lamp
	200 watts (22,000 lumens).....	\$ 27.20	28.65	per lamp
	400 watts (50,000 lumens).....	\$ 29.46	29.51	per lamp

BASE FUEL RATE

The Company has added a new section to Tariff S.L. creating a separate base fuel charge:

Customers receiving service under this tariff will receive bills calculated using per lamp and base fuel charges. The base fuel charge will be calculated each month by multiplying the approved base fuel amount set forth in the Company's Fuel Adjustment Clause tariff by the relevant monthly KWH value set forth in the monthly KWH table included below in the Adjustment Clauses section of this tariff.

SPECIAL TERMS AND CONDITIONS.

Kentucky Power added a requirement that the customer's account balances must be current before the installation of new or additional lights.

TARIFF C.A.T.V.
(Cable Television Pole Attachment)

RATE

Charge for attachments on a two-user pole.....	\$7.21	11.97	per attachment per year
Charge for attachments on a three-user pole.....	\$4.47	7.42	per attachment per year

DEFAULT OR NON-COMPLIANCE.

The Company added language authorizing it to remove attachments where the Company has terminated an operator's right of attachment and the operator fails to remove the attachments within thirty days of termination. The Company shall recover its expenses for removing attachments in this instance from the operator. The Company has no obligation to store or recover any value for the removed attachments.

TARIFF COGEN/SPP I
(Cogeneration and/or Small Power Production - 100KW or Less)

ADDITIONAL CHARGES.

There shall be additional charges to cover the cost of special metering, safety equipment and other local facilities installed by the Company due to COGEN/SPP facilities, as follows:

Monthly Metering Charge

The additional monthly charge for special metering facilities shall be as follows:

Option 1 -	Not Applicable.		
Options 2 & 3 -	Where meters are used to measure the excess or total energy and average on-peak capacity purchased by the Company:		
		Single Phase	Polypphase

Standard Measurement	\$ 8.45	9.25	\$ 10.65	12.10
T.O.D. Measurement	\$ 8.70	9.85	\$ 10.95	12.40

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MONTHLY CREDITS OR PAYMENTS FOR ENERGY AND CAPACITY DELIVERIES.

Energy Credit

The following credits or payments from the Company to the customer shall apply for the electrical energy delivered to the Company:

Standard Meter - All KWH	8.79¢	3.24¢/KWH
T.O.D. Meter		
On-Peak KWH	4.64¢	3.86¢/KWH
Off-Peak KWH	8.18¢	2.79¢/KWH

Capacity Credit

If the customer contracts to deliver or produce a specified excess or total average capacity during the monthly billing period (monthly contract capacity), or a specified excess or total average capacity during the on-peak monthly billing period (on-peak contract capacity), then the following capacity credits or payment from the Company to the customer shall apply:

If standard energy meters are used,

- A. ~~8.54~~ \$ 3.11/KW/month, times the lowest of:
- (1) monthly contract capacity, or
 - (2) current month metered average capacity, i.e., KWH delivered to the Company or produced by COGEN/SPP facilities divided by 730, or
 - (3) lowest average capacity metered during the previous two months if less than monthly contract capacity.

If T.O.D. energy meters are used,

- B. ~~66.49~~ \$7.47/KW/month, times the lowest of:
- (1) on-peak contract capacity, or
 - (2) current month on-peak metered average capacity, i.e., on-peak KWH delivered to the Company or produced by COGEN/SPP facilities divided by 305 or
 - (3) lowest on-peak average capacity metered during the previous two months, if less than on-peak contract capacity.

The above energy and capacity credit rates are subject to revisions from time to time as approved by the Commission.

**TARIFF COGEN/SPP II
 (Cogeneration and/or Small Power Production – Over 100KW)**

ADDITIONAL CHARGES.

There shall be additional charges to cover the cost of special metering, safety equipment and other local facilities installed by the Company due to COGEN/SPP facilities, as follows:

Monthly Metering Charge

The additional monthly charge for special metering facilities shall be as follows:

Option 1 -	Not Applicable.	
Options 2 & 3-	Where meters are used to measure the excess or total energy and average on peak capacity purchased by the Company:	
	<u>Single Phase</u>	<u>Polyphase</u>
Standard Measurement	\$ 8.15	9.25
T.O.D. Measurement	\$ 8.70	9.85
	\$ 40.65	12.10
	\$ 49.05	12.40

MONTHLY CREDITS OR PAYMENTS FOR ENERGY AND CAPACITY DELIVERIES.

Energy Credit

The following credits or payments from the Company to the customer shall apply for the electrical energy delivered to the Company:

Standard Meter - All KWH	8.79¢	3.24¢/KWH
T.O.D. Meter		
On-Peak KWH	4.64¢	3.86¢/KWH
Off-Peak KWH	8.18¢	2.79¢/KWH

Capacity Credit

If the customer contracts to deliver or produce a specified excess or total average capacity during the monthly billing period (monthly contract capacity), or a specified excess or total average capacity during the on-peak monthly billing period (on-peak contract capacity), then the following capacity credits or payment from the Company to the customer shall apply:

If standard energy meters are used,

- A. ~~8.54~~ \$3.11/KW/month, times the lowest of:
- (1) monthly contract capacity, or
 - (2) current month metered average capacity, i.e., KWH delivered to the Company or produced by COGEN/SPP facilities divided by 730, or
 - (3) lowest average capacity metered during the previous two months if less than monthly contract capacity.

If T.O.D. energy meters are used,

- B. ~~66.49~~ \$7.47/KW/month, times the lowest of:
- (1) on-peak contract capacity, or
 - (2) current month on-peak metered average capacity, i.e., on-peak KWH delivered to the Company or produced by COGEN/SPP facilities divided by 305, or
 - (3) lowest on-peak average capacity metered during the previous two months, if less than on-peak contract capacity.

The above energy and capacity credit rates are subject to revisions from time to time as approved by the Commission.

**TARIFF S.S.C.
 (System Sales Clause)**

Kentucky Power is modifying the System Sales Clause tariff to establish an annual system sales adjustment factor in place of a monthly system sales adjustment factor and is modifying the system sales adjustment factor formula to include an over or under-recovery amount. The Company will file with the Commission annual updates no later than August 15 of each year to reestablish the annual system sales adjustment factor. The annual system sales adjustment factor will be set at zero until adjusted with the August 15, 2018 filing.

RATE

3. The base monthly annual/net revenues from system sales are as follows \$7,163,948.

Billing Month	System Sales (Total Company Basis)
January	\$ 1,551,507
February	1,443,908
March	1,372,664
April	1,219,883
May	1,238,911
June	1,171,198
July	1,089,696
August	1,091,614
September	1,099,250
October	1,151,741
November	1,188,760
December	1,136,496
	\$15,136,600

**TARIFF T.S.
 (Temporary Service)**

AVAILABILITY OF SERVICE.

The Company clarified that customers must demonstrate to the Company's satisfaction that service under this tariff will be temporary in nature.

CHARGES.

The Company added language clarifying that customers taking temporary service will be charged a minimum charge based on the Company's actual cost of installation, connection, disconnection, and removal of the facilities necessary to provide temporary service. Payment of this charge will be required in advance.

TERM.

The Company modified this provision to indicate that temporary service is available for an initial term of 180 days. The Company may grant 90-day extensions based on the customer's demonstrated need for additional temporary service.

**TARIFF N.U.G.
 (Non-Utility Generator)**

The Company modified Tariff N.U.G. to eliminate the notice requirement prior to passing through congestion charges relating to providing start up power to a customer taking service under this tariff and to clarify the requirement to take service under the Open Access Transmission Tariff for remote self-supply.

RATE.

The Company has updated the Base Period Revenue Requirement as follows:

2. Base Period Revenue Requirement, BRR

BRR = The Following Monthly Amounts:

Billing Month	Base Net Environmental Costs
JANUARY	\$ 2,646,292 4,136,938
FEBRUARY	2,624,600 4,052,130
MARCH	2,796,994 3,658,141
APRIL	2,796,854 4,164,851
MAY	2,782,269 4,093,983
JUNE	2,783,698 4,323,338
JULY	2,446,840 4,243,526
AUGUST	2,164,448 4,382,364
SEPTEMBER	2,226,274 4,118,637
OCTOBER	2,982,956 4,303,417
NOVEMBER	2,895,969 4,193,118
DECEMBER	\$ 2,676,968 4,356,104
	\$ 24,082,677 60,226,547

The Company revised Tariff E.S. to include a reference to the Company's 2017 Environmental Compliance Plan, the approved projects contained therein, and the revised return on equity.

**RIDER G.P.O.
(Green Pricing Option Rider)**

Kentucky Power has changed the name of Rider G.P.O. to the Renewable Power Option Rider ("Rider R.P.O.") Kentucky Power has also modified the language of the tariff to expand the categories of renewable energy credits available and to allow customers to directly purchase the environmental attributes from a renewable energy generator through a bilateral contract with the Company.

RATE

Charge (\$ per 100 kWh block): \$2.00/month

A1 Solar RECs:

Block Purchase: Charge (\$ per 100 KWH block): \$ 1.00/month
All Usage Purchase: Charge: \$0.010/KWh consumed

A2 Wind RECs:

Block Purchase: Charge (\$ per 100 KWH block): \$ 1.00/month
All Usage Purchase: Charge: \$0.010/KWh consumed

A3 Hydro & Other RECs:

Block Purchase: Charge (\$ per 100 KWh block): \$ 0.30/month
All Usage Purchase: Charge: \$0.003/KWh consumed

**RIDER A.F.S.
(Alternate Feed Service Rider)**

TRANSFER SWITCH PROVISION.

Existing AFS customers, who receive basic service at primary voltage and are served via a Company-owned transfer switch and control module, may elect for the Company to continue ownership of the transfer switch. When the Company-owned transfer switch and/or control module requires replacement, and the customer desires to continue the AFS, the customer shall pay the Company the total cost to replace such equipment which shall be grossed up for federal and state taxes, assessment fees and gross receipts taxes. In addition, the customer shall pay a monthly rate of \$14.25 \$14.67 for the Company to annually test the transfer switch / control module and the customer shall reimburse the Company for the actual costs involved in maintaining the Company-owned transfer switch and control module.

MONTHLY AFS CAPACITY RESERVATION DEMAND CHARGE.

Monthly AFS charges will be in addition to all monthly basic service charges paid by the customer under the applicable tariff.

The Monthly AFS Capacity Reservation Demand Charge for the reservation of distribution station and primary lines is \$6.76 \$5.86 per KW.

**TARIFF P.P.A.
(Purchase Power Adjustment)**

RATE

Kentucky Power has modified the calculation of net costs to be recovered under this tariff to add the difference between the base amount and current period amount of the following:

- Purchased power costs not otherwise recoverable under the Fuel Adjustment Clause;
- Gains and losses on incidental gas sales; and
- Net PJM load serving entity open access transmission tariff charges.

In addition, Kentucky Power is modifying the Purchase Power Adjustment tariff to establish an annual purchase power adjustment factor in place of a monthly purchase power adjustment factor. Under the modified Purchase Power Adjustment tariff, the Company will utilize customer class specific annual purchase power adjustment factors. The Company will file with the Commission annual updates no later than August 15 of each year to re-establish the annual purchase power adjustment factors. The annual purchase power adjustment factor will be set at zero until adjusted with the August 15, 2018 filing. The base amount of net costs to be used in the calculation of the annual purchase power adjustment factor is \$79,076,785.

**BIG SANDY RETIREMENT RIDER
(B.S.R.R.)**

The Company has renamed the Big Sandy Retirement Rider as the Decommissioning Rider (D.R.) to avoid confusion regarding the purpose of the rider.

NEW TARIFFS

Kentucky Power is proposing the following new tariffs. For each customer class tariff where these new tariffs apply, language has been added to identify their applicability.

**TARIFF R.S.D.
(Residential Demand-Metered Electric Service)**

AVAILABILITY OF SERVICE.

Available for residential electric service through one single-phase multiple-register demand meter. Availability is limited to the first 1,000 customers applying for service under this tariff.

MONTHLY RATE. (Tariff Code 018)

Service Charge	\$17.50 per customer
Energy Charge	
All KWH used during on-peak billing period	13.747 c per KWH
All KWH used during off-peak billing period	7.418 c per KWH
Demand Charge	\$4.44 for each KW of monthly billing demand

For the purpose of this tariff, the on-peak billing period is defined as follows:

Months of October – May7:00 A.M. to 11:00 A.M. for all weekdays
Months of June – September4:00 PM to 9:00 PM for all weekdays

The off-peak billing period is defined as all weekday hours not defined above as on-peak hours and all hours of Saturday and Sunday.

MINIMUM CHARGE.

This tariff is subject to a minimum monthly charge equal to the Service Charge.

ADJUSTMENT CLAUSES.

The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

Fuel Adjustment Clause	Sheet No. 5
System Sales Clause	Sheet No. 19
Franchise Tariff	Sheet No. 20
Demand-Side Management Adjustment Clause	Sheet No. 22
Kentucky Economic Development Surcharge	Sheet No. 24
Home Energy Assistance Program	Sheet No. 25
Capacity Charge	Sheet No. 28
Environmental Surcharge	Sheet No. 29
School Tax	Sheet No. 33
Purchase Power Adjustment	Sheet No. 35
Decommissioning Rider	Sheet No. 38

MONTHLY BILLING DEMAND.

Customer's demand will be taken monthly to be the highest registration of a 60 minute integrating demand meter or indicator during the on-peak billing period.

DELAYED PAYMENT CHARGE.

Bills under this tariff are due and payable within fifteen (15) days of the mailing date. On all accounts not paid in full by the next billing date, an additional charge of 5% of the unpaid portion will be made.

SPECIAL TERMS AND CONDITIONS.

This tariff is subject to the Company's Terms and Conditions of Service.

This tariff is available for single-phase residential service. Where the residential customer requests three-phase service, this tariff will apply if the residential customer pays to the Company the difference between constructing single-phase service and three-phase service. Where motors or heating equipment are used for commercial or industrial purposes, the applicable general service tariff will apply to such service.

Customers with PURPA Section 210 qualifying cogeneration and/or small power production facilities shall take service under Tariff COGEN/SPP I or by special agreement with the Company.

TARIFF G.S.
 (General Service)

AVAILABILITY OF SERVICE.

Available for general service customers. Customers may continue to qualify for service under this tariff until their normal maximum demand exceeds 100 KW (excluding the demand served by the Load Management Time-of-Day provision).

Existing customers not meeting the above criteria will be permitted to continue service under present conditions only for continuous service at the premises occupied on or prior to December 5, 1984.

RATE.

Tariff Code	Service Voltage	Demand Charge (\$/KW)	First 4,450 kWh (¢/kWh)	Over 4,450 kWh (¢/kWh)	Monthly Service Charge (\$)
211, 212, 215, 216, 218	Secondary	7.84	10.483	10.355	22.50
217, 220	Primary	7.08	9.379	9.254	75.00
236	Subtransmission	5.75	7.667	7.544	364.00

The Demand Charge shall apply to all monthly billing demand in excess of 10 KW.

MINIMUM CHARGE.

This tariff is subject to a minimum charge equal to the sum of the service charge plus the demand charge multiplied by the monthly billing demand in excess of 10 KW.

ADJUSTMENT CLAUSES.

The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

Fuel Adjustment Clause	Sheet No. 5
System Sales Clause	Sheet No. 19
Franchise Tariff	Sheet No. 20
Demand-Side Management Adjustment Clause	Sheet No. 22
Kentucky Economic Development Surcharge	Sheet No. 24
Capacity Charge	Sheet No. 28
Environmental Surcharge	Sheet No. 29
School Tax	Sheet No. 33
Purchase Power Adjustment	Sheet No. 35
Decommissioning Rider	Sheet No. 38

DELAYED PAYMENT CHARGE.

This tariff is due and payable in full on or before the due date stated on the bill. On all accounts not so paid, an additional charge of 5% of the unpaid balance will be made.

METERED VOLTAGE.

The rates set forth in this tariff are based upon the delivery and measurements of energy at the same voltage, thus measurement will be made at or compensated to the delivery voltage. At the sole discretion of the Company, such compensation may be achieved through the use of loss compensating equipment, the use of formulas to calculate losses, or the application of multipliers to the metered quantities. In such cases, the metered KWH and KW values will be adjusted for billing purposes. If the Company elects to adjust KWH and KW based on multipliers, the adjustment shall be in accordance with the following:

- (1) Measurements taken at the low-side of a Customer-owned transformer will be multiplied by 1.01.
- (2) Measurements taken at the high-side of a Company-owned transformer will be multiplied by 0.98.

MONTHLY BILLING DEMAND.

Energy supplied hereunder will be delivered through not more than one single phase and/or polyphase meter. Customer's demand will be taken monthly to be the highest registration of a 15-minute integrating demand meter or indicator, or the highest registration of a thermal type demand meter. The monthly billing demand shall be the greater of: (1) Customer's metered KW demand, (2) 60% of the Customer's contract capacity in excess of 100 KW, or (3) 80% of the customer's highest previously established monthly billing demand during the past 11 months in excess of 100 KW.

The Company reserves the right to install a demand meter on any customer receiving service under this tariff. A demand meter will be installed by the Company for customers with monthly kWh usage of 4,450 kWh or greater.

RECREATIONAL LIGHTING SERVICE PROVISION.

Available for service to customers with demands of 5 KW or greater and who own and maintain outdoor lighting facilities and associated equipment utilized at baseball diamonds, football stadiums, parks and other similar recreational areas. This service is available only during the hours between sunset and sunrise. Daytime use of energy under this rate is strictly forbidden except for the sole purpose of testing and maintaining the lighting system. All Terms and Conditions of Service applicable to Tariff G.S. customers will also apply to recreational lighting customers except for the Availability of Service.

RATE. (Tariff Code 214)

Service Charge	\$22.50 per month
Energy Charge	11.081¢ per KWH

LOAD MANAGEMENT TIME-OF-DAY PROVISION. (Tariff Code 223, 225)

Available to customers who use energy storage devices with time-differentiated load characteristics approved by the Company which consume electrical energy only during off-peak hours specified by the Company and store energy for use during on-peak hours, and who desire to receive service under this provision for their total requirements.

Customers who desire to separately wire their load management load to a time-of-day meter and their general-use load to a standard meter shall receive service for both under the appropriate provision of this tariff.

RATE.

Service Charge	\$22.50 per month
Energy Charge:	
All KWH used during on-peak billing period	17.364¢ per KWH
All KWH used during off-peak billing period	6.418¢ per KWH

For the purpose of this tariff, the on-peak billing period is defined as 7:00 A.M. to 9:00 P.M. for all weekdays, Monday through Friday. The off-peak billing period is defined as 9:00 P.M. to 7:00 A.M. for all weekdays and all hours of Saturday and Sunday.

OPTIONAL UNMETERED SERVICE PROVISION.

Available to customers who qualify for Tariff G.S., have a demand of less than 10KW, and use the Company's service for commercial purposes consisting of small fixed electric loads such as traffic signals and signboards which can be served by a standard service drop from the Company's existing secondary distribution system. This service will be furnished at the option of the Company.

Each separate service delivery point shall be considered a contract location and shall be separately billed under the service contract. In the event one Customer has several accounts for like service, the Company may meter one account to determine the appropriate kilowatt-hour usage applicable for each of the accounts.

The Customer shall furnish switching equipment satisfactory to the Company. The Customer shall notify the Company in advance of every change in connected load, and the Company reserves the right to inspect the customer's equipment at any time to verify the actual load. In the event of the customer's failure to notify the Company of an increase in load, the Company reserves the right to refuse to serve the contract location thereafter under this provision, and shall be entitled to bill the customer retroactively on the basis of the increased load for the full period such load was connected, or the earliest date allowed by Kentucky statute, whichever is applicable.

Calculated energy use per month shall be equal to the contract capacity specified at the contract location times the number of days in the billing period times the specified hours of operation. Such calculated energy shall then be billed at the following rates:

RATE. (Tariff Codes 204 (Metered), 213 (Unmetered))

Customer Charge	\$13.50 per month
Energy Charge:	
First 500 KWH per month	10.483¢ per KWH
All Over 500 KWH per month	10.355¢ per KWH

TERM OF CONTRACT.

Contracts under this tariff may be required of customers. Contracts under this tariff will be made for an initial period of not less than 1 (one) year and shall remain in effect thereafter until either party shall give at least 6 months' written notice to the other of the intention to terminate the contract. The Company will have the right to make contracts for periods of longer than 1 (one) year.

SPECIAL TERMS AND CONDITIONS.

This tariff is subject to the Company's Terms and Conditions of Service.

This tariff is also available to Customers having another source of energy supply but who desire to purchase standby or back-up electric service from the Company. Where such conditions exist the Customer shall contract for the maximum demand in KW which the Company might be required to furnish, but no less than 10 KW. The Company shall not be obligated to supply demands in excess of that contracted for. Where service is supplied under the provisions of this paragraph, the billing demand each month shall be the highest determined for the current and previous two billing periods, and the minimum charge shall be as set forth under paragraph "Minimum Charge" above.

This tariff is available for resale service to mining and industrial customers who furnish service to customer-owned camps or villages where living quarters are rented to employees and where the Customer purchases power at a single point of both their power and camp requirements.

Customers with PURPA Section 210 qualifying cogeneration and/or small power production facilities shall take service under Tariff COGEN/SPP I or II or by special agreement with the Company.

TARIFF K.E.D.S.
 (Kentucky Economic Development Surcharge)

Proceeds of the surcharge and matching Company contributions will be used to fund economic development programs and activities as determined by the Company within the 20 counties comprising Kentucky Power's certified territory.

Applicable.

To Tariffs R.S., R.S.D., R.S.-L.M.-T.O.D., R.S.-T.O.D.2, R.S.-T.O.D., S.G.S.-T.O.D., G.S., M.G.S.-T.O.D., L.G.S., L.G.S.-T.O.D., I.G.S., C.S.-Coal, C.S.-I.R.P., M.W.

Rate.

60-15 \$0.25 per month per account.

TARIFF H.E.A.P.
 (Home Energy Assistance Program)

Proceeds of the charge and matching Company contributions will be used to provide financial assistance to low-income residential customers for electric bills during peak heating (December, January, February, and March) and cooling (July, August, and September) months.

Applicable.

To Tariffs R.S., R.S. D., R.S.-L.M.-T.O.D., R.S.-T.O.D.2., R.S.-T.O.D.

Rate.

\$0-15 \$0.20 per month per residential account

EFFECT OF PROPOSED CHANGE IN CUSTOMER RATES

If approved as filed, the Company's proposed changes to its rates and tariffs will result in a proposed annual increase in electric revenues for Kentucky Power of approximately 11.86%. Kentucky Power's proposal also includes an update to the Company's Environmental Compliance Plan ("Plan"). If the updated Plan is approved, the Company will recover costs with the new environmental control projects included in the Plan through the environmental surcharge. With the costs of the new environmental control projects included in the Plan, Kentucky Power's proposed annual increase in electric revenues will be approximately 12.56%. The estimated annual revenue increase per customer class is as follows:

Customer Classification	Current Revenue	General Rate Increase*			Total Increase**		
		Proposed Revenue	Proposed Increase	Percent Change	Proposed Revenue	Proposed Increase	Percent Change
R.S.	\$232,952,481	\$270,431,039	\$37,478,558	16.09%	\$272,182,724	\$39,230,243	16.84%
S.G.S. - T.O.D.	\$123,507	\$141,245	\$17,738	14.36%	\$142,393	\$18,886	15.29%
M.G.S. - T.O.D.	\$411,941	\$446,302	\$34,361	8.34%	\$449,519	\$37,578	9.12%
S.G.S.***	\$21,248,222	\$22,106,822	\$7,558,600	8.75%	\$23,280,039	\$2,031,816	9.56%
M.G.S.***	\$59,833,848	\$65,691,477	\$5,857,629	9.79%	\$66,169,726	\$6,334,889	10.59%
G.S.***	\$81,082,069	\$88,798,299	\$7,716,229	9.52%	\$89,448,774	\$8,366,704	10.32%
L.G.S.	\$57,443,992	\$62,280,742	\$4,836,750	8.42%	\$62,711,438	\$5,267,446	9.17%
K-12 School****	\$13,123,224	\$14,869,783	\$1,746,559	13.31%	\$14,974,649	\$1,851,425	14.11%
I.G.S.	\$157,911,866	\$170,769,361	\$12,857,495	8.14%	\$171,633,349	\$13,721,483	8.69%
M.W.	\$221,405	\$237,892	\$16,487	7.45%	\$239,496	\$18,091	8.17%
O.L.	\$8,994,564	\$9,843,414	\$859,850	9.56%	\$9,925,431	\$940,867	10.47%
S.L.	\$1,845,931	\$1,755,783	\$109,852	6.67%	\$1,769,144	\$123,213	7.49%
C.A.T.V. 2 User	\$452,925	\$751,943	\$299,018	66.02%	\$751,943	\$299,018	66.02%
C.A.T.V. 3 User	\$353,586	\$586,937	\$233,351	66.00%	\$586,937	\$233,351	66.00%
COGEN/SPP I	N/A	N/A	N/A	N/A	N/A	N/A	N/A
COGEN/SPP II	N/A	N/A	N/A	N/A	N/A	N/A	N/A

* Includes base rate increase and increase associated with Tariffs KEDS (for all customer classes) and HEAP (for the residential customer class).

** Includes general rate increase and increase associated with updates to environmental compliance plan.

*** The italicized values in the row labeled S.G.S., M.G.S., and G.S. are illustrative only. The Company is proposing to combine current Tariffs S.G.S. and M.G.S. into a new Tariff G.S. The "proposed revenues," "proposed increase," and "percent change" values shown above for the S.G.S. and M.G.S. classes are illustrative and reflect the application of the proposed Tariff G.S. rates to customers currently taking service under Tariffs S.G.S. and M.G.S. Because Kentucky Power is proposing to eliminate Tariffs S.G.S. and M.G.S., service will not be available under those classes if the Company's application is approved. In that case, customers receiving service under Tariffs S.G.S. and M.G.S. will only be offered service under Tariff G.S. The "current revenue" value shown for Tariff G.S., which currently is not authorized, likewise are for illustrative purposes.

**** The italicized values in the row labeled K-12 School are illustrative only. The Company is proposing to eliminate Pilot Tariff K-12 School. The "proposed revenues," "proposed increase," and "percent change" values shown above for the K-12 School class are illustrative and reflect the application of the proposed Tariff L.G.S. rates to customers currently taking service under Pilot Tariff K-12 School. Because Kentucky Power is proposing to eliminate Pilot Tariff K-12 School, service will not be available under that class if the Company's application is approved. In that case, customers receiving service under Pilot Tariff K-12 School will only be offered service under Tariff L.G.S. The values in the row labeled L.G.S. do not include the Pilot Tariff K-12 School customers that will take service under Tariff L.G.S. if the Company's application is approved.

The average monthly bill for each customer class to which the proposed electric rates will apply will increase approximately as follows:

Customer Class	Average Customer Usage (kWh)	Average Customer Demand (kW)	Present Average Billing	General Rate Increase*			Total Increase**		
				Proposed Average Billing	Average Billing Change	Average Percent Change	Proposed Average Billing	Average Billing Change	Average Percent Change
R.S.	1,247	—	\$142.20	\$165.08	\$22.88	16.09%	\$166.14	\$23.95	16.84%
S.G.S. - T.O.D.	329	—	\$69.92	\$85.09	\$15.17	14.36%	\$85.52	\$8.70	15.29%
M.G.S. - T.O.D.	3,876	—	\$445.34	\$482.49	\$37.15	8.34%	\$485.97	\$40.62	9.12%
S.G.S.***	456	—	\$73.61	\$80.05	\$6.44	8.75%	\$80.65	\$7.04	9.56%
M.G.S.***	5,664	14	\$742.05	\$814.70	\$72.65	9.79%	\$820.62	\$78.56	10.59%
G.S.***	1,593	14	\$219.56	\$240.46	\$20.89	9.52%	\$242.22	\$22.66	10.32%
L.G.S.	65,996	190	\$7,281.53	\$7,894.63	\$613.10	8.42%	\$7,949.23	\$667.70	9.17%
K-12 School****	57,991	222	\$6,750.63	\$7,649.07	\$898.44	13.31%	\$7,703.07	\$952.39	14.11%
I.G.S.	2,929,948	4,290	\$193,519.44	\$209,276.18	\$15,756.73	8.14%	\$210,034.99	\$16,815.54	8.69%
M.W.	16,601	15	\$1,845.04	\$1,882.43	\$137.39	7.45%	\$1,995.80	\$150.76	8.17%
O.L.	64	—	\$13.36	\$14.64	\$1.28	9.56%	\$14.76	\$1.40	10.47%
S.L.	58	—	\$11.58	\$12.35	\$0.77	6.67%	\$12.45	\$0.87	7.49%
C.A.T.V. 2 User	82,819	—	\$7.21	\$11.97	\$4.76	66.02%	\$11.97	\$4.76	66.02%
C.A.T.V. 3 User	79,102	—	\$4.47	\$7.42	\$2.95	66.00%	\$7.42	\$2.95	66.00%
COGEN/SPP I	No Customers	—	N/A	N/A	N/A	N/A	N/A	N/A	N/A
COGEN/SPP II	No Customers	—	N/A	N/A	N/A	N/A	N/A	N/A	N/A

* Includes base rate increase and increase associated with Tariffs KEDS (for all customer classes) and HEAP (for the residential customer class).

** Includes general rate increase and increase associated with updates to environmental compliance plan.

*** The italicized values in the row labeled S.G.S., M.G.S., and G.S. are illustrative only. The Company is proposing to combine current Tariffs S.G.S. and M.G.S. into a new Tariff G.S. The "proposed average billing," "average billing change," and "average percent change" values shown above for the S.G.S. and M.G.S. classes are illustrative and reflect the application of the proposed Tariff G.S. rates to customers currently taking service under Tariffs S.G.S. and M.G.S. Because Kentucky Power is proposing to eliminate Tariffs S.G.S. and M.G.S., service will not be available under those classes if the Company's application is approved. In that case, customers receiving service under Tariffs S.G.S. and M.G.S. will only be offered service under Tariff G.S. The "average customer usage," "average customer demand," and "present average billing" values shown for Tariff G.S., which currently is not authorized, likewise are for illustrative purposes and they represent the average of a single class combining Tariff S.G.S. and Tariff M.G.S.

**** The italicized values in the row labeled K-12 School are illustrative only. The Company is proposing to eliminate Pilot Tariff K-12 School. The "proposed average billing," "average billing change," and "average percent change" values shown above for the K-12 School class are illustrative and reflect the application of the proposed Tariff L.G.S. rates to customers currently taking service under Pilot Tariff K-12 School. Because Kentucky Power is proposing to eliminate Pilot Tariff K-12 School, service will not be available under that class if the Company's application is approved. In that case, customers receiving service under Pilot Tariff K-12 School will only be offered service under Tariff L.G.S. The values in the row labeled L.G.S. do not include the Pilot Tariff K-12 School customers that will take service under Tariff L.G.S. if the Company's application is approved.

Kentucky Power's application and exhibits in this case are available for public inspection, during normal business hours, at Kentucky Power's offices located at 855 Central Avenue, Suite 200, Ashland, KY 41101; 12333 Kevin Avenue, Ashland, KY 41102; 101A Enterprise Drive, Frankfort, KY 40601; 1400 E. Main St. Hazard, KY 41701; and 3249 North Mayo Trail Pikeville, KY 41501. Additionally, the application and exhibits in this case are available for public inspection on the Company's website: www.kentuckypower.com.

The application, testimony and other related filings are also available for public inspection between the hours of 8:00 a.m. to 4:30 p.m., Monday through Friday, at the Commission's offices located at 211 Sower Boulevard, Frankfort, Kentucky and may be found on the Commission's website: <http://psc.ky.gov> at Case No. 2017-00179.

Written comments on Kentucky Power's application and the proposed rates may be submitted to the Commission by mail to Public Service Commission, P. O. Box 615, Frankfort, Kentucky 40602-0615 or via the Commission's website: <http://psc.ky.gov>.

The Company is not proposing to modify other rates and charges not included in this Notice. The rates contained in this notice are the rates proposed by Kentucky Power. The Public Service Commission may order rates to be charged that differ from the proposed rates in this notice. Such action by the Commission may result in rates for customers other than the rates contained in this notice.

Any person may submit a timely written request for intervention in Case No. 2017-00179. The motion shall be submitted to the Public Service Commission, P. O. Box 615, Frankfort, Kentucky 40602-0615, and shall establish the grounds for the request, including the status and interest of the party. If the Commission does not receive a written request for intervention within thirty days of the initial publication of this notice, the Commission may take final action on the application.

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

Electronic Application Of Kentucky Power)
Company For (1) A General Adjustment Of Its)
Rates For Electric Service; (2) An Order)
Approving Its 2017 Environmental Compliance)
Plan; (3) An Order Approving Its Tariffs And) Case No. 2017-00179
Riders; (4) An Order Approving Accounting)
Practices To Establish Regulatory Assets And)
Liabilities; And (5) An Order Granting All Other)
Required Approvals And Relief)

Certification Of Compliance With Notice And Posting Requirements

John A. Rogness III, Director Regulatory Services, Kentucky Power Company, a utility furnishing retail electric service within the Commonwealth of Kentucky, certifies the following:

1. On June 28, 2017, Kentucky Power Company filed an Application with the Public Service Commission of Kentucky for approval of an adjustment of its electric rates, terms and conditions of Kentucky Power Company, and seeking certain other relief.

2. In connection with its application Kentucky Power provided the following notices:

(a) Filed with the Public Service Commission on April 26, 2017 its Notice of Intent in accordance with the requirements of 807 KAR 5:001, Section 16(2) and KRS 278.183(2). A copy of the notice of intent also was provided on April 26, 2017 electronically and by United States mail to the Office of the Attorney General, Office of Rate Intervention in

accordance with 807 KAR 5:001, Section 16(2)(c). It also was provided electronically to all intervenors in Case No. 2014-00396. By order dated May 24, 2017 the Commission granted Kentucky Power's motion for leave for a deviation authorizing the Company to file its application on or before June 28, 2017 in connection with the April 26, 2017 notice of intent.

(b) The Customer Notice required by 807 KAR 5:001, Section 17(2) and 807 KAR 5:011, Section 8(2) will be published once a week for three consecutive weeks in a prominent manner in newspapers of general circulation in Kentucky Power's service area, with the first publication on or before the date of this application is filed with the Commission. The Customer Notice was first published beginning the week of June 19, 2017. An affidavit verifying the contents of the published notice, that the notice was published, and the dates of publication will be filed in accordance with 807 KAR 5:001, Section 17(3)(b) and 807 KAR 5:011, Section 8(3)(b) within 45 days of the date this Application is submitted to the Commission.

(c) On or before June 28, 2017 made the public posting required by 807 KAR 5:001, Section 17(1)(a) and 807 KAR 5:011, Section 8(a) at each of the offices listed below. The Company also is providing a copy of the Application for public inspection at Kentucky Power's corporate offices and distribution operations centers at the following locations:

- (i) Ashland Corporate Office, 855 Central Avenue, Suite 200, Ashland, Kentucky;
- (ii) Frankfort Regulatory Services Office, 101A Enterprise Drive, Frankfort, Kentucky;
- (iii) Canonsburg (Ashland) Service Center, 12333 Kevin Avenue, Ashland, Kentucky;
- (iv) Hazard Service Center, 1400 E. Main Street, Hazard, Kentucky;
and

(v) Pikeville Service Center, 3249 N. Mayo Trail, Pikeville, Kentucky.

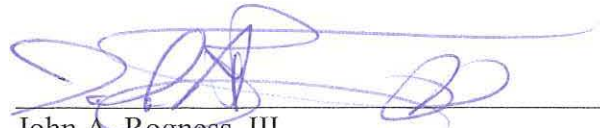
The public postings and copies of the Application will remain available for public inspection in conformity with the requirements of 807 KAR 5:001, Section 17(1)(c) and 807 KAR 5:011, Section 8(1)(c) until the Commission enters a final decision in this matter.

(d) On or before June 28, 2017 posted on its Web site (<https://www.kentuckypower.com>) the information and hyperlink required by 807 KAR 5:001, Section 17(1)(b) and 807 KAR 5:011, Section 8(1)(b). This information will remain available for public access and inspection in conformity with the requirements of 807 KAR 5:001, Section 17(1)(c) and 807 KAR 5:011, Section 8(1)(c) on Kentucky Power's website until the Commission enters a final decision in this matter.

3. The customer notice and public posting described in paragraphs 2(b) and 2(c) of this certification conformed to and contained the information required by 807 KAR 5:001, Section 17(4) and 807 KAR 5:011, Section 8(4).

4. The Customer Notice identified in paragraph 2 above and attached hereto contains a clear and concise explanation of the proposed change in the rate schedule applicable to each customer class; pursuant to 807 KAR 5:001, Section 16(3) and 807 KAR 5:011, Section 8(5) the notice is deemed a substitute for the notice required by 807 KAR 5:051, Section 2.

Given under my hand this 28th day of June, 2017.



John A. Rogness, III
Director Regulatory Services
Kentucky Power Company
101A Enterprise Dr.
Frankfort, KY 40601

RECEIVED

APR 26 2017

PUBLIC SERVICE
COMMISSION

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

Electronic Application Of Kentucky Power)
Company For (1) A General Adjustment Of Its)
Rates For Electric Service; (2) An Order)
Approving Its 2017 Environmental Compliance)
Plan; (3) An Order Approving Its Tariffs And)
Riders; (4) An Order Approving Accounting)
Practices To Establish Regulatory Assets And)
Liabilities; And (5) An Order Granting All Other)
Required Approvals And Relief)

Case No. 2017-00__

Notice Of Intent

Pursuant to 807 KAR 5:001, Section 16(2), KRS 278.183(2), and all other applicable statutory provisions and regulations, Kentucky Power Company gives notice of its intent to file on or before May 26, 2017 an application seeking: (1) a general adjustment of its electric rates; (2) approval of its 2017 environmental compliance plan; (3) approval of its tariffs and riders, including its amended environmental cost recovery surcharge tariff (Tariff E.S.) to recover the costs associated with the environmental cost recovery plan; (4) approval of accounting practices to establish regulatory assets and liabilities; and (5) all other required approvals and relief. The Company's 2017 environmental compliance plan will supplement and modify Kentucky Power Company's existing environmental compliance plan.

The general adjustment of Kentucky Power Company's rates for electric service will be supported by Kentucky Power Company's historical test year for the twelve months ended February 28, 2017.

A copy of this notice of intent has been transmitted by United States mail to the Attorney General, Office of Rate Intervention, Public Service Litigation Branch, 700 Capitol Avenue, Suite 20, Frankfort, KY 40601, and in a portable document format by electronic mail to the Attorney General's Office of Rate Intervention at rateintervention@ky.gov¹ and Rebecca.Goodman@ky.gov. A copy of this notice of intent also has been transmitted via electronic mail to the other intervenors in the Company's last general rate case, Case No. 2014-00396:

Michael L. Kurtz
Kurt J. Boehm
Jody Kyler Cohn
Boehm, Kurtz & Lowry
36 East Seventh Street, Suite 1510
Cincinnati, Ohio 45202
mkurtz@bkllawfirm.com
kBoehm@bkllawfirm.com
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Matthew R. Malone
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1100 Bent Creek Blvd., Suite 101
Mechanicsburg, PA 17050
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charris@spilmanlaw.com

Kentucky Power Company contemporaneously is filing its Notice of Election to Use Electronic Filing Procedures.

¹ The address above is being used in lieu of the address specified in 807 KAR 5:001, Section 16(2) in light of the notice of change in the address of the Attorney General's general mail box identified by former Assistant Attorney General Hans on October 24, 2014. Ms. Goodman, who currently heads the Attorney General's Office of Rate Intervention, also is being served to ensure notice is received.

Respectfully submitted,



Mark R. Overstreet
Katie M. Glass
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kgish@stites.com

COUNSEL FOR KENTUCKY POWER
COMPANY



NOTICE OF ELECTION OF USE OF ELECTRONIC FILING PROCEDURES

(Complete All Shaded Areas and Check Applicable Boxes)

APR 26 2017

PUBLIC SERVICE COMMISSION

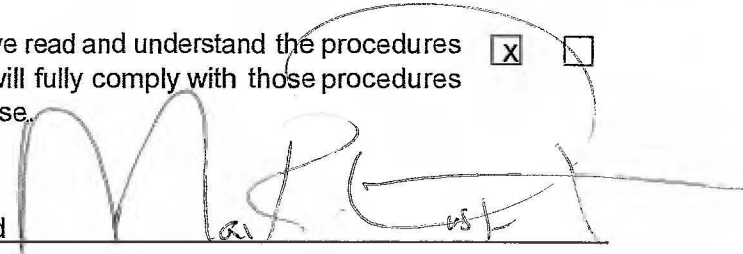
In accordance with 807 KAR 5:001, Section 8, Kentucky Power Company gives notice of its intent to file an application for (See attached caption) with the Public Service Commission no later than May 26, 2017 and to use the electronic filing procedures set forth in that regulation.

Kentucky Power Company further states that:

- 1. It requests that the Public Service Commission assign a case number to the intended application and advise it of that number as soon as possible; Yes No
- 2. It or its authorized representatives have registered with the Public Service Commission and are authorized to make electronic filings with the Public Service Commission; Yes No
- 3. Neither it nor its authorized representatives have registered with the Public Service Commission for authorization to make electronic filings but will do so no later than seven days before the date of its filing of its application for rate adjustment; Yes No N/A
- 4. It or its authorized agents possess the facilities to receive electronic transmissions; Yes No
- 5. The following persons are authorized to make filings on its behalf and to receive electronic service of Public Service Commission orders and any pleadings filed by any party or the Public Service Commission Staff:

Name	Electronic Mail Address
Kentucky Power Regulatory	<u>kentucky_regulatory_services@aep.com</u>
Ranie K. Wohnhas	<u>rkwohnhas@aep.com</u>
(see attached list)	

- 6. It and its authorized representatives listed above have read and understand the procedures for electronic filing set forth in 807 KAR 5:001 and will fully comply with those procedures unless the Public Service Commission directs otherwise. Yes No

Signed 

Name: Mark R. Overstreet
 Title: Attorney For Kentucky Power Company
 Address: 421 West Main Street, P.O. Box 634
 Frankfort, Kentucky 40602-0634
 Telephone Number: (502) 223-3477

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF KENTUCKY)	
POWER COMPANY FOR (1) A GENERAL)	
ADJUSTMENT OF ITS RATES FOR ELECTRIC)	CASE NO.
SERVICE; (2) AN ORDER APPROVING ITS 2017)	2017-00179
ENVIRONMENTAL COMPLIANCE PLAN; (3) AN)	
ORDER APPROVING ITS TARIFFS AND RIDERS;)	
(4) AN ORDER APPROVING ACCOUNTING)	
PRACTICES TO ESTABLISH REGULATORY)	
ASSETS AND LIABILITIES; AND (5) AN ORDER)	
GRANTING ALL OTHER REQUIRED APPROVALS)	
AND RELIEF)	

ORDER

On April 26, 2017, Kentucky Power filed its notice of intent to file a rate application. On May 22, 2017, Kentucky Power Company ("Kentucky Power"), filed a motion requesting to deviate from certain rate application filing requirements.

In its motion, Kentucky Power requests permission to deviate from 807 KAR 5:001, Section 12(1)(a), which requires the submission of a detailed financial exhibit for the 12-month period ending not more than 90 days prior to the date of its application. Kentucky Power requests to deviate by filing the required financial exhibit for a 12-month period ending 120 days, rather than 90 days, prior to the date of its application. As a basis for its request, Kentucky Power states that its rate application will be supported by a historical test period ending February 28, 2017, and it therefore prepared the financial exhibit based on a test year ended February 28, 2017, to permit Commission Staff to analyze comparable data in their review of the rate application. Kentucky Power explains that it

intended to file its rate application on May 26, 2017, in which case its financial exhibit would have complied with the 90-day period in 807 KAR 5:001, Section 12(1)(a). Kentucky Power also explains that it needs an additional 30 days to further scrutinize the application to minimize the risk of any errors. As a result, Kentucky Power states that the application will now be filed on or before June 28, 2017.

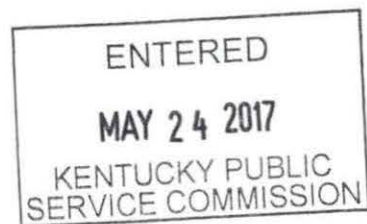
Also in its motion, Kentucky Power requested permission to deviate from 807 KAR 5:001, Section 16(2), which requires a utility to file notice of its intent to file a rate application at least 30 days but not more than 60 days prior to filing its application. Kentucky Power filed its notice of intent on April 26, 2017; the 60-day period expires Sunday, June 25, 2017. As detailed above, Kentucky Power determined that it needs additional time to review its application to minimize any potential errors in its filing. Kentucky Power states that if it files its application as planned on or before June 28, 2017, the application will be filed 63 days after the notice of intent was filed, which is a delay of three days beyond the regulatory notice requirement. As a basis for its motion, Kentucky Power contends that granting the deviation will not prejudice the Commission, intervenors, or Kentucky Power's customers. Kentucky Power has arranged for public notice in newspapers of general circulation in its service territory for three consecutive weeks, beginning at least one week prior to the proposed June 28, 2017 filing date.

807 KAR 5:001, Section 22, provides the Commission with the authority to permit deviations from its regulations for good cause shown. Having reviewed the motion and being otherwise sufficiently advised, the Commission finds that the requested deviations from 807 KAR 5:001, Section 12(1)(a), and 807 KAR 5:001, Section 16(2) are minor in

nature, will not prejudice the Commission or any party, and should be granted for good cause shown.

IT IS THEREFORE ORDERED that Kentucky Power's motion to deviate from the filing requirements of 807 KAR 5:001, Section 12(1)(a) and 807 KAR 5:001, Section 16(2)(a) is granted.

By the Commission



ATTEST:


Executive Director

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*Kenneth J Gish, Jr.
Stites & Harbison
250 West Main Street, Suite 2300
Lexington, KENTUCKY 40507

Customer Class	Average Customer Usage (kWh)	Average Customer On Peak Billing Demand (kW)	Present Average Billing	General Rate Increase*			Total Increase**		
				Proposed Average Billing	Average Billing Change	Average Percent Change	Proposed Average Billing	Average Billing Change	Average Percent Change
R.S.	1,247	-	\$ 142.20	\$ 165.08	\$ 22.88	16.09%	\$ 166.14	\$ 23.95	16.84%
S.G.S. – T.O.D.	328	-	\$ 56.92	\$ 65.09	\$ 8.17	14.36%	\$ 65.62	\$ 8.70	15.29%
M.G.S. – T.O.D	3,876	-	\$ 445.34	\$ 482.49	\$ 37.15	8.34%	\$ 485.97	\$ 40.62	9.12%
S.G.S.***	456	-	\$ 73.61	\$ 80.05	\$ 6.44	8.75%	\$ 80.65	\$ 7.04	9.56%
M.G.S.***	5,664	14	\$ 742.05	\$ 814.70	\$ 72.65	9.79%	\$ 820.62	\$ 78.56	10.59%
G.S.***	1,593	14	\$ 219.56	\$ 240.46	\$ 20.89	9.52%	\$ 242.22	\$ 22.66	10.32%
L.G.S.	65,996	190	\$ 7,281.53	\$ 7,894.63	\$ 613.10	8.42%	\$ 7,949.23	\$ 667.70	9.17%
K-12 School****	57,391	222	\$ 6,750.63	\$ 7,649.07	\$ 898.44	13.31%	\$ 7,703.01	\$ 952.38	14.11%
I.G.S	2,929,948	4,290	\$ 193,519.44	\$ 209,276.18	\$ 15,756.73	8.14%	\$ 210,334.99	\$ 16,815.54	8.69%
M.W.	16,601	15	\$ 1,845.04	\$ 1,982.43	\$ 137.39	7.45%	\$ 1,995.80	\$ 150.76	8.17%
O.L.	64	-	\$ 13.36	\$ 14.64	\$ 1.28	9.56%	\$ 14.76	\$ 1.40	10.47%
S.L.	58	-	\$ 11.58	\$ 12.35	\$ 0.77	6.67%	\$ 12.45	\$ 0.87	7.49%
C.A.T.V. 2 User	62,819 Attachments	-	\$ 7.21	\$ 11.97	\$ 4.76	66.02%	\$ 11.97	\$ 4.76	66.02%
C.A.T.V. 3 User	79,102 Attachments	-	\$ 4.47	\$ 7.42	\$ 2.95	66.00%	\$ 7.42	\$ 2.95	66.00%
COGEN/SPP I	No Customers	-	N/A	N/A	N/A	N/A	N/A	N/A	N/A
COGEN/SPP II	No Customers	-	N/A	N/A	N/A	N/A	N/A	N/A	N/A

* Includes base rate increase and increase associated with Tariffs KEDS (for all customer classes) and HEAP (for residential customers).

** Includes general rate increase and increase associated with updates to environmental compliance plan.

*** The italicized values in the row labeled S.G.S, M.G.S., and G.S. are illustrative only. The Company is proposing to combine current Tariffs S.G.S. and M.G.S. into a new Tariff G.S. The “proposed average billing,” “average billing change,” and “average percent change” values shown above for the S.G.S. and M.G.S. classes are illustrative and reflect the application of the proposed Tariff G.S. rates to customers currently taking service under Tariffs S.G.S. and M.G.S. Because Kentucky Power is proposing to eliminate Tariffs S.G.S. and M.G.S., service will not be available under those classes if the Company’s application is approved. In that case, customers receiving service under Tariffs S.G.S. and M.G.S. will only be offered service under Tariff G.S. The “average customer usage,” “average customer demand,” and “present average billing” values shown for Tariff G.S., which currently is not authorized, likewise are for illustrative purposes and they represent the average of a single class combining Tariff S.G.S. and Tariff M.G.S.

**** The italicized values in the row labeled K-12 School are illustrative only. The Company is proposing to eliminate Pilot Tariff K-12 School. The “proposed average billing,” “average billing change,” and “average percent change” values shown above for the K-12 School class are illustrative and reflect the application of the proposed Tariff L.G.S. rates to customers currently taking service under Pilot Tariff K-12 School. Because Kentucky Power is proposing to eliminate Pilot Tariff K-12 School, service will not be available under that class if the Company’s application is approved. In that case, customers receiving service under Pilot Tariff K-12 School will only be offered service under Tariff L.G.S. The values in the row labeled L.G.S. do not include the Pilot Tariff K-12 School customers that will take service under Tariff L.G.S. if the Company’s application is approved.

KENTUCKY POWER BILLING ANALYSIS
 TEST YEAR ENDED FEBRUARY 28, 2017
 PER BOOKS SUMMARY

Tariff	Total Per Books Revenue	Revenue Without Economic Development	Revenue Without System Sales	Revenue Without Capacity Charge	Revenue Without Env. Surcharge	Revenue Without BSR Surcharge	Revenue Without Annualized Fuel	Year End Migration Revenue	Weather Normalization Revenue	Year End Customer Revenue	Adjusted Current Revenues
RS Total	\$232,588,244	\$232,086,080	\$230,312,844	\$227,857,102	\$210,786,792	\$203,606,867	\$205,104,652	\$206,565,180	\$216,501,383	\$216,010,277	\$216,010,277
RSLMTO (225)	\$356,909	\$356,311	\$353,330	\$348,862	\$322,910	\$311,823	\$314,174	\$314,174	\$331,015	\$323,038	\$323,038
RS TOD Total	\$7,328	\$7,313	\$7,260	\$6,642	\$6,642	\$6,410	\$6,445	\$6,445	\$6,445	\$7,734	\$7,734
Residential Total	\$232,952,481	\$232,459,703	\$230,673,434	\$228,013,133	\$211,116,344	\$203,925,100	\$205,425,271	\$206,885,799	\$216,838,843	\$216,341,050	\$216,341,050
OL Total	\$8,984,564	\$8,984,564	\$8,946,485	\$8,889,207	\$8,247,464	\$7,964,083	\$7,983,837	\$7,983,837	\$7,983,837	\$8,254,025	\$8,254,025
SGS Metered Total	\$20,450,345	\$20,409,667	\$20,290,714	\$20,116,026	\$18,514,833	\$17,768,355	\$17,871,598	\$17,884,990	\$17,884,990	\$17,836,994	\$17,836,994
SGSLMTO (225)	\$40,602	\$40,544	\$40,248	\$39,835	\$36,771	\$35,341	\$35,602	\$35,602	\$35,602	\$35,602	\$35,602
SGS NM Total	\$757,275	\$754,640	\$751,249	\$746,022	\$684,721	\$656,073	\$658,726	\$658,726	\$658,726	\$647,247	\$647,247
SGS TOD	\$123,507	\$123,205	\$122,551	\$121,612	\$111,626	\$107,027	\$107,569	\$116,658	\$116,658	\$112,664	\$112,664
SGS Total	\$21,371,729	\$21,328,056	\$21,204,762	\$21,023,496	\$19,347,950	\$18,566,795	\$18,673,495	\$18,695,977	\$18,695,977	\$18,632,507	\$18,632,507
MGS RL (214)	\$191,030	\$190,880	\$189,401	\$187,388	\$173,365	\$166,696	\$167,841	\$159,343	\$159,343	\$156,021	\$156,021
MGS Sec	\$57,985,585	\$57,973,658	\$57,561,282	\$56,968,850	\$52,585,701	\$50,548,351	\$50,928,439	\$51,261,157	\$51,261,157	\$51,150,406	\$51,150,406
MGLMTO (223)	\$95,052	\$94,970	\$94,239	\$93,144	\$86,040	\$82,782	\$83,346	\$83,346	\$83,346	\$85,040	\$85,040
MGSTOD (229)	\$411,941	\$411,804	\$408,610	\$403,927	\$373,608	\$359,478	\$362,189	\$377,676	\$377,676	\$377,676	\$377,676
MGS Pri Total	\$1,379,476	\$1,379,330	\$1,366,565	\$1,351,125	\$1,250,855	\$1,204,595	\$1,220,161	\$1,715,458	\$1,715,458	\$1,555,884	\$1,555,884
MGS Sub (236)	\$182,703	\$182,690	\$181,500	\$179,658	\$166,026	\$159,771	\$160,517	\$219,471	\$219,471	\$159,611	\$159,611
MGS Total	\$60,245,788	\$60,233,332	\$59,801,598	\$59,184,093	\$54,635,596	\$52,521,673	\$52,922,492	\$53,816,450	\$53,816,450	\$53,484,637	\$53,484,637
LGS Sec Total	\$46,350,023	\$46,348,970	\$45,958,240	\$45,415,078	\$42,040,772	\$40,473,984	\$40,828,595	\$40,218,733	\$40,218,733	\$40,728,714	\$40,728,714
LGLMTO (251)	\$219,779	\$219,764	\$218,266	\$215,582	\$200,137	\$192,733	\$193,153	\$193,153	\$193,153	\$193,153	\$193,153
LGSSECTOD (256)	\$160,709	\$160,707	\$160,174	\$158,057	\$147,800	\$142,396	\$141,074	\$280,571	\$280,571	\$280,571	\$280,571
LGS Pri Total	\$7,908,538	\$7,908,432	\$7,839,741	\$7,740,847	\$7,189,259	\$6,932,605	\$6,986,039	\$7,206,997	\$7,206,997	\$7,449,041	\$7,449,041
LGS Sub (248)	\$2,734,354	\$2,734,322	\$2,702,001	\$2,656,123	\$2,493,861	\$2,416,198	\$2,438,855	\$2,726,835	\$2,726,835	\$2,726,835	\$2,726,835
LGS Tran (250)	\$70,589	\$70,586	\$69,998	\$69,237	\$63,972	\$61,612	\$62,244	\$137,064	\$137,064	\$137,064	\$137,064
LGS Total	\$57,443,992	\$57,442,780	\$56,948,420	\$56,254,923	\$52,135,801	\$50,219,828	\$50,649,961	\$50,763,353	\$50,763,353	\$51,515,379	\$51,515,379
PS Sec (260)	\$12,936,551	\$12,936,262	\$12,839,974	\$12,689,784	\$11,769,755	\$11,328,007	\$11,401,546	\$11,411,953	\$11,411,953	\$11,370,750	\$11,370,750
PS Pri (264)	\$186,673	\$186,671	\$185,133	\$182,584	\$169,908	\$163,833	\$164,869	\$164,869	\$164,869	\$164,869	\$164,869
PS Total	\$13,123,224	\$13,122,932	\$13,025,107	\$12,872,368	\$11,939,663	\$11,491,840	\$11,566,415	\$11,576,821	\$11,576,821	\$11,535,619	\$11,535,619
CS IRP Tran (321)	\$700,309	\$700,308	\$697,038	\$689,076	\$659,146	\$643,105	\$634,096	\$1,088,263	\$1,088,263	\$0	\$0
CS IRP Sub (331)	\$5,017,454	\$5,017,452	\$5,000,581	\$4,937,424	\$4,766,659	\$4,665,893	\$4,566,664	\$7,802,873	\$7,802,873	\$7,802,873	\$7,802,873
IGS Sec (356)	\$1,390,047	\$1,390,040	\$1,375,009	\$1,364,141	\$1,271,518	\$1,228,049	\$1,240,647	\$1,240,647	\$1,240,647	\$1,240,647	\$1,240,647
IGS Pri (358)	\$24,959,531	\$24,959,464	\$24,668,674	\$24,461,143	\$22,891,399	\$22,156,943	\$22,409,830	\$21,737,641	\$21,737,641	\$21,122,212	\$21,122,212
IGS Sub Total (359,371)	\$106,689,510	\$106,689,463	\$105,002,992	\$103,814,505	\$98,372,414	\$95,845,703	\$97,445,766	\$93,482,134	\$93,482,134	\$91,854,079	\$91,854,079
IGS Tran Total (360,372)	\$19,155,015	\$19,155,008	\$18,835,417	\$18,610,160	\$17,691,831	\$17,261,293	\$17,540,018	\$17,010,960	\$17,010,960	\$17,010,960	\$17,010,960
IGS Total	\$157,911,865	\$157,911,735	\$155,579,710	\$153,876,450	\$145,652,967	\$141,800,987	\$143,837,021	\$142,362,518	\$142,362,518	\$139,030,771	\$139,030,771
SL (528)	\$1,645,931	\$1,645,931	\$1,638,435	\$1,626,730	\$1,497,649	\$1,437,244	\$1,441,590	\$1,441,590	\$1,441,590	\$1,411,343	\$1,411,343
MW (540)	\$221,405	\$221,387	\$219,418	\$216,715	\$200,678	\$193,240	\$194,881	\$194,881	\$194,881	\$194,881	\$194,881
Total	\$553,900,979	\$553,350,421	\$548,037,369	\$541,957,115	\$504,774,112	\$488,120,490	\$492,694,963	\$493,721,226	\$503,674,270	\$500,400,211	\$500,400,211

KENTUCKY POWER BILLING ANALYSIS
TEST YEAR ENDED FEBRUARY 28, 2017
PROFORMA SUMMARY

Tariff	Test Year Total Revenue	Total Adjusted Current Base Revenue	Proposed Base Revenue	Base COS Rev Increase	Proforma Total HEAP and Economic Development	Current HEAP and Econ. Development	Base COS Rev % Difference	Incremental HEAP	Incremental KEDS	Incremental Environmental Surcharge (ECP)	Total Increase	Total Increase %	Number of Customers
RS Total	\$232,588,244	\$216,010,278	\$253,190,681	\$37,180,404	\$735,620	\$489,399	15.99%	\$81,567	\$164,655	1,749,044	39,175,669	16.84%	136,352
RSLMTOD Total	\$356,909	\$323,037	\$373,386	\$50,349	\$841	\$584	14.11%	\$97	\$159	2,578	53,184	14.90%	162
RSTOD Total	\$7,328	\$7,735	\$9,053	\$1,318	\$27	\$18	17.99%	\$3	\$6	63	1,390	18.96%	5
OL Total	\$8,984,564	\$8,254,026	\$9,112,876	\$858,850	\$67,751	\$40,651	9.56%	\$3	\$27,101	82,017	940,867	10.47%	22,575
SGS Metered Total	\$20,450,345	\$17,836,994	\$19,875,369	\$1,838,374	\$96	\$58	14.28%	\$38	\$38	341	6,176	15.21%	32
SGSLMTOD (225)	\$40,602	\$35,603	\$41,400	\$5,797	\$543	\$326	14.19%	\$217	\$217	1,148	18,887	15.29%	181
SGSTOD (227)	\$123,507	\$112,664	\$130,186	\$17,521	\$4,393	\$2,590	-1.92%	\$1,803	\$1,803	5,507	(7,203)	-0.95%	1,099
SGS NM Total	\$757,275	\$647,246	\$632,734	(\$14,513)	\$247	\$148	10.67%	\$99	\$99	1,428	21,916	11.47%	82
MGS AF (214)	\$191,031	\$156,021	\$176,410	\$20,389	\$19,522	\$11,713	9.85%	\$7,809	\$7,809	460,889	6,178,525	10.66%	6,504
MGS Sec Total	\$57,985,585	\$51,150,406	\$56,860,234	\$5,709,828	\$138	\$83	15.34%	\$55	\$55	795	15,429	16.23%	46
MGSLMTOD (223)	\$95,052	\$85,041	\$99,620	\$14,579	\$231	\$139	8.32%	\$93	\$93	3,217	37,578	9.12%	77
MGSTOD (229)	\$411,941	\$377,676	\$411,944	\$34,268	\$234	\$140	8.28%	\$94	\$94	12,993	127,247	9.22%	78
MGS Pri Total	\$1,379,476	\$1,555,885	\$1,870,045	\$114,160	\$18	\$11	-5.14%	\$7	\$7	1,154	(8,229)	-4.50%	6
MGS Sub (236)	\$182,703	\$159,611	\$150,221	(\$9,390)	\$483	\$290	13.30%	\$193	\$193	103,435	1,823,995	14.10%	161
SCHOOL Sec	\$12,936,551	\$11,370,751	\$13,091,118	\$1,720,367	\$3	\$2	13.93%	\$1	\$1	1,431	27,430	14.69%	1
SCHOOL Pri	\$186,673	\$164,869	\$190,867	\$25,998	\$3	\$2	13.93%	\$1	\$1	1,431	27,430	14.69%	1
LGS Sec Total	\$46,350,023	\$40,728,715	\$44,326,857	\$3,598,142	\$1,738	\$1,043	7.76%	\$695	\$695	341,638	3,940,476	8.50%	579
LGS Sec TOD (256)	\$160,709	\$280,571	\$315,376	\$34,805	\$8	\$5	21.66%	\$3	\$3	2,389	37,197	23.15%	3
LGLSLMTOD (251)	\$219,779	\$193,153	\$213,813	\$20,660	\$24	\$14	9.40%	\$10	\$10	1,848	22,317	10.15%	8
LGS Pri Total	\$7,908,538	\$7,449,042	\$8,252,021	\$802,979	\$178	\$107	10.15%	\$71	\$71	62,535	865,585	10.94%	59
LGS Sub (248)	\$2,734,354	\$2,726,834	\$3,088,854	\$362,020	\$51	\$31	13.24%	\$20	\$20	21,384	383,424	14.02%	17
LGS Tran (250)	\$70,589	\$137,064	\$154,407	\$17,343	\$6	\$4	24.57%	\$2	\$2	1,102	18,447	26.13%	2
IGS Sec	\$1,390,047	\$1,240,648	\$1,377,364	\$136,715	\$12	\$7	9.84%	\$5	\$5	9,688	146,408	10.53%	4
IGS Pri	\$24,959,531	\$21,122,212	\$23,801,933	\$2,679,721	\$105	\$63	10.74%	\$42	\$42	162,840	2,842,602	11.39%	35
IGS Sub	\$111,706,963	\$99,656,953	\$108,422,538	\$8,765,585	\$78	\$47	7.85%	\$31	\$31	595,185	9,360,802	8.38%	26
IGS Tran	\$19,855,324	\$17,010,960	\$18,286,352	\$1,275,392	\$9	\$5	6.42%	\$4	\$4	96,275	1,371,671	6.91%	3
SL (528)	\$1,645,931	\$1,411,342	\$1,521,194	\$109,852	\$9	\$5	6.67%	\$4	\$4	13,361	123,212	7.49%	0
MW (540)	\$221,405	\$194,879	\$211,354	\$16,475	\$30	\$18	7.44%	\$12	\$12	1,804	18,091	8.17%	10
Total	\$553,900,980	\$500,400,217	\$565,788,205	\$65,387,988	\$832,384	\$547,493	11.80%	\$81,667	\$203,224	\$3,903,056	\$69,575,935	12.56%	168,107

This sheet contains data from the rate design process. It is set up to identify revenue differences between Class Cost of Service Study and the application of new rates to the test year billing determinants

Tariff Sheet	Calculated Base Revs	Rate Design Difference	Subtotal	CCOS Revenue	Variance
RS	\$253,190,681				
RS LM TOD	\$373,386				
RS TOD	\$9,053				
Total Residential	\$253,573,120	\$5,283	\$253,578,403	\$253,578,405	-\$2
OL Total	\$9,112,876	\$10	\$9,112,886	\$9,112,879	\$7
SGS Metered	\$19,675,369				
SGS LM TOD	\$41,400				
SGS EXP TOD	\$130,186				
SGS NM	\$632,734				
MGS RL	\$176,410				
MGS SEC	\$56,860,234				
MGS LM TOD	\$99,620				
MGS TOD	\$411,944				
MGS PRI	\$1,670,045				
MGS SUB	\$150,221				
GS Total	\$79,848,162	\$401	\$79,848,563	\$79,848,566	-\$3
SCHOOL SEC	\$13,091,118				
SCHOOL PRI	\$190,867				
LGS SEC	\$44,326,857				
LGS LM TOD	\$213,813				
LGS TOD	\$315,376				
LGS PRI	\$8,252,021				
LGS SUB	\$3,088,854				
LGS TRAN	\$154,407				
LGS	\$69,633,313	\$44	\$69,633,357	\$69,633,355	\$2
IGS Sec	\$1,377,364				
IGS Pri	\$23,801,933				
IGS Sub	\$108,422,538				
IGS Tran	\$18,286,352				
IGS Total	\$151,888,187	\$145	\$151,888,332	\$151,888,335	-\$3
SL	\$1,521,194	\$3	\$1,521,197	\$1,521,196	\$1
MW	\$211,354	\$2	\$211,356	\$211,357	-\$1
Total	\$565,788,205	\$5,888	\$565,794,093	\$565,794,093	\$0

KENTUCKY POWER BILLING ANALYSIS
PROFORMA
TEST YEAR ENDED FEBRUARY 28, 2017
RESIDENTIAL SERVICE (011, 012, 013, 014, 015, 017, 022, 054)

	Current Billing Units	Current Rate	Current Revenue	Proposed Billing Units	Proposed Rate	Proposed Revenue
<u>Billing kWh</u>						
All kWh	2,038,701,434	\$0.08795	\$179,303,791	2,038,701,434	\$0.10853	\$221,260,267
Storage Water Heating	254,765	\$0.05094	\$12,978	254,765	\$0.06418	\$16,351
Metered kWh	2,038,956,199			2,038,956,199		
Customer Charge	1,631,330	\$11.00	\$17,944,631	1,637,416	\$17.50	\$28,654,780
Number of Customers	1,636,224			1,636,224		
Employee Cust Charge	6,086		\$48,688			
Employee Discount			(\$44,073)			
Fuel		\$0.0015985	\$3,259,284		\$0.0015985	\$3,259,284
Green Power Rider			\$60			
Purchase Power Adjustment			\$199,311			
Big Sandy 1 Operations Rider		\$0.00580	\$9,878,889			\$0
Big Sandy Retirement Rider						\$0
Environmental Surcharge			\$5,406,719			\$0
<u>Sub Total</u>			\$216,010,278			\$253,190,681
HEAP Charge	1,631,330	\$0.15	\$244,700	1,631,330	\$0.20	\$326,266
Economic Development Rider		\$0.15	\$244,700	1,637,416	\$0.25	\$409,354
Incremental Environmental Surcharge (ECP)				\$253,926,301	0.6888%	\$1,749,044
<u>Total Revenue</u>			\$216,499,677			\$255,675,346

KENTUCKY POWER BILLING ANALYSIS
PROFORMA
TEST YEAR ENDED FEBRUARY 28, 2017

RESIDENTIAL LOAD MANAGEMENT TIME-OF-DAY SERVICE (028, 030, 032, 034)

Billing kWh	Current Billing Units	Current Rate	Current Revenue	Proposed Billing Units	Proposed Rate	Proposed Revenue
On-peak kWh	1,151,984	\$0.13394	\$154,297	1,151,984	\$0.16553	\$190,688
Off-peak kWh	2,226,851	\$0.05094	\$113,436	2,226,851	\$0.06418	\$142,919
Metered kWh	3,378,835			3,378,835		
C&LM Credit	0	(\$0.00745)	\$0	-	(\$0.00745)	\$0
Customer Charge	1,699	\$13.60	\$23,105	1,699	\$20.00	\$33,980
Separate Meter Charge	106	\$3.75	\$398	106	\$3.75	\$398
Number of Customers	1,968			1,968		
Employee Customer Charge	142		\$1,931			
Employee Discount			(\$398)			
Fuel		\$0.0015985	\$5,401		\$0.0015985	\$5,401
Purchase Power Adjustment			\$305			
Big Sandy 1 Operations Rider		\$0.00580	\$16,442			\$0
Big Sandy Retirement Rider			\$0			\$0
Environmental Surcharge			\$8,120			\$0
Sub Total			\$323,037			\$373,386
HEAP Charge	1,947	\$0.15	\$292	1,947	\$0.20	\$389
Economic Development Rider		\$0.15	\$292	1,805	\$0.25	\$451
Incremental Environmental Surcharge (new ECP)				\$374,226	0.6888%	\$2,578
Total Revenue			\$323,621			\$376,804

KENTUCKY POWER BILLING ANALYSIS
 PROFORMA
 TEST YEAR ENDED FEBRUARY 28, 2017

RESIDENTIAL TIME-OF-DAY SERVICE (036)

Billing kWh	Current Billing Units	Current Rate	Current Revenue	Proposed Billing Units	Proposed Rate	Proposed Revenue
On-peak kWh	26,598	\$0.13394	\$3,563	26,598	\$0.16553	\$4,403
Off-peak kWh	51,806	\$0.05094	\$2,639	51,806	\$0.06418	\$3,325
Metered kWh	78,404			78,404		
Customer Charge	60	\$13.60	\$816	60	\$20.00	\$1,200
Number of Customers	60			60		
Employee Discount			\$0			\$0
Fuel		\$0.0015985	\$125		\$0.0015985	\$125
Purchased Power Adjustment			\$7			
Big Sandy 1 Operations Rider		\$0.00580	\$392			\$0
Big Sandy Retirement Rider			\$0			\$0
Environmental Surcharge			\$193			\$0
Sub Total			\$7,735			\$9,053
HEAP Charge	60	\$0.15	\$9	60	\$0.20	\$12
Economic Development Rider		\$0.15	\$9	60	\$0.25	\$15
Incremental Environmental Surcharge (new ECP)				\$9,080	0.6888%	\$63
Total Revenue			\$7,753			\$9,143

KENTUCKY POWER BILLING ANALYSIS
 PROFORMA
 TEST YEAR ENDED FEBRUARY 28, 2017
 SMALL GENERAL SERVICE (211, 212)

	Current Billing Units	Current Rate	Current Revenue	Proposed Billing Units	Proposed Rate	Proposed Revenue
<u>Billing kWh</u>						
First 500 kWh	59,293,307	\$0.11711	\$6,943,839			
Over 500 kWh	68,301,984	\$0.07267	\$4,963,505			
First 4,450 kWh				126,017,034	\$0.10483	\$13,210,366
Over 4,450 kWh				1,578,257	\$0.10355	\$163,429
Metered kWh	127,595,291			127,595,291		
Customer Charge	271,005	\$17.50	\$4,742,588	271,005	\$22.50	\$6,097,613
Number of Customers	270,900			270,900		
Fuel		\$0.0015985	\$203,962		\$0.0015985	\$203,962
Purchase Power Adjustment		\$	15,682			\$0
Big Sandy 1 Operations Rider		\$	480,885			\$0
Environmental Surcharge		\$	486,534			\$0
<u>Sub Total</u>			\$17,836,994			\$19,675,369
Economic Development Rider		\$0.15	\$40,651	271,005	\$0.25	\$67,751
Incremental Environmental Surcharge (new ECP)		\$		16,062,186	1.0420%	\$167,368
<u>Total Revenue</u>			\$17,877,645			\$19,910,488
Embedded (Base) Fuel					\$0.0272500	\$3,476,972

KENTUCKY POWER BILLING ANALYSIS
 PROFORMA
 TEST YEAR ENDED FEBRUARY 28, 2017

SMALL GENERAL SERVICE - NON METERED (204, 213)

	Current Billing Units	Current Rate	Current Revenue	Proposed Billing Units	Proposed Rate	Proposed Revenue
<u>Billing kWh</u>						
First 500 kWh	2,283,242	\$0.11711	\$267,390			
Over 500 kWh	1,481,654	\$0.07267	\$107,672	2,965,981	\$0.10483	\$310,924
First 4,450 kWh				798,915	\$0.10355	\$82,728
Over 4,450 kWh						
Metered kWh	3,764,896			3,764,896		
Customer Charge	17,264	\$13.50	\$233,064	17,264	\$13.50	\$233,064
Number of Customers	13,188			13,188		
Fuel		\$0.00160	\$6,018		\$0.0015985	\$6,018
Purchase Power Adjustment			\$581			\$0
Big Sandy 1 Operations Rider		\$0.00446	\$14,192			\$0
Environmental Surcharge		5.4339%	\$18,329			\$0
Sub Total			\$647,246			\$632,734
Economic Development Rider		\$0.15	\$2,590	17,570	\$0.25	\$4,393
Incremental Environmental Surcharge (new ECR)				\$528,515	1.0420%	\$5,507
Total Revenue			\$649,836			\$642,633
Embedded (Base) Fuel					\$0.0272500	\$102,593

KENTUCKY POWER BILLING ANALYSIS
 PROFORMA
 TEST YEAR ENDED FEBRUARY 28, 2017

SMALL GENERAL SERVICE LOAD MANAGEMENT TIME-OF-DAY (225)

	Current Billing Units	Current Rate	Current Revenue	Proposed Billing Units	Proposed Rate	Proposed Revenue
<u>Billing kWh</u>						
On-Peak	116,365	\$0.14360	\$16,710	116,365	\$0.17364	\$20,206
Off-Peak	188,025	\$0.05100	\$9,589	188,025	\$0.06418	\$12,067
Metered kWh	304,390			304,390		
Customer Charge	384	\$17.50	\$6,720	384	\$22.50	\$8,640
Number of Customers	384			384		
Fuel		\$0.0015985	\$487		\$0.0015985	\$487
Purchase Power Adjustment			\$31			\$0
Big Sandy 1 Operations Rider		0.00446	\$1,133			\$0
Environmental Surcharge		5.4339%	\$933			\$0
Sub Total			\$35,603			\$41,400
Economic Development Rider		\$0.15	\$58	384	\$0.25	\$96
Incremental Environmental Surcharge (new ECP)				\$32,714	1.0420%	\$341
Total Revenue			\$35,660			\$41,837
Embedded (Base) Fuel					\$0.0272500	\$8,295

KENTUCKY POWER BILLING ANALYSIS
 PROFORMA
 TEST YEAR ENDED FEBRUARY 28, 2017

SMALL GENERAL SERVICE TIME-OF-DAY (227)

<u>Billing kWh</u>	<u>Current Billing Units</u>	<u>Current Rate</u>	<u>Current Revenue</u>	<u>Proposed Billing Units</u>	<u>Proposed Rate</u>	<u>Proposed Revenue</u>
On-Peak - Summer	92,802	\$0.11395	\$10,575	92,802	\$0.20636	\$19,151
On-Peak - Winter	93,947	\$0.12315	\$11,570	93,947	\$0.16911	\$15,887
Off-Peak	524,380	\$0.08667	\$45,448	524,380	\$0.08617	\$45,186
Metered kWh	711,130			711,130		
Customer Charge	2,170	\$17.50	\$37,975	2,170	\$22.50	\$48,825
Number of Customers	2,172			2,172		
Fuel		\$0.0015985	\$1,137		\$0.0015985	\$1,137
Purchase Power Adjustment			\$94			\$0
Big Sandy 1 Operations Rider		\$0.00446	\$2,672			\$0
Environmental Surcharge		5.4339%	\$3,194			\$0
Sub Total			\$112,664			\$130,186
Economic Development Rider		\$0.15	\$326	2,170	\$0.25	\$543
Incremental Environmental Surcharge (new ECP)				\$110,213	1.0420%	\$1,148
Total Revenue			\$112,990			\$131,876
Embedded (Base) Fuel					\$0.0272500	\$19,378

KENTUCKY POWER BILLING ANALYSIS
PROFORMA
TEST YEAR ENDED FEBRUARY 28, 2017

MEDIUM GENERAL SERVICE - SECONDARY (215, 216, 218)

	Current Billing Units	Current Rate	Current Revenue	Proposed Billing Units	Proposed Rate	Proposed Revenue
<u>Billing kWh</u>						
First 200 kWh per kW	287,409,659	\$0.10198	\$29,310,037			
Over 200 kWh per kW	151,039,043	\$0.08736	\$13,194,771			
Minimum kWh	0					
Metered kWh	438,448,702			438,448,702		
First 4,450 kWh				230,471,543	\$0.10483	\$24,160,332
Over 4,450 kWh				207,977,159	\$0.10355	\$21,536,035
<u>Billing kW</u>						
Standard	1,854,278	\$1.91	\$3,541,671			
Mining Minimum	0	\$7.95	\$0			
First 10 kW				743,810		
Billing kW greater than 10 kW				1,110,468	\$7.84	\$8,706,069
Customer Charge	78,086	\$17.50	\$1,366,505	78,086	\$22.50	\$1,756,935
Number of Customers	78,048			78,048		
Fuel		\$0.0015985	\$700,863		\$0.0015985	\$700,863
Purchase Power Adjustment			\$44,180			\$0
Big Sandy 1 Operations Rider - Energy		\$0.00142	\$620,780			\$0
Big Sandy 1 Operations Rider - Demand		\$0.72	\$1,032,559			\$0
Environmental Surcharge		5.4339%	\$1,339,040			\$0
<u>Sub Total</u>			\$51,150,406			\$56,860,234
Economic Development Rider		0.15	\$11,713	78,086	\$0.25	\$19,522
Incremental Environmental Surcharge (new ECR)				\$44,231,165	1.0420%	\$460,889
<u>Total Revenue</u>			\$51,162,119			\$57,340,644
Embedded (Base) Fuel					\$0.0272500	\$11,947,727

KENTUCKY POWER BILLING ANALYSIS
 PROFORMA
 TEST YEAR ENDED FEBRUARY 28, 2017

MEDIUM GENERAL SERVICE LOAD MANAGEMENT TIME-OF-DAY (223)

<u>Billing kWh</u>	<u>Current Billing Units</u>	<u>Current Rate</u>	<u>Current Revenue</u>	<u>Proposed Billing Units</u>	<u>Proposed Rate</u>	<u>Proposed Revenue</u>
On-peak kWh	307,805	\$0.15955	\$49,110	307,805	\$0.17364	\$53,447
Off-peak kWh	505,299	\$0.05341	\$26,988	505,299	\$0.06418	\$32,430
Metered kWh	813,104			813,104		
Customer Charge	553	\$3.75	\$2,074	553	\$22.50	\$12,443
Number of Customers	552			552		
Fuel		\$0.0015985	\$1,300		\$0.0015985	\$1,300
Purchase Power Adjustment			\$84			\$0
Big Sandy 1 Operations Rider		\$0.00471	\$3,279			\$0
Environmental Surcharge		5.4339%	\$2,206			\$0
Sub Total			\$85,041			\$99,620
Economic Development Rider		\$0.15	\$83	553	\$0.25	\$138
Incremental Environmental Surcharge (new ECP)				\$76,301	1.0420%	\$795
Total Revenue			\$85,124			\$100,553
Embedded (Base) Fuel					\$0.0272500	\$22,157

KENTUCKY POWER BILLING ANALYSIS
 PROFORMA
 TEST YEAR ENDED FEBRUARY 28, 2017

MEDIUM GENERAL SERVICE TIME-OF-DAY (229)

	<u>Current Billing Units</u>	<u>Current Rate</u>	<u>Current Revenue</u>	<u>Proposed Billing Units</u>	<u>Proposed Rate</u>	<u>Proposed Revenue</u>
<u>Billing kWh</u>						
On-peak kWh	1,320,065	\$0.15955	\$210,616	1,320,065	\$0.18181	\$240,001
Off-peak kWh	2,265,492	\$0.05341	\$121,000	2,265,492	\$0.06418	\$145,399
Metered kWh	3,585,557			3,585,557		
Customer Charge	925	\$17.50	\$16,188	925	\$22.50	\$20,813
Number of Customers	924			924		
Fuel		\$0.0015985	\$5,732		\$0.0015985	\$5,732
Purchase Power Adjustment			\$326			\$0
Big Sandy 1 Operations Rider		\$0.00471	\$14,198			\$0
Environmental Surcharge		5.4339%	\$9,617			\$0
<u>Sub Total</u>			\$377,676			\$411,944
Economic Development Rider		0.15	138.75	925	\$0.25	\$231
Incremental Environmental Surcharge (new ECR)				\$308,738	1.0420%	\$3,217
<u>Total Revenue</u>			\$377,815			\$415,393
Embedded (Base) Fuel					\$0.0272500	\$97,706

KENTUCKY POWER BILLING ANALYSIS
 PROFORMA
 TEST YEAR ENDED FEBRUARY 28, 2017

MEDIUM GENERAL SERVICE - RECREATIONAL LIGHTING (214)

	Current Billing Units	Current Rate	Current Revenue	Proposed Billing Units	Proposed Rate	Proposed Revenue
All kWh	1,372,008	\$0.09266	\$127,130	1,372,008	\$0.11081	\$152,032
Metered kWh	1,372,008			1,372,008		
Customer Charge	986	\$17.50	\$17,255	986	\$22.50	\$22,185
Number of Customers	984			984		
Fuel		\$0.0015985	\$2,193		\$0.0015985	\$2,193
Purchase Power Adjustment			\$138			\$0
Big Sandy 1 Operations Rider		\$0.00471	\$5,325			\$0
Big Sandy Retirement Rider			\$0			\$0
Environmental Surcharge			\$3,980			\$0
Sub Total			\$156,021			\$176,410
Economic Development Rider		\$0.15	\$148	986	\$0.25	\$247
Incremental Environmental Surcharge (new ECR)				\$137,076	1.0420%	\$1,428.34
Total Revenue			\$156,169			\$178,085
Embedded (Base) Fuel					\$0.0272500	\$37,387

KENTUCKY POWER BILLING ANALYSIS
PROFORMA
TEST YEAR ENDED FEBRUARY 28, 2017
MEDIUM GENERAL SERVICE - PRIMARY (217, 220)

	Current Billing Units	Current Rate	Current Revenue	Proposed Billing Units	Proposed Rate	Proposed Revenue
<u>Billing kWh</u>						
First 200 kWh per kW	8,597,484	\$0.09357	\$804,467			
Over 200 kWh per kW	6,052,191	\$0.08360	\$505,963			
Minimum kWh	18,904					
Metered Voltage Adj.	4,968					
Metered kWh	14,673,547					
First 4,450 kWh				4,165,200	\$0.09379	\$390,654
Over 4,450 kWh				10,503,379	\$0.09254	\$971,983
Billing kW						
Standard	42,412	\$1.87	\$79,310			
Mining Minimum	1,544	\$7.95	\$12,275			
First 10 kW				12,221		
Billing kW greater than 10 kW				30,191	\$7.08	\$213,752
Customer Charge	936	\$50.00	\$46,800	936	\$75.00	\$70,200
Number of Customers	936			936		
Fuel		\$0.0015985	\$23,456		\$0.0015985	\$23,456
Purchase Power Adjustment			\$1,162			\$0
Big Sandy 1 Operations Rider - Energy		\$0.00142	\$20,761			\$0
Big Sandy 1 Operations Rider - Demand		\$0.72	\$22,638			\$0
Environmental Surcharge		5.4339%	\$39,053			\$0
<u>Sub Total</u>			\$1,555,885			\$1,670,045
Economic Development Rider		\$0.15	\$140	936	\$0.25	\$234
Incremental Environmental Surcharge (new ECR)				\$1,246,969	1.0420%	\$12,993
<u>Total Revenue</u>			\$1,556,025			\$1,683,272
Embedded (Base) Fuel					\$0.0272500	\$399,854

KENTUCKY POWER BILLING ANALYSIS
 PROFORMA
 TEST YEAR ENDED FEBRUARY 28, 2017

MEDIUM GENERAL SERVICE - SUBTRANSMISSION (236)

	Current Billing Units	Current Rate	Current Revenue	Proposed Billing Units	Proposed Rate	Proposed Revenue
<u>Billing kWh</u>						
First 200 kWh per kW	652,399	\$0.08634	\$56,328			
Over 200 kWh per kW	712,506	\$0.08103	\$57,734			
Minimum kWh	4,535					
Metered kWh	1,369,265					
First 4,450 kWh				307,841	\$0.07667	\$23,602
Over 4,450 kWh				1,061,599	\$0.07544	\$80,087
<u>Billing kW</u>						
Standard	4,136	\$1.83	\$7,569			
Mining Minimum	140	\$7.95	\$1,113			
First 10 kW				982		
Billing kW greater than 10 kW				3,154	\$5.75	\$18,136
Customer Charge	72	\$364.00	\$26,208	72	\$364.00	\$26,208
Number of Customers	72			72		
Fuel		\$0.0015985	\$2,189		\$0.0015985	\$2,189
Purchase Power Adjustment			\$140			\$0
Big Sandy 1 Operations Rider - Energy		\$0.00142	\$1,940			\$0
Big Sandy 1 Operations Rider - Demand		\$0.72	\$2,305			\$0
Environmental Surcharge		5.4339%	\$4,085			\$0
<u>Sub Total</u>			\$159,611			\$150,221
Economic Development Rider		\$0.15	\$11	72	\$0.25	\$18
Incremental Environmental Surcharge (new ECR)				\$110,738	1.0420%	\$1,154
<u>Total Revenue</u>			\$159,622			\$151,393
Embedded (Base) Fuel					\$0.0272500	\$37,312

KENTUCKY POWER BILLING ANALYSIS
 PROFORMA
 TEST YEAR ENDED FEBRUARY 28, 2017

SCHOOL SERVICE - SECONDARY

	Current Billing Units	Current Rate	Current Revenue	Proposed Billing Units	Proposed Rate	Proposed Revenue
Billing kWh	109,165,161	\$0.07577	\$8,271,444	109,165,161	\$0.08611	\$9,400,212
Metered Voltage Adj.	547,100			547,100		
Metered kWh	109,712,261			109,712,261		
Billing kW	424,786	\$4.67	\$1,983,751	424,786	\$7.84	\$3,330,322
Excess kVA	6,066	\$3.46	\$20,988	6,066	\$3.46	\$20,988
Customer Charge	1,932	\$85.00	\$164,220	1,932	\$85.00	\$164,220
Number of Customers	1,932			1,932		
Fuel		\$0.0015985	\$175,376		\$0.0015985	\$175,376
Purchase Power Adjustment			\$9,968			\$0
Big Sandy 1 Operations Rider - Energy		\$0.00142	\$154,533			\$0
Big Sandy 1 Operations Rider - Demand		\$0.92	\$311,506			\$0
Environmental Surcharge		5.4339%	\$278,965			\$0
Sub Total			\$11,370,751			\$13,091,118
Economic Development Rider		\$0.15	\$290	1,932	\$0.25	\$483
Incremental Environmental Surcharge (new ECR)				\$9,926,567	1.0420%	\$103,435
Total Revenue			\$11,371,041			\$13,195,036
Embedded (Base) Fuel					\$0.0272500	\$2,989,659

KENTUCKY POWER BILLING ANALYSIS
PROFORMA
TEST YEAR ENDED FEBRUARY 28, 2017

SCHOOL SERVICE - PRIMARY

	Current Billing Units	Current Rate	Current Revenue	Proposed Billing Units	Proposed Rate	Proposed Revenue
Billing kWh	1,855,532	\$0.06420	\$119,125	1,855,532	\$0.07580	\$140,649
Metered Voltage Adj.	0			-		
Metered kWh	1,855,532			1,855,532		
Billing kW	6,136	\$4.53	\$27,796	6,136	\$7.08	\$43,443
Excess kVA	659	\$3.46	\$2,279	659	\$3.46	\$2,279
Customer Charge	12	\$127.50	\$1,530	12	\$127.50	\$1,530
Number of Customers	12			12		
Fuel		\$0.0015985	\$2,966		\$0.0015985	\$2,966
Purchase Power Adjustment			\$156			\$0
Big Sandy 1 Operations Rider - Energy		\$0.00142	\$2,615			\$0
Big Sandy 1 Operations Rider - Demand		\$0.92	\$4,545			\$0
Environmental Surcharge		5.4339%	\$3,857			\$0
Sub Total			\$164,869			\$190,867
Economic Development Rider		\$0.15	\$2	12	\$0.25	\$3
Incremental Environmental Surcharge (new ECR)				\$137,341	1.0420%	\$1,431
Total Revenue			\$164,871			\$192,301
Embedded (Base) Fuel					\$0.0272500	\$50,563

KENTUCKY POWER BILLING ANALYSIS
 PROFORMA
 TEST YEAR ENDED FEBRUARY 28, 2017
 LARGE GENERAL SERVICE - SECONDARY (240, 242)

	Current Billing Units	Current Rate	Current Revenue	Proposed Billing Units	Proposed Rate	Proposed Revenue
Billing kWh	400,024,463	\$0.07966	\$31,865,949	400,024,463	\$0.08611	\$34,446,107
Metered Voltage Adj.	58,996			58,996		
Metered kWh	400,083,459			400,083,459		
Billing kW	1,085,356	\$4.67	\$5,068,613	1,085,356	\$7.84	\$8,509,191
Excess kVA	40,806	\$3.46	\$141,189	40,806	\$3.46	\$141,189
Customer Charge	6,951	\$85.00	\$590,835	6,951	\$85.00	\$590,835
Number of Customers	6,948			6,948		
Fuel		\$0.0015985	\$639,536		\$0.0015985	\$639,536
Purchase Power Adjustment			\$35,418			\$0
Big Sandy 1 Operations Rider - Energy		\$0.00142	\$562,982			\$0
Big Sandy 1 Operations Rider - Demand		\$0.92	\$800,057			\$0
Environmental Surcharge		5.4339%	\$1,024,137			\$0
Sub Total			\$40,728,715			\$44,326,857
Economic Development Rider		0.15	\$1,043	6,951	\$0.25	\$1,738
Incremental Environmental Surcharge				\$32,786,785	1.0420%	\$341,638
Total Revenue			\$40,729,757			\$44,670,233
Embedded (Base) Fuel					\$0.0272500	\$10,902,274

KENTUCKY POWER BILLING ANALYSIS
 PROFORMA
 TEST YEAR ENDED FEBRUARY 28, 2017

LARGE GENERAL SERVICE LOAD MANAGEMENT TIME-OF-DAY (251)

	<u>Current Billing Units</u>	<u>Current Rate</u>	<u>Current Revenue</u>	<u>Proposed Billing Units</u>	<u>Proposed Rate</u>	<u>Proposed Revenue</u>
<u>Billing kWh</u>						
On-peak kWh	851,281	\$0.13136	\$111,824	851,281	\$0.15656	\$133,277
Off-peak kWh	1,079,454	\$0.05325	\$57,481	1,079,454	\$0.06419	\$69,290
Metered kWh	1,930,735			1,930,735		
Customer Charge	96	\$85.00	\$8,160	96	\$85.00	\$8,160
Number of Customers	96			96		
Fuel		\$0.0015985	\$3,086		\$0.0015985	\$3,086
Purchase Power Adjustment			\$171			\$0
Big Sandy 1 Operations Rider		\$0.00456	\$7,731			\$0
Environmental Surcharge		5.4339%	\$4,700			\$0
<u>Sub Total</u>			\$193,153			\$213,813
Economic Development Rider		0.15	14.4	96	\$0.25	\$24
Incremental Environmental Surcharge (new ECR)				\$158,138	1.0420%	\$1,648
<u>Total Revenue</u>			\$193,168			\$215,485
Embedded (Base) Fuel					\$0.0272500	\$52,613

KENTUCKY POWER BILLING ANALYSIS
 PROFORMA
 TEST YEAR ENDED FEBRUARY 28, 2017

LARGE GENERAL SERVICE SECONDARY TIME-OF-DAY (256)

	Current Billing Units	Current Rate	Current Revenue	Proposed Billing Units	Proposed Rate	Proposed Revenue
Billing kWh						
On-peak kWh	1,552,149	\$0.08542	\$132,585	1,552,149	\$0.11538	\$179,087
Off-peak kWh	1,432,878	\$0.04387	\$62,860	1,432,878	\$0.04438	\$63,591
Metered kWh	2,985,027			2,985,027		
Billing kW	6,051	\$9.55	\$57,789		\$10.21	\$61,783
Excess kVA	989	\$3.46	\$3,423	989	\$3.46	\$3,423
Customer Charge	32	\$85.00	\$2,720	32	\$85.00	\$2,720
Number of Customers	36			36		
Fuel		\$0.0015985	\$4,772		\$0.0015985	\$4,772
Purchase Power Adjustment			\$548			\$0
Big Sandy 1 Operations Rider - Energy		\$0.00142	\$4,239			\$0
Big Sandy 1 Operations Rider - Demand		\$0.92	\$5,567			\$0
Environmental Surcharge		5.4339%	\$6,068			\$0
Sub Total			\$280,571			\$315,376
Economic Development Rider		\$0.15	\$5	32	\$0.25	\$8
Incremental Environmental Surcharge (new ECR)				\$229,270	1.0420%	\$2,389
Total Revenue			\$280,576			\$317,773
Embedded (Base) Fuel					\$0.0272500	\$81,342

KENTUCKY POWER BILLING ANALYSIS
 PROFORMA
 TEST YEAR ENDED FEBRUARY 28, 2017

LARGE GENERAL SERVICE - PRIMARY (244, 246)

	Current Billing Units	Current Rate	Current Revenue	Proposed Billing Units	Proposed Rate	Proposed Revenue
Billing kWh	78,038,479	\$0.06809	\$5,313,640	78,038,479	\$0.07580	\$5,915,317
Metered Voltage Adj.	(19,460)			(19,460)		
Metered kWh	78,019,019			78,019,019		
Billing kW	275,247	\$4.53	\$1,246,869	275,247	\$7.08	\$1,948,749
Excess kVA	49,918	\$3.46	\$172,716	49,918	\$3.46	\$172,716
Customer Charge	710	\$127.50	\$90,525	710	\$127.50	\$90,525
Number of Customers	708			708		
Fuel		\$0.0015985	\$124,714		\$0.0015985	\$124,714
Purchase Power Adjustment			\$6,662			\$0
Big Sandy 1 Operations Rider - Energy		\$0.00142	\$109,858			\$0
Big Sandy 1 Operations Rider - Demand		\$0.92	\$205,799			\$0
Environmental Surcharge		5.4339%	\$178,259			\$0
Sub Total			\$7,449,042			\$8,252,021
Economic Development Rider		\$0.15	\$107	710	\$0.25	\$178
Incremental Environmental Surcharge (new ECR)				\$6,001,466	1.0420%	\$62,535
Total Revenue			\$7,449,149			\$8,314,733
Embedded (Base) Fuel					\$0.0272500	\$2,126,018

KENTUCKY POWER BILLING ANALYSIS
 PROFORMA
 TEST YEAR ENDED FEBRUARY 28, 2017

LARGE GENERAL SERVICE - SUBTRANSMISSION (248)

	Current Billing Units	Current Rate	Current Revenue	Proposed Billing Units	Proposed Rate	Proposed Revenue
Billing kWh	35,956,635	\$0.04791	\$1,722,682	35,956,635	\$0.05892	\$2,118,565
Metered Voltage Adj.	(20,074)			(20,074)		
Metered kWh	35,936,561			35,936,561		
Billing kW	129,190.6	\$4.48	\$578,774	129,191	\$5.75	\$742,846
Excess kVA	9,098.9	\$3.46	\$31,482	9,099	\$3.46	\$31,482
Customer Charge	204	\$628.50	\$128,214	204	\$679.00	\$138,516
Number of Customers	204			204		
Fuel		\$0.0015985	\$57,445		\$0.0015985	\$57,445
Purchase Power Adjustment			\$3,093			\$0
Big Sandy 1 Operations Rider - Energy		\$0.00142	\$50,594			\$0
Big Sandy 1 Operations Rider - Demand		\$0.92	\$97,668			\$0
Environmental Surcharge		5.4339%	\$56,882			\$0
Sub Total			\$2,726,834			\$3,088,854
Economic Development Charge		\$0.15	\$31	204	\$0.25	\$51
Incremental Environmental Surcharge (new ECR)			\$56,882	\$2,052,189	1.0420%	\$21,384
Total Revenue			\$2,783,747			\$3,110,289
Embedded (Base) Fuel					\$0.0272500	\$979,271

KENTUCKY POWER BILLING ANALYSIS
 PROFORMA
 TEST YEAR ENDED FEBRUARY 28, 2017

LARGE GENERAL SERVICE - TRANSMISSION (250)

	Current Billing Units	Current Rate	Current Revenue	Proposed Billing Units	Proposed Rate	Proposed Revenue
Billing kWh	1,693,502	\$0.04699	\$79,578	1,693,502	\$0.05778	\$97,851
Metered Voltage Adj.	(5,350)			(5,350)		
Metered kWh	1,688,152			1,688,152		
Billing kW	6,693	\$4.41	\$29,518	6,693	\$5.61	\$37,550
Excess kVA	3	\$3.46	\$12	3	\$3.46	\$12
Customer Charge	24	\$628.50	\$15,084	24	\$679.00	\$16,296
Number of Customers	24			24		
Fuel		\$0.0015985	\$2,699		\$0.0015985	\$2,699
Purchase Power Adjustment			\$344			\$0
Big Sandy 1 Operations Rider - Energy		\$0.00142	\$2,373			\$0
Big Sandy 1 Operations Rider - Demand		\$0.92	\$4,378			\$0
Environmental Surcharge		5.4339%	\$3,079			\$0
Sub Total			\$137,064			\$154,407
Economic Development Rider	21	\$0.15	\$4	24	\$0.25	\$6
Incremental Environmental Surcharge (new ECR)			\$3,079	\$105,712	1.0420%	\$1,102
Total Revenue			\$140,146			\$155,514
Embedded (Base) Fuel					\$0.0272500	\$46,002

KENTUCKY POWER BILLING ANALYSIS
PROFORMA
TEST YEAR ENDED FEBRUARY 28, 2017

INDUSTRIAL GENERAL SERVICE - SECONDARY (356)

	Current Billing Units	Current Rate	Current Revenue	Proposed Billing Units	Proposed Rate	Proposed Revenue
Billing kWh	15,517,623	\$0.03242	\$503,081	15,517,623	\$0.03075	\$477,167
Metered kWh	15,517,623			15,517,623		
<u>Billing kW</u>						
On-Peak	18,084	\$18.23	\$329,666	18,084	\$25.35	\$458,422
Off-Peak	17,240	\$1.10	\$18,964	17,240	\$1.66	\$28,618
Minimum	13,841	\$19.59	\$271,141	13,841	\$27.10	\$375,086
Maximum	0					
Billing KVAR	26	\$0.69	\$18	26	\$0.69	\$18
Customer Charge	48	\$276.00	\$13,248	48	\$276.00	\$13,248
Number of Customers	48			48		
Fuel		\$0.0015985	\$24,805		\$0.0015985	\$24,805
Purchase Power Adjustment			\$1,170			\$0
Big Sandy 1 Operations Rider - Energy		\$0.00141	\$21,751			\$0
Big Sandy 1 Operations Rider - Demand		\$1.14	\$28,618			\$0
Environmental Surcharge			\$28,186			\$0
Sub Total			\$1,240,648			\$1,377,364
Economic Development Rider		\$0.15	\$7	48	\$0.25	\$12
Incremental Environmental Surcharge (ECR)				\$929,715	1.0420%	\$9,688
Total Revenue			\$1,240,656			\$1,387,063
Embedded (Base) Fuel					\$0.0272500	\$422,855

KENTUCKY POWER BILLING ANALYSIS
 PROFORMA
 TEST YEAR ENDED FEBRUARY 28, 2017

INDUSTRIAL GENERAL SERVICE - PRIMARY (358)

	Current Billing Units	Current Rate	Current Revenue	Proposed Billing Units	Proposed Rate	Proposed Revenue
Billing kWh	283,398,759	\$0.03126	\$8,859,045	283,398,759	\$0.02959	\$8,385,769
Metered kWh	283,356,811			283,356,811		
<u>Billing kW</u>						
On-Peak	515,170	\$15.21	\$7,835,736	515,170	\$22.02	\$11,344,043
Off-Peak	485,643	\$1.07	\$519,638	485,643	\$1.61	\$781,885
Minimum	111,893	\$16.53	\$1,849,591	111,893	\$23.72	\$2,654,102
Maximum	0			-		
Billing KVAR	97,486	\$0.69	\$67,265	97,486	\$0.69	\$67,265
Customer Charge	420	\$276.00	\$115,920	420	\$276.00	\$115,920
Number of Customers	420			420		
Fuel		\$0.0015985	\$452,948		\$0.0015985	\$452,948
Purchase Power Adjustment			\$18,925			\$0
Big Sandy 1 Operations Rider - Energy		\$0.00141	\$397,123			\$0
Big Sandy 1 Operations Rider - Demand		\$1.14	\$555,904			\$0
Environmental Surcharge		5.4339%	\$450,117			\$0
Sub Total			\$21,122,212			\$23,801,933
Economic Development Rider		\$0.15	\$63	420	\$0.25	\$105
Incremental Environmental Surcharge (new ECM)				\$15,627,617	1.0420%	\$162,840
Total Revenue			\$21,122,275			\$23,964,878
Embedded (Base) Fuel					\$0.0272500	\$7,721,473

KENTUCKY POWER BILLING ANALYSIS
PROFORMA
TEST YEAR ENDED FEBRUARY 28, 2017

INDUSTRIAL GENERAL SERVICE - SUB TRANSMISSION (359, 371)

	Current Billing Units	Current Rate	Current Revenue	Proposed Billing Units	Proposed Rate	Proposed Revenue
Billing kWh	1,778,446,706	\$0.03090	\$54,954,003	1,778,446,706	\$0.02918	\$51,895,075
Metered kWh	1,778,362,947			1,778,362,947		
Billing kW						
On-Peak	2,798,169	\$10.02	\$28,037,653	2,798,169	\$15.56	\$43,539,510
Off-Peak	2,752,830	\$1.05	\$2,890,472	2,752,830	\$1.58	\$4,349,471
Minimum	311,262	\$11.32	\$3,523,486	311,262	\$17.23	\$5,363,044
Maximum	0			-		
CS-IRP Demand Credit	11,420	(\$3.68)	(\$42,026)	11,420	(\$3.68)	(\$42,026)
Billing KVAR	329,002	\$0.69	\$227,011	329,002	\$0.69	\$227,011
Customer Charge	312	\$794.00	\$247,728	312	\$794.00	\$247,728
Number of Customers	312			312		
Fuel		\$0.0015985	\$2,842,724		\$0.0015985	\$2,842,724
Purchase Power Adjustment			\$87,389			\$0
Big Sandy 1 Operations Rider - Energy		\$0.00141	\$2,493,140			\$0
Big Sandy 1 Operations Rider - Demand		\$1.14	\$2,772,224			\$0
Environmental Surcharge		5.4339%	\$1,623,148			\$0
Sub Total			\$99,656,953			\$108,422,538
Economic Development Rider		\$0.15	\$47	312	\$0.25	\$78
Incremental Environmental Surcharge (new ECR)				\$57,119,502	1.0420%	\$595,185
Total Revenue			\$99,656,999			\$109,017,801
Embedded (Base) Fuel					\$0.0272500	\$48,460,390

KENTUCKY POWER BILLING ANALYSIS
 PROFORMA
 TEST YEAR ENDED FEBRUARY 28, 2017

INDUSTRIAL GENERAL SERVICE - TRANSMISSION (360, 372)

	Current Billing Units	Current Rate	Current Revenue	Proposed Billing Units	Proposed Rate	Proposed Revenue
Billing kWh	313,600,300	\$0.03052	\$9,571,081	313,600,300	\$0.02878	\$9,025,417
Metered kWh	313,600,300			313,600,300		
Billing kW						
On-Peak	169,183	\$9.75	\$1,649,536	169,183	\$15.12	\$2,558,050
Off-Peak	164,991	\$1.04	\$171,590	164,991	\$1.55	\$255,736
Minimum	350,678	\$11.03	\$3,867,979	350,678	\$16.76	\$5,877,365
Maximum	0					
Billing KVAR	28,674	\$0.69	\$19,785	28,674	\$0.69	\$19,785
Customer Charge	36	\$1,353.00	\$48,708	36	\$1,353.00	\$48,708
Number of Customers	36			36		
Fuel		\$0.0015985	\$501,292		\$0.0015985	\$501,292
Purchase Power Adjustment			\$15,846			
Big Sandy 1 Operations Rider - Energy		\$0.00141	\$439,441			\$0
Big Sandy 1 Operations Rider - Demand		\$1.14	\$455,657			\$0
Environmental Surcharge		5.4339%	\$270,044			\$0
Sub Total			\$17,010,960			\$18,286,352
Economic Development Rider		\$0.15	\$5	36	\$0.25	\$9
Incremental Environmental Surcharge (new ECR)				\$9,239,461	1.0420%	\$96,275
Total Revenue			\$17,010,966			\$18,382,636
Embedded (Base) Fuel					\$0.0272500	\$8,545,608

KENTUCKY POWER BILLING ANALYSIS
 PROFORMA
 TEST YEAR ENDED FEBRUARY 28, 2017
 MUNICIPAL WATERWORKS (540)

	Current Billing Units	Current Rate	Current Revenue	Proposed Billing Units	Proposed Rate	Proposed Revenue
All kWh Minimum kWh	1,909,870 82,225	\$0.08515	\$162,625	1,909,870 82,225	\$0.09922	\$189,497
Metered kWh	1,992,095			1,992,095		
Minimum kW	1,791	\$8.20	\$14,689	1,791	\$8.89	\$15,925
Customer Charge	120	\$22.90	\$2,748	120	\$22.90	\$2,748
Number of Customers	120			120		
Fuel		\$0.0015985	\$3,184		\$0.0015985	\$3,184
Purchase Power Adjustment			\$178			\$0
Big Sandy 1 Operations Rider		\$0.0039	\$6,575			\$0
Environmental Surcharge		5.4339%	\$4,880			\$0
Sub Total			\$194,879			\$211,354
Economic Development Rider	120	\$0.15	\$18	120	\$0.25	\$30
Incremental Environmental Surcharge (new ECR)				\$153,915	1.0420%	\$1,604
Total Revenue			\$194,897			\$212,988
Embedded (Base) Fuel					\$0.0272500	\$54,285

KENTUCKY POWER BILLING ANALYSIS
PROFORMA
TEST YEAR ENDED FEBRUARY 28, 2017

OUTDOOR LIGHTING (093, 094, 095, 097, 098, 099, 107, 109, 110, 111, 113, 116, 120, 122, 131)

	Current Billing Units	Current Rate	Current Revenue	Proposed Billing Units	Proposed Rate	Proposed Revenue
<u>Overhead Lighting Service</u>						
High Pressure Sodium						
100 watts, 9,500 Lumens (094)	271,740	\$9.30	\$2,527,182	271,740	\$10.60	\$2,880,444
150 watts, 16,000 Lumens (113)	266,040	\$10.58	\$2,814,703	266,040	\$12.10	\$3,219,084
200 watts, 22,000 Lumens (097)	22,356	\$12.30	\$274,979	22,356	\$14.15	\$316,337
250 watts, 28,000 Lumens (103)	0	\$17.63	\$0	0	\$18.45	\$0
400 watts, 50,000 Lumens (098)	2,496	\$19.01	\$47,449	2,496	\$22.00	\$54,912
Mercury Vapor						
175 watts, 7,000 Lumens (093)	10,056	\$10.47	\$105,286	10,056	\$11.55	\$116,147
400 watts, 20,000 Lumens (095)	1,032	\$18.07	\$18,648	1,032	\$19.90	\$20,537
<u>Post Top Lighting Service</u>						
High Pressure Sodium - PT - UG Circuit						
100 watts, 9,500 Lumens (111)	9,384	\$14.10	\$132,314	9,384	\$16.30	\$152,959
150 watts, 16,000 Lumens (122)	864	\$23.13	\$19,984	864	\$26.70	\$23,069
Mercury Vapor - PT - UG Circuit						
175 watts, 7,000 Lumens (099)	108	\$12.02	\$1,298	108	\$13.25	\$1,431
High Pressure Sodium - Shoebox with Decorative Pole						
100 watts, 9,500 Lumens (121)	0	\$32.85	\$0	0	\$31.35	\$0
250 watts, 28,000 Lumens (120)	12	\$25.83	\$310	12	\$29.85	\$358
400 watts, 50,000 Lumens (126)	0	\$42.96	\$0	0	\$41.90	\$0
<u>Flood Lighting Service</u>						
High Pressure Sodium - Floodlight, existing pole						
200 watts, 22,000 Lumens (107)	22,080	\$14.40	\$317,952	22,080	\$16.60	\$366,528
400 watts, 50,000 Lumens (109)	52,008	\$20.16	\$1,048,481	52,008	\$23.30	\$1,211,786
Metal Halide - Floodlight, existing pole						
250 watts, 20,500 Lumens (110)	1,668	\$17.88	\$29,824	1,668	\$19.75	\$32,943
400 watts, 36,000 Lumens (116)	11,520	\$22.57	\$260,006	11,520	\$24.95	\$287,424
1000 watts, 110,000 Lumens (131)	972	\$41.06	\$39,910	972	\$45.85	\$44,566
Metal Halide - Mongoose Light, existing pole						
250 watts, 20,500 Lumens (130)	0	\$24.63	\$0	0	\$24.00	\$0
400 watts, 36,000 Lumens (136)	0	\$29.42	\$0	0	\$28.85	\$0
Metered kWh	43,044,440			43,044,440		
Facilities Charge						
Pole	52,992	\$3.10	\$164,275	52,992	\$3.60	\$190,771
Span	56,652	\$1.80	\$101,974	56,652	\$2.10	\$118,969
Lateral	744	\$6.75	\$5,022	744	\$7.80	\$5,803
Fuel		\$0.0015985	\$68,807		\$0.0015985	\$68,807
Purchase Power Adjustment			\$7,138			\$0
Big Sandy 1 Operations Rider		\$0.00159	\$66,586			\$0
Environmental Surcharge			\$201,896			\$0
Sub Total			\$8,254,026			\$9,112,876
Incremental Environmental Surcharge (new ECR)				\$7,871,108	1.0420%	\$82,017
Total Revenue			\$8,254,026			\$9,194,893
Embedded (Base) Fuel					\$0.0272500	\$1,172,961

KENTUCKY POWER BILLING ANALYSIS
 PROFORMA
 TEST YEAR ENDED FEBRUARY 28, 2017
 STREET LIGHTING (528)

	Current Billing Units	Current Rate	Current Revenue	Proposed Billing Units	Proposed Rate	Proposed Revenue
OH Service on Distribution Poles						
High Pressure Sodium						
100 watts, 9,500 Lumens	92,088	\$7.80	\$718,286	92,088	\$8.65	\$796,561
150 watts, 16,000 Lumens	1,320	\$8.88	\$11,722	1,320	\$9.90	\$13,068
200 watts, 22,000 Lumens	27,336	\$10.70	\$292,495	27,336	\$12.05	\$329,399
400 watts, 50,000 Lumens	6,048	\$15.96	\$96,526	6,048	\$17.75	\$107,352
Service on New Wood Distribution Poles						
High Pressure Sodium						
100 watts, 9,500 Lumens	5,508	\$11.05	\$60,863	5,508	\$12.75	\$70,227
150 watts, 16,000 Lumens	348	\$12.23	\$4,256	348	\$14.15	\$4,924
200 watts, 22,000 Lumens	6,588	\$14.15	\$93,220	6,588	\$16.40	\$108,043
400 watts, 50,000 Lumens	1,452	\$19.76	\$28,692	1,452	\$22.90	\$33,251
Service on New Metal or Concrete Poles						
High Pressure Sodium						
100 watts, 9,500 Lumens	-	\$20.40	\$0	0	\$29.10	\$0
150 watts, 16,000 Lumens	-	\$21.38	\$0	0	\$30.40	\$0
200 watts, 22,000 Lumens	1,128	\$27.20	\$30,682	1,128	\$30.95	\$34,912
400 watts, 50,000 Lumens	300	\$29.46	\$8,838	300	\$34.05	\$10,215
Metered kWh	8,283,856			8,283,856		
Number of Customers				0		
Fuel		\$0.0015985	\$13,242		\$0.0015985	\$13,242
Purchase Power Adjustment			\$1,192			\$0
Big Sandy 1 Operations Rider		\$0.0016	\$12,872			\$0
Environmental Surcharge		5.4339%	\$38,456			\$0
Sub Total			\$1,411,342			\$1,521,194
Incremental Environmental Surcharge (new ECR)				\$1,282,217	1.0420%	\$13,361
Total Revenue			\$1,411,342			\$1,534,554
Embedded (Base) Fuel					\$0.0272500	\$225,735

KENTUCKY POWER COMPANY
TYPICAL ELECTRIC BILL COMPARISON
GOING LEVEL VS PROPOSED RATES

Current Tariff RS	Proposed Tariff RS	Billing Demand		Metered Energy	Current Bill	Proposed Bill	Bill Increase	% Change
		Peak	O P Exc					
		--	--	250	\$ 42.96	\$ 52.65	\$ 9.69	22.6%
		--	--	500	\$ 73.06	\$ 85.67	\$ 12.61	17.3%
				750	\$ 103.16	\$ 118.68	\$ 15.52	15.0%
		--	--	1,000	\$ 133.26	\$ 151.68	\$ 18.42	13.8%
		--	--	1,246	\$ 162.87	\$ 184.18	\$ 21.31	13.1%
				1,392	\$ 180.46	\$ 203.46	\$ 23.00	12.7%
				1,483	\$ 191.40	\$ 215.47	\$ 24.07	12.6%
		--	--	2,000	\$ 253.65	\$ 283.76	\$ 30.11	11.9%
		--	--	4,000	\$ 494.44	\$ 547.85	\$ 53.41	10.8%
RS-TOD	RS-TOD	--	--	500	\$ 69.13	\$ 80.75	\$ 11.62	16.8%
On-Peak %	30%	--	--	750	\$ 95.79	\$ 109.92	\$ 14.13	14.8%
Off-Peak %	70%	--	--	1,000	\$ 122.44	\$ 139.09	\$ 16.65	13.6%
		--	--	1,500	\$ 175.73	\$ 197.42	\$ 21.69	12.3%
		--	--	2,000	\$ 229.04	\$ 255.75	\$ 26.71	11.7%
		--	--	3,000	\$ 335.66	\$ 372.43	\$ 36.77	11.0%
SGS	GS-SEC	-	-	250	\$ 59.12	\$ 57.77	\$ (1.35)	-2.3%
		-	-	350	\$ 74.23	\$ 70.43	\$ (3.80)	-5.1%
		-	-	455	\$ 90.09	\$ 83.81	\$ (6.28)	-7.0%
		-	-	750	\$ 121.20	\$ 120.57	\$ (0.63)	-0.5%
		-	-	1,000	\$ 145.52	\$ 151.66	\$ 6.14	4.2%
		-	-	2,000	\$ 242.78	\$ 275.97	\$ 33.19	13.7%
		-	-	4,000	\$ 437.29	\$ 524.60	\$ 87.31	20.0%
MGS-SEC	GS-SEC	15	-	2,738	\$ 422.39	\$ 415.45	\$ (6.94)	-1.6%
Load Factor	25%	25	-	4,563	\$ 689.74	\$ 732.78	\$ 43.04	6.2%
		31	-	5,658	\$ 850.17	\$ 923.19	\$ 73.02	8.6%
		50	-	9,125	\$ 1,358.14	\$ 1,526.12	\$ 167.98	12.4%
		75	-	13,688	\$ 2,026.53	\$ 2,319.46	\$ 292.93	14.5%
MGS-SEC	GS-SEC	15	-	5,475	\$ 731.90	\$ 753.75	\$ 21.85	3.0%
Load Factor	50%	25	-	9,125	\$ 1,205.58	\$ 1,296.62	\$ 91.04	7.6%
		31	-	11,315	\$ 1,489.79	\$ 1,622.36	\$ 132.57	8.9%
		50	-	18,250	\$ 2,389.81	\$ 2,653.82	\$ 264.01	11.0%
		75	-	27,375	\$ 3,574.03	\$ 4,011.00	\$ 436.97	12.2%
MGS-PRI	GS-PRI	15	-	2,738	\$ 433.14	\$ 436.38	\$ 3.24	0.7%
Load Factor	25%	25	-	4,563	\$ 681.43	\$ 722.16	\$ 40.73	6.0%
		40	-	7,300	\$ 1,053.87	\$ 1,150.84	\$ 96.97	9.2%
		50	-	9,125	\$ 1,302.19	\$ 1,436.63	\$ 134.44	10.3%
		75	-	13,688	\$ 1,922.92	\$ 2,151.09	\$ 228.17	11.9%
		90	-	16,425	\$ 2,295.38	\$ 2,579.79	\$ 284.41	12.4%
MGS-PRI	GS-PRI	25	-	9,125	\$ 1,174.04	\$ 1,229.39	\$ 55.35	4.7%
Load Factor	50%	43	-	15,695	\$ 1,975.65	\$ 2,109.01	\$ 133.36	6.8%
		50	-	18,250	\$ 2,287.40	\$ 2,451.09	\$ 163.69	7.2%
		60	-	21,900	\$ 2,732.73	\$ 2,939.76	\$ 207.03	7.6%
		85	-	31,025	\$ 3,846.08	\$ 4,161.45	\$ 315.37	8.2%
		95	-	34,675	\$ 4,291.42	\$ 4,650.14	\$ 358.72	8.4%
MGS-SUB	GS-SUB	15	-	2,738	\$ 788.48	\$ 712.92	\$ (75.56)	-9.6%
Load Factor	25%	25	-	4,563	\$ 1,020.32	\$ 948.71	\$ (71.61)	-7.0%
		40	-	7,300	\$ 1,368.08	\$ 1,302.39	\$ (65.69)	-4.8%
		50	-	9,125	\$ 1,599.93	\$ 1,538.18	\$ (61.75)	-3.9%
		75	-	13,688	\$ 2,179.54	\$ 2,127.64	\$ (51.90)	-2.4%
		90	-	16,425	\$ 2,527.31	\$ 2,481.33	\$ (45.98)	-1.8%
MGS-SUB	GS-SUB	25	-	9,125	\$ 1,496.27	\$ 1,368.90	\$ (127.37)	-8.5%
Load Factor	50%	43	-	15,695	\$ 2,256.27	\$ 2,095.86	\$ (160.41)	-7.1%
		52	-	18,980	\$ 2,636.28	\$ 2,459.35	\$ (176.93)	-6.7%
		60	-	21,900	\$ 2,974.06	\$ 2,782.45	\$ (191.61)	-6.4%
		85	-	31,025	\$ 4,029.61	\$ 3,792.10	\$ (237.51)	-5.9%
		95	-	34,675	\$ 4,451.85	\$ 4,195.98	\$ (255.87)	-5.7%
PS-SEC	LGS-SEC	100	-	29,200	\$ 3,621.78	\$ 4,017.28	\$ 395.50	10.9%
Load Factor	40%	150	-	43,800	\$ 5,381.14	\$ 5,976.44	\$ 595.30	11.1%
		200	-	58,400	\$ 7,140.49	\$ 7,935.58	\$ 795.09	11.1%
		300	-	87,600	\$ 10,659.22	\$ 11,853.91	\$ 1,194.69	11.2%

KENTUCKY POWER COMPANY
TYPICAL ELECTRIC BILL COMPARISON
GOING LEVEL VS PROPOSED RATES

Current Tariff	Proposed Tariff	Billing Demand		Metered Energy	Current Bill	Proposed Bill	Bill Increase	% Change
		Peak	O P Exc					
		500	-	146,000	\$ 17,696.66	\$ 19,690.54	\$ 1,993.88	11.3%
PS-PRI	LGS-PRI	125	-	36,500	\$ 4,020.62	\$ 4,500.82	\$ 480.20	11.9%
Load Factor	40%	225	-	65,700	\$ 7,113.53	\$ 7,982.84	\$ 869.31	12.2%
		315	-	91,980	\$ 9,897.14	\$ 11,116.65	\$ 1,219.51	12.3%
		550	-	160,600	\$ 17,165.46	\$ 19,299.41	\$ 2,133.95	12.4%
		750	-	219,000	\$ 23,351.26	\$ 26,263.44	\$ 2,912.18	12.5%
LGS-SEC	LGS-SEC	100	-	29,200	\$ 3,759.25	\$ 4,023.54	\$ 264.29	7.0%
Load Factor	40%	150	-	43,800	\$ 5,587.34	\$ 5,985.83	\$ 398.49	7.1%
		200	-	58,400	\$ 7,415.43	\$ 7,948.11	\$ 532.68	7.2%
		300	-	87,600	\$ 11,071.64	\$ 11,872.71	\$ 801.07	7.2%
		500	-	146,000	\$ 18,384.01	\$ 19,721.86	\$ 1,337.85	7.3%
LGS-SEC	LGS-SEC	100	-	36,500	\$ 4,504.16	\$ 4,780.28	\$ 276.12	6.1%
Load Factor	50%	170	-	62,050	\$ 7,584.93	\$ 8,057.18	\$ 472.25	6.2%
		250	-	91,250	\$ 11,105.83	\$ 11,802.22	\$ 696.39	6.3%
		500	-	182,500	\$ 22,108.59	\$ 23,505.51	\$ 1,396.92	6.3%
		750	-	273,750	\$ 33,111.37	\$ 35,208.76	\$ 2,097.39	6.3%
LGS-SEC	LGS-SEC	100	-	43,800	\$ 5,249.07	\$ 5,536.99	\$ 287.92	5.5%
Load Factor	60%	170	-	74,460	\$ 8,851.29	\$ 9,343.61	\$ 492.32	5.6%
		250	-	109,500	\$ 12,968.11	\$ 13,694.04	\$ 725.93	5.6%
		500	-	219,000	\$ 25,833.17	\$ 27,289.13	\$ 1,455.96	5.6%
		750	-	328,500	\$ 38,698.23	\$ 40,884.24	\$ 2,186.01	5.6%
LGS-SEC	LGS-SEC	100	-	51,100	\$ 5,994.00	\$ 6,293.71	\$ 299.71	5.0%
Load Factor	70%	170	-	86,870	\$ 10,117.65	\$ 10,630.06	\$ 512.41	5.1%
		250	-	127,750	\$ 14,830.41	\$ 15,585.86	\$ 755.45	5.1%
		500	-	255,500	\$ 29,557.74	\$ 31,072.77	\$ 1,515.03	5.1%
		750	-	383,250	\$ 44,285.10	\$ 46,559.68	\$ 2,274.58	5.1%
LGS-PRI	LGS-PRI	125	-	36,500	\$ 4,192.46	\$ 4,508.64	\$ 316.18	7.5%
Load Factor	40%	225	-	65,700	\$ 7,422.83	\$ 7,996.93	\$ 574.10	7.7%
		315	-	91,980	\$ 10,330.16	\$ 11,136.37	\$ 806.21	7.8%
		550	-	160,600	\$ 17,921.54	\$ 19,333.85	\$ 1,412.31	7.9%
		750	-	219,000	\$ 24,382.28	\$ 26,310.41	\$ 1,928.13	7.9%
LGS-PRI	LGS-PRI	125	-	45,625	\$ 4,995.83	\$ 5,344.72	\$ 348.89	7.0%
Load Factor	50%	225	-	82,125	\$ 8,868.89	\$ 9,501.85	\$ 632.96	7.1%
		315	-	114,975	\$ 12,354.66	\$ 13,243.29	\$ 888.63	7.2%
		550	-	200,750	\$ 21,456.38	\$ 23,012.54	\$ 1,556.16	7.3%
		750	-	273,750	\$ 29,202.51	\$ 31,326.82	\$ 2,124.31	7.3%
LGS-PRI	LGS-PRI	125	-	54,750	\$ 5,799.20	\$ 6,180.78	\$ 381.58	6.6%
Load Factor	60%	225	-	98,550	\$ 10,314.96	\$ 11,006.76	\$ 691.80	6.7%
		315	-	137,970	\$ 14,379.15	\$ 15,350.17	\$ 971.02	6.8%
		550	-	240,900	\$ 24,991.20	\$ 26,691.25	\$ 1,700.05	6.8%
		750	-	328,500	\$ 34,022.74	\$ 36,343.23	\$ 2,320.49	6.8%
LGS-PRI	LGS-PRI	125	-	63,875	\$ 6,602.57	\$ 7,016.86	\$ 414.29	6.3%
Load Factor	70%	225	-	114,975	\$ 11,761.04	\$ 12,511.70	\$ 750.66	6.4%
		315	-	160,965	\$ 16,403.65	\$ 17,457.06	\$ 1,053.41	6.4%
		550	-	281,050	\$ 28,526.02	\$ 30,369.93	\$ 1,843.91	6.5%
		750	-	383,250	\$ 38,842.96	\$ 41,359.62	\$ 2,516.66	6.5%
LGS-SUB	LGS-SUB	250	-	73,000	\$ 7,038.76	\$ 7,694.39	\$ 655.63	9.3%
Load Factor	40%	350	-	102,200	\$ 9,549.94	\$ 10,457.87	\$ 907.93	9.5%
		450	-	131,400	\$ 12,061.10	\$ 13,221.35	\$ 1,160.25	9.6%
		600	-	175,200	\$ 15,827.87	\$ 17,366.55	\$ 1,538.68	9.7%
		750	-	219,000	\$ 19,594.63	\$ 21,511.78	\$ 1,917.15	9.8%
LGS-SUB	LGS-SUB	250	-	91,250	\$ 8,199.79	\$ 9,005.60	\$ 805.81	9.8%
Load Factor	50%	350	-	127,750	\$ 11,175.37	\$ 12,293.57	\$ 1,118.20	10.0%
		450	-	164,250	\$ 14,150.96	\$ 15,581.53	\$ 1,430.57	10.1%
		600	-	219,000	\$ 18,614.33	\$ 20,513.48	\$ 1,899.15	10.2%
		750	-	273,750	\$ 23,077.71	\$ 25,445.43	\$ 2,367.72	10.3%
LGS-SUB	LGS-SUB	250	-	109,500	\$ 9,360.81	\$ 10,316.81	\$ 956.00	10.2%
Load Factor	60%	350	-	153,300	\$ 12,800.81	\$ 14,129.28	\$ 1,328.47	10.4%
		450	-	197,100	\$ 16,240.80	\$ 17,941.71	\$ 1,700.91	10.5%
		600	-	262,800	\$ 21,400.80	\$ 23,660.39	\$ 2,259.59	10.6%
		750	-	328,500	\$ 26,560.79	\$ 29,379.07	\$ 2,818.28	10.6%

KENTUCKY POWER COMPANY
TYPICAL ELECTRIC BILL COMPARISON
GOING LEVEL VS PROPOSED RATES

Current Tariff	Proposed Tariff	Billing Demand		Metered Energy	Current Bill	Proposed Bill	Bill Increase	% Change		
		Peak	O P Exc							
LGS-SUB Load Factor	LGS-SUB 70%	250	-	127,750	\$ 10,521.83	\$ 11,628.02	\$ 1,106.19	10.5%		
		350	-	178,850	\$ 14,426.23	\$ 15,964.95	\$ 1,538.72	10.7%		
		450	-	229,950	\$ 18,330.63	\$ 20,301.90	\$ 1,971.27	10.8%		
		600	-	306,600	\$ 24,187.25	\$ 26,807.30	\$ 2,620.05	10.8%		
		750	-	383,250	\$ 30,043.86	\$ 33,312.70	\$ 3,268.84	10.9%		
LGS-TRAN Load Factor	LGS-TRAN 50%	250	-	91,250	\$ 8,077.01	\$ 8,846.29	\$ 769.28	9.5%		
		350	-	127,750	\$ 11,003.48	\$ 12,070.54	\$ 1,067.06	9.7%		
		450	-	164,250	\$ 13,929.96	\$ 15,294.79	\$ 1,364.83	9.8%		
		600	-	219,000	\$ 18,319.66	\$ 20,131.13	\$ 1,811.47	9.9%		
LGS-TRAN Load Factor	LGS-TRAN 60%	250	-	109,500	\$ 9,217.72	\$ 10,133.57	\$ 915.85	9.9%		
		350	-	153,300	\$ 12,600.48	\$ 13,872.73	\$ 1,272.25	10.1%		
		450	-	197,100	\$ 15,983.22	\$ 17,611.89	\$ 1,628.67	10.2%		
		600	-	262,800	\$ 21,057.35	\$ 23,220.60	\$ 2,163.25	10.3%		
LGS-TRAN Load Factor	LGS-TRAN 70%	250	-	127,750	\$ 10,358.41	\$ 11,420.87	\$ 1,062.46	10.3%		
		350	-	178,850	\$ 14,197.44	\$ 15,674.92	\$ 1,477.48	10.4%		
		450	-	229,950	\$ 18,036.49	\$ 19,929.00	\$ 1,892.51	10.5%		
		600	-	306,600	\$ 23,795.03	\$ 26,310.09	\$ 2,515.06	10.6%		
LGS-TRAN Load Factor	LGS-TRAN 80%	250	-	146,000	\$ 11,499.12	\$ 12,708.14	\$ 1,209.02	10.5%		
		350	-	204,400	\$ 15,794.44	\$ 17,477.12	\$ 1,682.68	10.7%		
		450	-	262,800	\$ 20,089.76	\$ 22,246.10	\$ 2,156.34	10.7%		
		600	-	350,400	\$ 26,532.74	\$ 29,399.57	\$ 2,866.83	10.8%		
IGS-SEC Load Factor	IGS-SEC 65%	1,000	0	474,500	\$ 46,393.59	\$ 50,220.48	\$ 3,826.89	8.2%		
		5,000	0	2,372,500	\$ 230,631.08	\$ 249,819.67	\$ 19,188.59	8.3%		
		10,000	0	4,745,000	\$ 460,927.95	\$ 499,318.67	\$ 38,390.72	8.3%		
		15,000	0	7,117,500	\$ 691,224.82	\$ 748,817.67	\$ 57,592.85	8.3%		
		20,000	0	9,490,000	\$ 921,521.71	\$ 998,316.68	\$ 76,794.97	8.3%		
		1,000	200	474,500	\$ 46,659.84	\$ 50,599.68	\$ 3,939.84	8.4%		
		5,000	500	2,372,500	\$ 231,296.71	\$ 250,767.71	\$ 19,471.00	8.4%		
		10,000	500	4,745,000	\$ 461,593.59	\$ 500,266.71	\$ 38,673.12	8.4%		
		15,000	750	7,117,500	\$ 692,223.27	\$ 750,239.73	\$ 58,016.46	8.4%		
		20,000	1,000	9,490,000	\$ 922,852.98	\$ 1,000,212.76	\$ 77,359.78	8.4%		
		IGS-SEC Load Factor	IGS-SEC 85%	1,000	0	620,500	\$ 52,442.48	\$ 55,500.60	\$ 3,058.12	5.8%
				5,000	0	3,102,500	\$ 260,875.55	\$ 276,220.27	\$ 15,344.72	5.9%
10,000	0			6,205,000	\$ 521,416.88	\$ 552,119.85	\$ 30,702.97	5.9%		
15,000	0			9,307,500	\$ 781,958.24	\$ 828,019.46	\$ 46,061.22	5.9%		
20,000	0			12,410,000	\$ 1,042,499.58	\$ 1,103,919.06	\$ 61,419.48	5.9%		
1,000	200			620,500	\$ 52,708.73	\$ 55,879.81	\$ 3,171.08	6.0%		
5,000	500			3,102,500	\$ 261,541.19	\$ 277,168.30	\$ 15,627.11	6.0%		
10,000	500			6,205,000	\$ 522,082.52	\$ 553,067.89	\$ 30,985.37	5.9%		
15,000	750			9,307,500	\$ 782,956.69	\$ 829,441.52	\$ 46,484.83	5.9%		
20,000	1,000			12,410,000	\$ 1,043,830.86	\$ 1,105,815.13	\$ 61,984.27	5.9%		
IGS-PRI Load Factor	IGS-PRI 65%			1,000	0	474,500	\$ 41,605.48	\$ 45,263.08	\$ 3,657.60	8.8%
				5,000	0	2,372,500	\$ 206,690.57	\$ 225,032.69	\$ 18,342.12	8.9%
		10,000	0	4,745,000	\$ 413,046.90	\$ 449,744.68	\$ 36,697.78	8.9%		
		15,000	0	7,117,500	\$ 619,403.26	\$ 674,456.70	\$ 55,053.44	8.9%		
		20,000	0	9,490,000	\$ 825,759.62	\$ 899,168.71	\$ 73,409.09	8.9%		
		1,000	200	474,500	\$ 41,864.47	\$ 45,630.91	\$ 3,766.44	9.0%		
		5,000	500	2,372,500	\$ 207,338.04	\$ 225,952.25	\$ 18,614.21	9.0%		
		10,000	500	4,745,000	\$ 413,694.39	\$ 450,664.25	\$ 36,969.86	8.9%		
		15,000	750	7,117,500	\$ 620,374.48	\$ 675,836.05	\$ 55,461.57	8.9%		
		20,000	1,000	9,490,000	\$ 827,054.58	\$ 901,007.85	\$ 73,953.27	8.9%		
		IGS-PRI Load Factor	IGS-PRI 85%	1,000	0	620,500	\$ 47,817.39	\$ 50,756.85	\$ 2,939.46	6.1%
				5,000	0	3,102,500	\$ 237,750.13	\$ 252,501.54	\$ 14,751.41	6.2%
10,000	0			6,205,000	\$ 475,166.05	\$ 504,682.40	\$ 29,516.35	6.2%		
15,000	0			9,307,500	\$ 712,581.97	\$ 756,863.26	\$ 44,281.29	6.2%		
20,000	0			12,410,000	\$ 949,997.90	\$ 1,009,044.14	\$ 59,046.24	6.2%		
1,000	200			620,500	\$ 48,076.39	\$ 51,124.68	\$ 3,048.29	6.3%		
5,000	500			3,102,500	\$ 238,397.61	\$ 253,421.11	\$ 15,023.50	6.3%		
10,000	500			6,205,000	\$ 475,813.53	\$ 505,601.96	\$ 29,788.43	6.3%		
15,000	750			9,307,500	\$ 713,553.20	\$ 758,242.62	\$ 44,689.42	6.3%		
20,000	1,000			12,410,000	\$ 951,292.86	\$ 1,010,883.27	\$ 59,590.41	6.3%		
IGS-SUB Load Factor	IGS-SUB 65%			1,000	0	474,500	\$ 35,720.25	\$ 38,176.73	\$ 2,456.48	6.9%
				5,000	0	2,372,500	\$ 174,756.80	\$ 187,195.82	\$ 12,439.02	7.1%

KENTUCKY POWER COMPANY
TYPICAL ELECTRIC BILL COMPARISON
GOING LEVEL VS PROPOSED RATES

Current Tariff	Proposed Tariff	Billing Demand		Metered Energy	Current Bill	Proposed Bill	Bill Increase	% Change
		Peak	O P Exc					
		10,000	0	4,745,000	\$ 348,552.47	\$ 373,469.65	\$ 24,917.18	7.1%
		15,000	0	7,117,500	\$ 522,348.14	\$ 559,743.50	\$ 37,395.36	7.2%
		20,000	0	9,490,000	\$ 696,143.82	\$ 746,017.34	\$ 49,873.52	7.2%
		1,000	200	474,500	\$ 35,974.40	\$ 38,537.71	\$ 2,563.31	7.1%
		5,000	500	2,372,500	\$ 175,392.17	\$ 188,098.24	\$ 12,706.07	7.2%
		10,000	750	4,745,000	\$ 349,505.53	\$ 374,823.30	\$ 25,317.77	7.2%
		15,000	1,000	7,117,500	\$ 523,618.91	\$ 561,548.37	\$ 37,929.46	7.2%
		20,000	1,000	9,490,000	\$ 697,414.58	\$ 747,822.21	\$ 50,407.63	7.2%
IGS-SUB	IGS-SUB	1,000	0	620,500	\$ 41,868.55	\$ 43,601.43	\$ 1,732.88	4.1%
Load Factor	85%	5,000	0	3,102,500	\$ 205,498.31	\$ 214,319.25	\$ 8,820.94	4.3%
		10,000	0	6,205,000	\$ 410,035.50	\$ 427,716.53	\$ 17,681.03	4.3%
		15,000	0	9,307,500	\$ 614,572.68	\$ 641,113.81	\$ 26,541.13	4.3%
		20,000	0	12,410,000	\$ 819,109.89	\$ 854,511.10	\$ 35,401.21	4.3%
		1,000	200	620,500	\$ 42,122.71	\$ 43,962.40	\$ 1,839.69	4.4%
		5,000	500	3,102,500	\$ 206,133.69	\$ 215,221.68	\$ 9,087.99	4.4%
		10,000	750	6,205,000	\$ 410,988.57	\$ 429,070.18	\$ 18,081.61	4.4%
		15,000	1,000	9,307,500	\$ 615,843.45	\$ 642,918.67	\$ 27,075.22	4.4%
		20,000	1,000	12,410,000	\$ 820,380.65	\$ 856,315.96	\$ 35,935.31	4.4%
IGS-TRAN	IGS-TRAN	5,000	0	3,102,500	\$ 203,053.67	\$ 211,379.55	\$ 8,325.88	4.1%
Load Factor	85%	10,000	0	6,205,000	\$ 404,469.69	\$ 421,188.25	\$ 16,718.56	4.1%
		15,000	0	9,307,500	\$ 605,885.70	\$ 630,996.92	\$ 25,111.22	4.1%
		20,000	0	12,410,000	\$ 807,301.73	\$ 840,805.61	\$ 33,503.88	4.2%
		5,000	500	3,102,500	\$ 203,682.99	\$ 212,265.12	\$ 8,582.13	4.2%
		10,000	750	6,205,000	\$ 405,413.68	\$ 422,516.59	\$ 17,102.91	4.2%
		15,000	1,000	9,307,500	\$ 607,144.36	\$ 632,768.06	\$ 25,623.70	4.2%
		20,000	1,000	12,410,000	\$ 808,560.39	\$ 842,576.75	\$ 34,016.36	4.2%

Customer Classification	Current Revenue	General Rate Increase*			Total Increase**		
		Proposed Revenue	Proposed Increase	Percent Change	Proposed Revenue	Proposed Increase	Percent Change
R.S.	\$ 232,952,481	\$ 270,431,039	\$ 37,478,558	16.09%	\$ 272,182,724	\$39,230,243	16.84%
S.G.S. – T.O.D.	\$ 123,507	\$ 141,245	\$ 17,738	14.36%	\$ 142,393	\$18,886	15.29%
M.G.S. – T.O.D.	\$ 411,941	\$ 446,302	\$ 34,361	8.34%	\$ 449,519	\$37,578	9.12%
S.G.S.***	\$ 21,248,222	\$ 23,106,822	\$ 1,858,600	8.75%	\$ 23,280,038	\$2,031,816	9.56%
M.G.S.***	\$ 59,833,848	\$ 65,691,477	\$ 5,857,629	9.79%	\$ 66,168,736	\$6,334,888	10.59%
G.S.***	\$ 81,082,069	\$ 88,798,299	\$ 7,716,229	9.52%	\$ 89,448,774	\$ 8,366,704	10.32%
L.G.S.	\$ 57,443,992	\$ 62,280,742	\$ 4,836,750	8.42%	\$ 62,711,438	\$5,267,446	9.17%
K-12 School****	\$ 13,123,224	\$ 14,869,783	\$ 1,746,559	13.31%	\$ 14,974,649	\$1,851,425	14.11%
I.G.S.	\$ 157,911,866	\$ 170,769,361	\$ 12,857,495	8.14%	\$ 171,633,349	\$13,721,483	8.69%
M.W.	\$ 221,405	\$ 237,892	\$ 16,487	7.45%	\$ 239,496	\$18,091	8.17%
O.L.	\$ 8,984,564	\$ 9,843,414	\$ 858,850	9.56%	\$ 9,925,431	\$940,867	10.47%
S.L.	\$ 1,645,931	\$ 1,755,783	\$ 109,852	6.67%	\$ 1,769,144	\$123,213	7.49%
C.A.T.V. 2 User	\$ 452,925	\$ 751,943	\$ 299,018	66.02%	\$ 751,943	\$ 299,018	66.02%
C.A.T.V. 3 User	\$ 353,586	\$ 586,937	\$ 233,351	66.00%	\$ 586,937	\$ 233,351	66.00%
COGEN/SPP I	N/A	N/A	N/A	N/A	N/A	N/A	N/A
COGEN/SPP II	N/A	N/A	N/A	N/A	N/A	N/A	N/A

* Includes base rate increase and increase associated with Tariffs KEDS (for all customer classes) and HEAP (for residential customers).

** Includes general rate increase and increase associated with updates to environmental compliance plan.

*** The italicized values in the row labeled S.G.S., M.G.S., and G.S. are illustrative only. The Company is proposing to combine current Tariffs S.G.S. and M.G.S. into a new Tariff G.S. The “proposed revenues,” “proposed increase,” and “percent change” values shown above for the S.G.S. and M.G.S. classes are illustrative and reflect the application of the proposed Tariff G.S. rates to customers currently taking service under Tariffs S.G.S. and M.G.S. Because Kentucky Power is proposing to eliminate Tariffs S.G.S. and M.G.S., service will not be available under those classes if the Company’s application is approved. In that case, customers receiving service under Tariffs S.G.S. and M.G.S. will only be offered service under Tariff G.S. The “current revenue” value shown for Tariff G.S., which currently is not authorized, likewise is for illustrative purposes.

**** The italicized values in the row labeled K-12 School are illustrative only. The Company is proposing to eliminate Pilot Tariff K-12 School. The “proposed revenues,” “proposed increase,” and “percent change” values shown above for the K-12 School class are illustrative and reflect the application of the proposed Tariff L.G.S. rates to customers currently taking service under Pilot Tariff K-12 School. Because Kentucky Power is proposing to eliminate Pilot Tariff K-12 School, service will not be available under that class if the Company’s application is approved. In that case, customers receiving service under Pilot Tariff K-12 School will only be offered service under Tariff L.G.S. The values in the row labeled L.G.S. do not include the Pilot Tariff K-12 School customers that will take service under Tariff L.G.S. if the Company’s application is approved.

KENTUCKY POWER COMPANY

Line No.	Description	
1	Total KPSC Jurisdiction Capitalization (Section V, Schedule 1, line 18)	<u>\$ 1,191,785,493</u>
2	Total KPSC Jurisdiction Rate Base (Section V, Schedule 1, line 16)	<u>\$ 1,194,888,447</u>
3	Difference (Capitalization less Rate Base)	<u>\$ (3,102,954)</u>

Summary of Differences

<u>Assets</u>		
4	Net Plant	2,334,965
5	Other Property and Investments	8,996,319
6	Cash and Cash Equivalents	2,786,750
7	Accounts Receivable Net	32,421,047
8	Accrued Utility Revenues	(3,563,553)
9	Energy Trading Contracts	142,831
10	Prepayments and Other Current Assets	(45,161,939)
11	Regulatory Assets	553,504,068
12	Unamortized Debt	3,162,031
13	Other Deferred Debits	16,160,949
14	Accumulated Deferred Income Taxes	<u>37,453,758</u>
15	Subtotal (4 through 14)	<u>608,237,225</u>
<u>Capital and Liabilities</u>		
16	Long Term Debt	83,363
17	Obligations Under Capital Leases - Noncurrent	(1,691,595)
18	Accumulated Provisions - Misc. - NonCurrent	(75,510,695)
19	Accounts Payable	(49,165,147)
20	Trading Deposits	(175,794)
21	Taxes Accrued	(22,841,209)
22	Interest Accrued	(15,060,141)
23	Obligations Under Capital Leases - Current	(928,898)
24	Energy Contracts	(212,642)
25	Other Current and Accrued Liabilities	(28,925,921)
26	Deferred Income Taxes	(204,100,093)
27	Regulatory Liabilities	(942,194)
28	Other Deferred Credits	<u>(4,373,750)</u>
29	Subtotal (16 through 29)	<u>(403,844,717)</u>
30	Total (14 + 29)	<u>204,392,508</u>
31	Capitalization - A/R Financing (Section V, Schedule 3, column 3, line 16)	46,807,067
32	Less: Cash Working Capital (Section V, Schedule 4, column 2, line 43)	<u>21,366,873</u>
33	Subtotal (31 + 32)	25,440,194
34	Difference (pre-adjustments) (30 + 33)	<u>229,832,702</u>
<u>Effect of Adjustments</u>		
35	Adjustments to Capitalization	(2,821,953)
36	Jurisdictional Adjustment	6,601,525
37	Adjustments to Cash Working Capital	1,524,001
38	Adjustments to Rate Base	<u>(238,239,231)</u>
39	Subtotal (35 through 38)	<u>(232,935,658)</u>
40	Overall Difference (34 + 39)	<u><u>(3,102,956)</u></u>

<u>Rate Base</u>	<u>Section V Exhibit 1</u>	<u>Section V Exhibit 1</u>	<u>Difference in</u>
<u>Adj #</u>	<u>Schedule 3</u>	<u>Schedule 4</u>	<u>Capitalization &</u>
	<u>Capitalization</u>	<u>Rate Base</u>	<u>Rate Base</u>
Totals from Balance Sheet Detail:	1,583,847,353	1,354,014,650	229,832,702
<u>Adjustments</u>			
Proforma Debt Adjustment	-		-
FRECO A/C 124 Property	(1,826,833)		(1,826,833)
CARRS Site	(5,675,900)	(5,675,900)	-
Non-Utility	(995,120)		(995,120)
	<u>Subtotal</u>	<u>1,348,338,750</u>	<u>227,010,749</u>
Jurisdictional Allocation Adjustment	(18,242,980)	(24,844,505)	6,601,525
	<u>Subtotal</u>	<u>1,323,494,245</u>	<u>233,612,274</u>
<u>Going-Level Adjustments to Cash Working Capital & Other Ratebase Items</u>			
2	Decommissioning Rider Removal	7	(7)
3	Remove Mitchell FGD Expenses	(490,965)	490,965
5	Remove FGD revenue and deferrals	(83,425)	83,425
6	Big Sandy Unit 1 deferrals	(627,885)	627,885
7	Fuel over/under	276,493	(276,493)
8	System sales clause	21,734	(21,734)
9	PPA Rider sync	46,568	(46,568)
10	DSM Rider	(882,524)	882,524
11	HEAP surcharge	(30,847)	30,847
12	Economic Development surcharge	(37,876)	37,876
14	Customer Annualization	(241,462)	241,462
15	Weather Normalization	734,037	(734,037)
17	Normalize major storms	74,492	(74,492)
18	Amorize storm cost deferral	109,324	(109,324)
19	Rate case expense	47,075	(47,075)
20	Postage rate expense	(832)	832
21	Eliminate advertising expense	(12,556)	12,556
22	Annulaize lease costs	(5,018)	5,018
23	Pension and OPEB expense	18,585	(18,585)
24	Group Benefit expense	53,655	(53,655)
25	Remove PJM BLIs from FAC	(106,021)	106,021
26	Peaking unit equivalent	393,823	(393,823)
27	Forced outage	110,276	(110,276)
28	PJM LSE OATT	66,094	(66,094)
29	PJM fees	14,826	(14,826)
31	Severance	(4,429)	4,429
32-39	Incentive comp & payroll	(103,283)	103,283
40	Non-recoverable business expense	(1,864)	1,864
41	Plant maintenance normalization	(34,292)	34,292
52	Employee complement increase	21,574	(21,574)
56	Base forestry expense	(849,285)	849,285
4	FGD Movement from Base to Environmental (Mitchell)	(203,252,269)	(3,048,784)
	Mitchell Coal Stock	(6,804,372)	(95,261)
53	Big Sandy/Decommissioning Rider Removal	(153,631,333)	(235,072,324)
4	Removal of Mitchell FGD Consumables	(1,633,054)	(22,862)
	<u>Adjustment Subtotals</u>	<u>(128,605,798)</u>	<u>(236,715,230)</u>
	Total	1,194,888,447	(3,102,956)

ASSETS	Section IV	Section V Exhibit 1	All Balance Sheet	Section V Exhibit 1	Difference in
	Page 3 & 4	Schedule 3	Items Not in	Schedule 4	Capitalization &
	Per Books 2/28/2017	Capitalization	Capitalization	Rate Base	Rate Base
1010001 Plant in Service	2,567,731,459 A		2,567,731,459	2,567,731,459	0
1011001 Capital Leases	5,520,277		5,520,277	5,520,277	0
1011006 Prov-Leased Assets	(2,991,600)		(2,991,600)	(2,991,600)	0
1011004 Capital Leases - Gen & Misc	0		0	0	0
1011012 Accrued Capital Leases	91,817		91,817	91,817	0
Plant In Service	2,570,351,952		2,570,351,952	2,570,351,952	0
1050001 Held For Fut Use	6,303,504		6,303,504	6,303,504	0
1060001 Const Not Classifd	32,586,268 B		32,586,268	32,586,268	0
1070001 CWIP - Project	27,165,803		27,165,803	27,165,803	0
ELECTRIC UTILITY PLANT	2,636,407,527		2,636,407,527	2,636,407,527	0
1080001 A/P for Deprec of Plt	(875,435,763)		(875,435,763)	(875,435,763)	0
1080005 RWIP - Project Detail	1,880,256		1,880,256	1,880,256	0
1080011 Cost of Removal Reserve	15,022,356		15,022,356	15,022,356	0
1080013 ARO Removal Deprec - Accretion	2,334,965		2,334,965	0	2,334,965
less Accum Provision - Depre, Depl	(856,198,186) C		(856,198,186)	(858,533,151)	2,334,965
1110001 A/P for Amort of Plt	(11,949,978) D		(11,949,978)	(11,949,978)	0
less Accum Provision - Amort.	(11,949,978)		(11,949,978)	(11,949,978)	0
NET ELECTRIC UTILITY PLANT	1,768,259,363		1,768,259,363	1,765,924,398	2,334,965
Subtotal as Shown in Application					
Original Cost - Electric Plant in Service	2,600,317,727 A + B				
Accum Prov for Depr, Depl & Amort	(868,148,164) C + D				
Net Original Cost	1,732,169,562				
1210001 Nonutility Property - Owned	995,120		995,120		995,120
Gross NonUtility Property	995,120		995,120	0	995,120
1220001 Depr&Amrt of Nonutl Prop-Ownd	(236,077)		(236,077)		(236,077)
Less Depr & Amort NonUtility Property	(236,077)		(236,077)	0	(236,077)
1240002 Oth Investments-Nonassociated	806		806		806
1240005 Spec Allowance Inv NOx	8,299		8,299		8,299
1240007 Deferred Compensation Benefits	40,404		40,404		40,404
1240027 Other Property - RWIP	0		0		0
1240028 Other Property - RETIRE	(19)		(19)	0	(19)
1240029 Other Property - CPR	1,826,833		1,826,833		1,826,833
1240092 Fbr Opt Lns-In Kind Sv-Invest	133,189		133,189		133,189
Other Investments	2,009,512		2,009,512	0	2,009,512
1290001 Non-UMWA PRW Funded Position	5,891,385		5,891,385		5,891,385
1290002 SFAS 106 - Non-UMWA PRW	412,280		412,280		412,280
Other Special Funds	6,303,665		6,303,665	0	6,303,665
1581000 SO2 Allowance Inventory	0		0	0	0
Allowance - NonCurrent	0		0	0	0
1750002 Long-Term Unreal Gns - Non Aff	70,183		70,183		70,183
1750022 L/T Asset MTM Collateral	(146,085)		(146,085)		(146,085)
Long Term Energy Trading Contracts	(75,902)		(75,902)		(75,902)
OTHER PROPERTY AND INVESTMENTS	8,996,319		8,996,319	0	8,996,319
1310000 Cash	1,142,465		1,142,465		1,142,465
1340018 Spec Deposits - Elect Trading	1,165,284		1,165,284		1,165,284
1340043 Spec Deposit UBS Securities	0		0		0
1340048 Spec Deposits-Trading Contra	124,333		124,333		124,333
1340050 Spec Deposit Mizuho Securities	285,828		285,828		285,828
1340051 Spec Deposit RBC	59,897		59,897		59,897
1340053 Deposits Flexible Spending	8,943		8,943		8,943
Cash and Cash Equivalents	2,786,750		2,786,750	0	2,786,750
1450000 Corp Borrow Prg (NR-Assoc)	0		0		0
Advances to Affiliates	0		0	0	0
1420001 Customer A/R - Electric	45,772,818		45,772,818		45,772,818
1420014 Customer A/R-System Sales	548,639		548,639		548,639
1420019 Transmission Sales Receivable	4,232		4,232		4,232
1420022 Cust A/R - Factored	(38,420,584)		(38,420,584)		(38,420,584)
1420023 Cust A/R-System Sales - MLR	683,541		683,541		683,541
1420024 Cust A/R-Options & Swaps - MLR	0		0		0
1420027 Low Inc Energy Asst Pr (LIEAP)	19,538		19,538		19,538
1420028 Emergency LIEAP	1,584,540		1,584,540		1,584,540
1420044 Customer A/R - Estimated	1,044,501		1,044,501		1,044,501
1420050 PJM AR Accrual	(0)		(0)		(0)
1420054 Accrued Power Brokers	659,067		659,067		659,067
1420057 Customer A/R - REC activity	0		0		0
1420058 Cust A/R-Contra-Home Warranty	(124,448)		(124,448)		(124,448)

ASSETS	Section IV	Section V Exhibit 1	All Balance Sheet	Section V Exhibit 1	Difference in
	Page 3 & 4	Schedule 3	Items Not in	Schedule 4	Capitalization &
	Per Books 2/28/2017	Capitalization	Capitalization	Rate Base	Rate Base
1420059 AR PS Bill-Cust Home Warranty	22,401		22,401		22,401
1420101 Other Accounts Rec - Cust	0		0		0
1420102 AR Peoplesoft Billing - Cust	<u>845,785</u>		<u>845,785</u>		<u>845,785</u>
Acct Rec - Customers	12,640,030		12,640,030	0	12,640,030
1430022 2001 Employee Biweekly Pay Cnv	35		35		35
1430022 2001 Employee Biweekly Pay Cnv	67,103		67,103		67,103
1430081 Damage Recovery - Third Party	14,585		14,585		14,585
1430083 Damage Recovery Offset Demand	(17,054)		(17,054)		(17,054)
1430101 Other Accounts Rec - Misc	(54,297)		(54,297)		(54,297)
1430102 AR Peoplesoft Billing - Misc	<u>308,255</u>		<u>308,255</u>		<u>308,255</u>
Acct Rec - Miscellaneous	318,627		318,627	0	318,627
1440002 Uncoll Accts-Other Receivables	<u>(65,680)</u>		<u>(65,680)</u>		<u>(65,680)</u>
Acct Rec - AP for Uncollectible Accounts	(65,680)		(65,680)	0	(65,680)
1460001 A/R Assoc Co - InterUnit G/L	17,236,497		17,236,497		17,236,497
1460006 A/R Assoc Co - Intercompany	139,812		139,812		139,812
1460009 A/R Assoc Co - InterUnit A/P	5,786		5,786		5,786
1460011 A/R Assoc Co - Multi Pmts	1,984,646		1,984,646		1,984,646
1460025 Fleet - M4 - A/R	<u>161,330</u>		<u>161,330</u>		<u>161,330</u>
Acct Rec - Associated Companies	19,528,070		19,528,070	0	19,528,070
Accts Receivable	32,421,047		32,421,047		32,421,047
1510001 Fuel Stock - Coal	16,759,551		16,759,551	16,759,551	0
1510002 Fuel Stock - Oil	642,725		642,725	642,725	0
1510003 Fuel Stock - Gas	(37,495)		(37,495)	(37,495)	0
1510020 Fuel Stock Coal - Intransit	1,750,240		1,750,240	1,750,240	0
1520000 Fuel Stock Exp Undistributed	<u>744,405</u>		<u>744,405</u>	<u>744,405</u>	0
Fuel Stock	19,859,426		19,859,426	19,859,426	0
1581003 SO2 Allowance Inventory - Curr	9,370,787		9,370,787	9,370,787	0
1581009 CSAPR Current SO2 Inv	<u>32,713</u>		<u>32,713</u>	<u>32,713</u>	0
Allowance Inventory	9,403,500		9,403,500	9,403,500	0
1540001 M&S - Regular	13,788,135		13,788,135	13,788,135	0
1540004 M&S - Exempt Material	84,104		84,104	84,104	0
1540006 M&S - Lime and Limestone	1,633,054		1,633,054	1,633,054	0
1540012 Materials & Supplies - Urea	181,207		181,207	181,207	0
1540013 Transportation Inventory	178,561		178,561	178,561	0
1540022 M&S-Lime & Limestone Intransit	0		0	0	0
1540023 M&S Inv - Urea In-Transit	<u>154,882</u>		<u>154,882</u>	<u>154,882</u>	0
Plant Materials and Supplies	16,019,943		16,019,943	16,019,943	0
1730000 Accrued Utility Revenues	6,671,485		6,671,485		6,671,485
1730002 Acrd Utility Rev-Factored-Assc	(10,235,037)		<u>(10,235,037)</u>		<u>(10,235,037)</u>
Accrued Utility Revenues	(3,563,553)		(3,563,553)	0	(3,563,553)
1750001 Curr. Unreal Gains - NonAffil	295,090		295,090		295,090
1750021 S/T Asset MTM Collateral	<u>(152,259)</u>		<u>(152,259)</u>		<u>(152,259)</u>
Energy Trading	142,831		142,831	0	142,831
1650001 Prepaid Insurance	365,304		365,304	365,304	0
165000215 Prepaid Taxes	0		0	0	0
165000216 Prepaid Taxes	375,600		375,600	375,600	0
1650006 Other Prepayments	103,743		103,743	103,743	0
1650009 Prepaid Carry Cost-Factored AR	24,751		24,751	24,751	0
1650010 Prepaid Pension Benefits	48,706,586		48,706,586	48,706,586	0
165001116 Prepaid Sales Taxes	0		0	0	0
165001117 Prepaid Sales Taxes	382,150		382,150	382,150	0
165001216 Prepaid Use Taxes	0		0	0	0
165001217 Prepaid Use Taxes	42,016		42,016	42,016	0
1650014 FAS 158 Qual Contra Asset	(48,706,586)		(48,706,586)	0	(48,706,586)
1650021 Prepaid Insurance - EIS	665,555		665,555	665,555	0
1650023 Prepaid Lease	0		0	0	0
1650035 PRW Without MED-D Benefits	10,167,927		10,167,927	10,167,927	0
1650036 PRW for Med-D Benefits	0		0	0	0
1650037 FAS158 Contra-PRW Exclud Med-D	(10,167,927)		(10,167,927)	(10,167,927)	0
1720000 Rents Receivable	3,544,647		3,544,647		3,544,647
174001115 Non-Highway Fuel Tx Credit	0		0		0
Prepayments & Other Current Assets	5,503,766		5,503,766	50,665,705	(45,161,939)
CURRENT ASSETS	82,573,710		82,573,710	95,948,574	(13,374,864)
1823007 SFAS 112 Postemployment Benef	3,288,265		3,288,265		3,288,265
1823009 DSM Incentives	4,038,202		4,038,202		4,038,202
1823010 Energy Efficiency Recovery	(46,736,574)		(46,736,574)		(46,736,574)
1823011 DSM Lost Revenues	13,291,751		13,291,751		13,291,751

	Section IV Page 3 & 4 Per Books 2/28/2017	Section V Exhibit 1 Schedule 3 Capitalization	All Balance Sheet Items Not in Capitalization	Section V Exhibit 1 Schedule 4 Rate Base	Difference in Capitalization & Rate Base
ASSETS					
1823012 DSM Program Costs	36,535,436		36,535,436		36,535,436
1823022 HRJ 765kV Post Service AFUDC	526,440		526,440	526,440	0
1823054 HRJ 765kV Depreciation Expense	82,029		82,029	82,029	0
1823063 Unrecovered Fuel Cost	3,023,766		3,023,766		3,023,766
1823077 Unreal Loss on Fwd Commitments	0		0		0
1823078 Deferred Storm Expense	12,474,669		12,474,669		12,474,669
1823099 Asset Retirement Obligations	0		0		0
1823115 Defd Equity Carry Chg-Non Fuel	(35,666)		(35,666)		(35,666)
1823118 BridgeCo TO Funding	117,163		117,163		117,163
1823120 Other PJM Integration	123,783		123,783		123,783
1823121 Carry Chgs-RTO Startup Costs	77,466		77,466		77,466
1823122 Alliance RTO Deferred Expense	61,322		61,322		61,322
1823165 REG ASSET FAS 158 QUAL PLAN	53,680,004		53,680,004		53,680,004
1823166 REG ASSET FAS 158 OPEB PLAN	3,993,907		3,993,907		3,993,907
1823167 REG Asset FAS 158 SERP Plan	(130,024)		(130,024)		(130,024)
1823188 Deferred Carbon Mgmt Research	0		0		0
1823299 SFAS 106 Medicare Subsidy	1,696,857		1,696,857		1,696,857
1823301 SFAS 109 Flow Thru Defd FIT	84,810,132		84,810,132		84,810,132
1823302 SFAS 109 Flow Thru Defrd SIT	88,615,835		88,615,835		88,615,835
1823306 Net CCS FEED Study Costs	814,668		814,668		814,668
1823325 CCS FEED Study Reserve	0		0		0
1823329 ATR Under-Recovery	0		0		0
1823376 Cost of Removal-Big Sandy Coal	(41,157,847)		(41,157,847)		(41,157,847)
1823377 NBV - AROs Retired Plants	48,339,320		48,339,320		48,339,320
1823378 M&S - Retiring Plants	3,755,242		3,755,242		3,755,242
1823379 Unrecovered Plant - Big Sandy	257,195,944		257,195,944		257,195,944
1823380 Spent AROs - Big Sandy Coal	19,327,934		19,327,934		19,327,934
1823410 BS1OR Unrecognized Equity CC	(814,266)		(814,266)		(814,266)
1823411 BS1OR Under Recovery CC	1,633,205		1,633,205		1,633,205
1823414 Capacity Charge Tariff Rev	249,701		249,701		249,701
1823515 IGCC Pre-Construction Costs	1,242,504		1,242,504		1,242,504
1823516 BS1OR Under Recovery	757,972		757,972		757,972
1823517 Big Sandy Recov O/U Balancing	(3,674,726)		(3,674,726)		(3,674,726)
1823518 BSRR Unit 2 O&M	865,995		865,995		865,995
1823519 Unrecovered Purch Power-PPA	583,948		583,948		583,948
1823520 Deferred Dep - Environmental	1,725,984		1,725,984		1,725,984
1823521 Carrying Charge - Environmental	3,508,699		3,508,699		3,508,699
1823522 CC - Environmental Unrec Equit	(1,755,522)		(1,755,522)		(1,755,522)
1823523 Deferred O&M - Environmental	1,199,296		1,199,296		1,199,296
1823524 Deferred Consumable Exp - Envi	(6,829)		(6,829)		(6,829)
1823525 Deferred Property Tax - Enviro	34,769		34,769		34,769
1823536 CC-NERC Compl/Cyber Unrec Eqty	(8,769)		(8,769)		(8,769)
1823537 CC-NERC Compliance/Cyber Sec	17,610		17,610		17,610
1823538 Def Depr-NERC Compli/Cybersec	53,764		53,764		53,764
1823547 Def Depr-Big Sandy Unit 1 Gas	347,890		347,890		347,890
1823550 Def Prop Tax-Big Sandy U1 Gas	<u>341,289</u>		<u>341,289</u>		<u>341,289</u>
Regulatory Assets	554,112,537		554,112,537	608,469	553,504,068
1890004 Loss Rec Debt-Debentures	<u>530,000</u>		<u>530,000</u>		<u>530,000</u>
Unamortized Loss on Reacquired Debt	530,000		530,000	0	530,000
1810002 Unamort Debt Exp - Inst Pur Cn	619,403		619,403		619,403
1810003 Unamort Debt Exp Notes Payable	221,855		221,855		221,855
1810006 Unamort Debt Exp - Sr Unsec Nt	<u>1,790,774</u>		<u>1,790,774</u>		<u>1,790,774</u>
Unamortized Debt Expense	2,632,031		2,632,031	0	2,632,031
1840029 Transp-Assigned Vehicles	<u>0</u>		<u>0</u>		<u>0</u>
Clearing Accounts	0		0	0	0
1830000 Prelimin Surv&Investgtn Chrgs	283,324		283,324		283,324
1830004 Prelim Survey & Invstgtn Resrv	0		0		0
1860000 MDD-Internal Billing Only	0		0		0
1860001 Allowances	202		202		202
1860002 Deferred Expenses	6,090		6,090		6,090
1860005 Unidentified Cash Receipts	(373)		(373)		(373)
1860007 Billings and Deferred Projects	(178)		(178)		(178)
186000315 Deferred Property Taxes	1,052,157		1,052,157		1,052,157
186000316 Deferred Property Taxes	13,044,776		13,044,776		13,044,776
1860077 Agency Fees - Factored A/R	982,584		982,584		982,584
186008116 Defd Property Tax - Cap Leases	0		0		0
186008117 Defd Property Tax - Cap Leases	194,412		194,412		194,412
1860087 Estimated Barging Bills	198,455		198,455		198,455
1860153 Unamortized Credit Line Fees	399,500		399,500		399,500
1860160 Deferred Expenses - Current	0		0		0
1860166 Def Lease Assets - Non Taxable	<u>0</u>		<u>0</u>		<u>0</u>
Other Deferred Debits	16,160,949		16,160,949	0	16,160,949

ASSETS	Section IV	Section V Exhibit 1	All Balance Sheet	Section V Exhibit 1	Difference in
	Page 3 & 4	Schedule 3	Items Not in	Schedule 4	Capitalization &
	Per Books 2/28/2017	Capitalization	Capitalization	Rate Base	Rate Base
1900010 ADIT Federal - Pension OCI	753,011		753,011		753,011
1900011 ADIT Federal Non-UMWA PRW OCI	(45,376)		(45,376)		(45,376)
1900015 ADIT-Fed-Hdg-CF-Int Rate	16,267		16,267		16,267
1901001 Accum Deferred FIT - Other	19,834,478		19,834,478	19,834,478	0
1901002 Accum Deferred SIT - Other	5,310,754		5,310,754	0	5,310,754
1902001 Accum Defd FIT - Oth Inc & Ded	149,318		149,318		149,318
1903001 Acc Dfd FIT - FAS109 Flow Thru	31,010,071		31,010,071		31,010,071
1904001 Accum Dfd FIT - FAS 109 Excess	259,712		259,712		259,712
Accumulated Deferred Income Taxes	57,288,236		57,288,236	19,834,478	37,453,758
TOTAL DEFERRED CHARGES	76,611,216		76,611,216	19,834,478	56,776,738
TOTAL ASSETS	2,490,553,144		2,490,553,144	1,882,315,919	608,237,225
CAPITALIZATION and LIABILITIES					
COMMON STOCK					
2010001 Common Stock Issued-Affiliated	50,450,000	50,450,000	0		0
Common Stock	50,450,000	50,450,000	0	0	0
2080000 Donations Recvd from StckHldrs	523,324,094	523,324,094	0		0
2110018 DSIT Apportionment Adj.	2,811,185	2,811,185	0		0
2190006 OCI-Min Pen Liab FAS 158-Qual	(1,398,448)	(1,398,448)	0		0
2190007 OCI-Min Pen Liab FAS 158-OPEB	84,270	84,270	0		0
2190015 Accum OCI-Hdg-CF-Int Rate	(30,211)	(30,211)	0		0
Paid-In-Capital	524,790,890	524,790,890	0	0	0
Retained Earnings	90,775,274	90,775,274	0	0	0
COMMON SHAREHOLDERS' EQUITY	666,016,164	666,016,164	0	0	0
2240005 Other Long Term Debt - Other	75,000,000	75,000,000	0		0
2240006 Senior Unsecured Notes	405,000,000	405,000,000	0		0
2240502 Instl Purchase Contracts-Curr	65,000,000	65,000,000	0		0
2240506 Senior Unsecured Notes-Current	325,000,000	325,000,000	0		0
Senior Unsecured Notes	870,000,000	870,000,000	0		0
2260006 Unam Disc LTD-Dr-Sr Unsec Note	(83,363)		83,363	0	83,363
Long-Term Debt	869,916,638	870,000,000	83,363	0	83,363
CAPITALIZATION	1,535,932,801	1,536,016,164	83,363	0	83,363
2270001 Obligatns Undr Cap Lse-Noncurr	1,623,019		(1,623,019)		(1,623,019)
2270003 Accrued Noncur Lease Oblig	68,576		(68,576)		(68,576)
Obligations Under Capital Lease-NonCurrent	1,691,595		(1,691,595)	0	(1,691,595)
2282003 Accm Prv I/D - Worker's Com	77,794		(77,794)		(77,794)
2283000 Accm Prv for Pensions&Benefits	144,101		(144,101)		(144,101)
2283002 Supplemental Savings Plan	53,999		(53,999)		(53,999)
2283005 SFAS 112 Postemployment Benef	4,472,943		(4,472,943)		(4,472,943)
2283006 SFAS 87 - Pensions	449,221		(449,221)		(449,221)
2283007 Perf Share Incentive Plan	543,891		(543,891)		(543,891)
2283013 Incentive Comp Deferral Plan	4,539		(4,539)		(4,539)
2283015 FAS 158 SERP Payable Long Term	(130,167)		130,167		130,167
2283016 FAS 158 Qual Payable Long Term	6,675,655		(6,675,655)		(6,675,655)
2284027 Econ. Development Fund NonCurr	135,903		(135,903)		(135,903)
2290002 Accumulated Provision Rate Relief	745,976		(745,976)		(745,976)
2300001 Asset Retirement Obligations	46,105,996		(46,105,996)		(46,105,996)
2300002 ARO - Current	16,336,962		(16,336,962)		(16,336,962)
2440002 LT Unreal Losses - Non Affil	67,892		(67,892)		(67,892)
2440022 L/T Liability MTM Collateral	(174,011)		174,011		174,011
Accumlated Provision - Miscellaneous	75,510,695		(75,510,695)	0	(75,510,695)
Other NonCurrent Liabilities	77,202,290	0	(77,202,290)	0	(77,202,290)
2330000 Corp Borrow Program (NP-Assoc)	1,022,872	1,022,872	0		0
2320001 Accounts Payable - Regular	9,638,384		(9,638,384)		(9,638,384)
2320002 Unvouchered Invoices	6,366,832		(6,366,832)		(6,366,832)
2320003 Retention	629,175		(629,175)		(629,175)
2320011 Uninvoiced Fuel	6,349,463		(6,349,463)		(6,349,463)
2320052 Accounts Payable - Purch Power	777		(777)		(777)
2320053 Elect Trad-Options&Swaps	0		0		0
2320054 Emission Allowance Trading	(46)		46		46
2320056 Gas Physicals	0		0		0
2320062 Broker Fees Payable	6,641		(6,641)		(6,641)
2320073 A/P Misc Dedic. Power	9,754		(9,754)		(9,754)
2320076 Corporate Credit Card Liab	51,932		(51,932)		(51,932)
2320077 INDUS Unvouchered Liabilities	946,317		(946,317)		(946,317)

	Section IV Page 3 & 4 Per Books 2/28/2017	Section V Exhibit 1 Schedule 3 Capitalization	All Balance Sheet Items Not in Capitalization	Section V Exhibit 1 Schedule 4 Rate Base	Difference in Capitalization & Rate Base
2320079 Broker Commisn Spark/Merch Gen	0		0		0
2320083 PJM Net AP Accrual	3,073,094		(3,073,094)		(3,073,094)
2320086 Accrued Broker - Power	146,624		(146,624)		(146,624)
2320090 MISO AP Accrual	21,416		(21,416)		(21,416)
2320094 Customer A/P - REC Activity	41		(41)		(41)
2320095 Home Warranty Payables	<u>66,315</u>		<u>(66,315)</u>		<u>(66,315)</u>
A/P General	27,306,718		(27,306,718)	0	(27,306,718)
2340001 A/P Assoc Co - InterUnit G/L	15,875,621		(15,875,621)		(15,875,621)
2340011 A/P-Assc Co-AEPSC-Agent	0		0		0
2340025 A/P Assoc Co - CM Bills	408,356		(408,356)		(408,356)
2340027 A/P Assoc Co - Intercompany	106,864		(106,864)		(106,864)
2340029 A/P Assoc Co - AEPSC Bills	5,151,067		(5,151,067)		(5,151,067)
2340030 A/P Assoc Co - InterUnit A/P	117,659		(117,659)		(117,659)
2340032 A/P Assoc Co - Multi Pmts	6,646		(6,646)		(6,646)
2340035 Fleet - M4 - A/P	<u>192,215</u>		<u>(192,215)</u>		<u>(192,215)</u>
A/P Associated Companies	21,858,428		(21,858,428)	0	(21,858,428)
2350001 Customer Deposits-Active	26,917,350		(26,917,350)	(26,917,350)	0
2350003 Deposits - Trading Activity	<u>175,794</u>		<u>(175,794)</u>		<u>(175,794)</u>
Customer Deposits	27,093,145		(27,093,145)	(26,917,350)	(175,794)
2360001 Federal Income Tax	3,007,959		(3,007,959)		(3,007,959)
236000209 State Income Taxes	0		0		0
236000215 State Income Taxes	0		(0)		(0)
236000216 State Income Taxes	(577,425)		577,425		577,425
236000217 State Income Taxes	502,169		(502,169)		(502,169)
2360004 FICA	163,385		(163,385)		(163,385)
2360005 Federal Unemployment Tax	23,574		(23,574)		(23,574)
2360006 State Unemployment Tax	65,665		(65,665)		(65,665)
236000715 State Sales and Use Taxes	0		0		0
236000716 State Sales and Use Taxes	0		0		0
236000717 State Sales and Use Taxes	68,315		(68,315)		(68,315)
236000814 Real Personal Property Taxes	0		0		0
236000815 Real Personal Property Taxes	2,916,813		(2,916,813)		(2,916,813)
236000816 Real Personal Property Taxes	15,227,210		(15,227,210)		(15,227,210)
236001214 State Franchise Taxes	0		0		0
236001316 State Business Occupatn Taxes	0		0		0
236001317 State Business Occupatn Taxes	483,168		(483,168)		(483,168)
236001600 State Gross Receipts Tax	71,358		(71,358)		(71,358)
236001616 State Gross Receipts Tax	0		0		0
236001617 State Gross Receipts Tax	4,600		(4,600)		(4,600)
236001717 Municipal License Fees Accrd	0		0		0
236003316 Pers Prop Tax-Cap Leases	191,906		(191,906)		(191,906)
236003317 Pers Prop Tax-Cap Leases	233,296		(233,296)		(233,296)
236003516 Real Prop Tax-Cap Leases	12,821		(12,821)		(12,821)
236003517 Real Prop Tax-Cap Leases	4,000		(4,000)		(4,000)
2360037 FICA - Incentive accrual	525,828		(525,828)		(525,828)
2360038 Reorg Payroll Tax Accrual	20,870		(20,870)		(20,870)
2360502 State Inc Tax-Short Term FIN48	27,936		(27,936)		(27,936)
2360601 Fed Inc Tax-Long Term FIN48	(117,451)		117,451		117,451
2360602 State Inc Tax-Long Term FIN48	34,849		(34,849)		(34,849)
2360702 SEC Accum Defd SIT - FIN 48	(68,373)		68,373		68,373
2360801 Federal Income Tax - IRS Audit	491,476		(491,476)		(491,476)
2360901 Accum Defd FIT- IRS Audit	<u>472,740</u>		<u>(472,740)</u>		<u>(472,740)</u>
Taxes Accrued	22,841,209		(22,841,209)	0	(22,841,209)
2370002 Interest Accrued-Inst Pur Con	34,619		(34,619)		(34,619)
2370005 Interest Accrd-Other LT Debt	111,187		(111,187)		(111,187)
2370006 Interest Accrd-Sen Unsec Notes	14,789,007		(14,789,007)		(14,789,007)
2370007 Interest Accrd-Customer Depsts	24,405		(24,405)		(24,405)
2370018 Accrued Margin Interest	0		(0)		(0)
2370048 Acrd Int. - FIT Reserve - LT	94,143		(94,143)		(94,143)
2370348 Acrd Int. - SIT Reserve - LT	2,632		(2,632)		(2,632)
2370448 Acrd Int. - SIT Reserve - ST	<u>4,147</u>		<u>(4,147)</u>		<u>(4,147)</u>
Interest Accrued	15,060,141		(15,060,141)	0	(15,060,141)
2430001 Oblig Under Cap Leases - Curr	905,658		(905,658)		(905,658)
2430003 Accrued Cur Lease Oblig	<u>23,240</u>		<u>(23,240)</u>		<u>(23,240)</u>
Obligation Under Capital Leases	928,898		(928,898)	0	(928,898)
2440001 Curr. Unreal Losses - NonAffil	212,642		(212,642)		(212,642)
2440021 S/T Liability MTM Collateral	0		0		0
Energy Contracts Current	212,642		(212,642)	0	(212,642)
2410001 Federal Income Tax Withheld	0		0		0
2410002 State Income Tax Withheld	119,695		(119,695)		(119,695)
2410003 Local Income Tax Withheld	24,909		(24,909)		(24,909)

ASSETS	Section IV	Section V Exhibit 1	All Balance Sheet	Section V Exhibit 1	Difference in
	Page 3 & 4	Schedule 3	Items Not in	Schedule 4	Capitalization &
	Per Books 2/28/2017	Capitalization	Capitalization	Rate Base	Rate Base
2410004 State Sales Tax Collected	720,219		(720,219)		(720,219)
2410006 School District Tax Withheld	63		(63)		(63)
2410008 Franchise Fee Collected	384,765		(384,765)		(384,765)
2410009 KY Utility Gr Receipts Lic Tax	<u>1,113,570</u>		<u>(1,113,570)</u>		<u>(1,113,570)</u>
Tax Collections Payable	2,363,221		(2,363,221)	0	(2,363,221)
2420514 Revenue Refunds Accrued	<u>1,401,654</u>		<u>(1,401,654)</u>		<u>(1,401,654)</u>
Revenue Refunds Accrued	1,401,654		(1,401,654)	0	(1,401,654)
2420504 Accrued Lease Expense	<u>(15,889)</u>		<u>15,889</u>		<u>15,889</u>
Accrued Rents - NonAffiliated	(15,889)		15,889	0	15,889
Accrued Rents	(15,889)		15,889	0	15,889
2420020 Vacation Pay - This Year	4,342,154		(4,342,154)		(4,342,154)
2420021 Vacation Pay - Next Year	<u>693,938</u>		<u>(693,938)</u>		<u>(693,938)</u>
Accrued Vacations	5,036,092		(5,036,092)	0	(5,036,092)
2420051 Non-Productive Payroll	205,749		(205,749)		(205,749)
2420053 Perf Share Incentive Plan	0		0		0
Miscellaneous Employee Benefits	205,749		(205,749)	0	(205,749)
Employee Benefits	5,241,841		(5,241,841)	0	(5,241,841)
2420002 P/R Ded - Medical Insurance	135,458		(135,458)		(135,458)
2420003 P/R Ded - Dental Insurance	15,229		(15,229)		(15,229)
2420013 P/R Ded - LTD Ins Premiums	<u>1,473</u>		<u>(1,473)</u>		<u>(1,473)</u>
Payroll Deductions	152,160		(152,160)	0	(152,160)
2420532 Adm Liab-Cur-S/Ins-W/C	<u>234,157</u>		<u>(234,157)</u>		<u>(234,157)</u>
Accrued Workers' Compensation	234,157		(234,157)	0	(234,157)
2420027 FAS 112 CURRENT LIAB	792,493		(792,493)		(792,493)
2420046 FAS 158 SERP Payable - Current	143		(143)		(143)
2420071 P/R Ded - Vision Plan	5,742		(5,742)		(5,742)
2420072 P/R - Payroll Adjustment	0		0		0
2420076 P/R Savings Plan - Incentive	293,408		(293,408)		(293,408)
2420088 Econ. Development Fund Curr	687,506		(687,506)		(687,506)
2420511 Control Cash Disburse Account	4,129,766		(4,129,766)		(4,129,766)
2420515 Severance Accrual	139,375		(139,375)		(139,375)
2420512 Unclaimed Funds	5,200		(5,200)		(5,200)
2420542 Acc Cash Franchise Req	85,145		(85,145)		(85,145)
2420558 Admitted Liab NC-Self/Ins-W/C	2,813,056		(2,813,056)		(2,813,056)
242059216 Sales Use Tax - Lease Equip	0		0		0
242059217 Sales Use Tax - Lease Equip	7,946		(7,946)		(7,946)
2420618 Accrued Payroll	1,999,763		(1,999,763)		(1,999,763)
2420623 Distr, Cust Ops & Reg Svcs ICP	3,315,246		(3,315,246)		(3,315,246)
2420624 Corp & Shrd Srv Incentive Plan	448,073		(448,073)		(448,073)
2420635 Generation Incentive Plan	3,477,744		(3,477,744)		(3,477,744)
2420643 Accrued Audit Fees	72,933		(72,933)		(72,933)
2420651 Reorg Severance Accrual	712,285		(712,285)		(712,285)
2420656 Federal Mitigation Accru (NSR)	554,326		(554,326)		(554,326)
2420660 AEP Transmission ICP	0		0		0
2420700 Quality of Service	<u>8,626</u>		<u>(8,626)</u>		<u>(8,626)</u>
Miscellaneous Current and Accrued Liab	19,548,777		(19,548,777)	0	(19,548,777)
Other Current and Accrued Liabilities	28,925,921		(28,925,921)	0	(28,925,921)
Current Liabilities	<u>145,249,974</u>	1,022,872	<u>(144,227,103)</u>	(26,917,350)	(117,309,752)
2811001 Acc Dfd FIT - Accel Amort Prop	57,824,471		(57,824,471)	(57,824,471)	0
2821001 Accum Dfd FIT - Utility Prop	343,025,691		(343,025,691)	(343,025,691)	0
2823001 Acc Dfrd FIT FAS 109 Flow Thru	55,120,441		(55,120,441)		(55,120,441)
2824001 Acc Dfrd FIT - SFAS 109 Excess	(482,323)		482,323		482,323
2831001 Accum Deferred FIT - Other	114,866,331		(114,866,331)	(114,866,331)	0
2831002 Accum Deferred SIT - Other	0		0	0	0
2831102 Acc Dfd SIT-WV Pollution Cntrl	4,775,277		(4,775,277)	(4,775,277)	0
2831302 Acc Dfd SIT-Transferred Plants	2,099,496		(2,099,496)	(2,099,496)	0
2832001 Accum Dfrd FIT - Oth Inc & Ded	147,051		(147,051)		(147,051)
2833001 Acc Dfd FIT FAS 109 Flow Thru	60,699,088		(60,699,088)		(60,699,088)
2833002 Acc Dfrd SIT FAS 109 Flow Thru	<u>88,615,835</u>		<u>(88,615,835)</u>		<u>(88,615,835)</u>
Deferred Income Taxes	726,691,358		(726,691,358)	(522,591,265)	(204,100,093)
2550001 Accum Deferred ITC - Federal	<u>1,250</u>	<u>1,250</u>	0		0
Deferred Investment Tax Credits	1,250	1,250	0	0	0
2540011 Over Recovered Fuel Cost	0		0		0
Over Recover of Fuel Cost	0		0		0
2540000 Other Regulatory Liabilities	0		0		0
2540047 Unreal Gain on Fwd Commitments	84,739		(84,739)		(84,739)
2540071 KY Enhanced Reliability Liab	36,296		(36,296)		(36,296)
2540105 Home Energy Assist Prgm - KPSC	77,637		(77,637)		(77,637)
2540173 Green Pricing Option	<u>814</u>		<u>(814)</u>		<u>(814)</u>
Other Regulatory Liability	199,486		(199,486)		(199,486)
2543001 SFAS109 Flow Thru Def FIT Liab	673		(673)		(673)
2544001 SFAS 109 Exces Deferred FIT	<u>742,035</u>		<u>(742,035)</u>		<u>(742,035)</u>
FAS109 DFIT Reiclass (Acct 254)	742,709		(742,709)	0	(742,709)
Regulatory Liabilities	942,194		(942,194)	0	(942,194)

<u>ASSETS</u>	<u>Section IV</u> <u>Page 3 & 4</u> <u>Per Books 2/28/2017</u>	<u>Section V Exhibit 1</u> <u>Schedule 3</u> <u>Capitalization</u>	<u>All Balance Sheet</u> <u>Items Not in</u> <u>Capitalization</u>	<u>Section V Exhibit 1</u> <u>Schedule 4</u> <u>Rate Base</u>	<u>Difference in</u> <u>Capitalization &</u> <u>Rate Base</u>
2520000 Customer Adv for Construction	159,526		(159,526)	(159,526)	0
Customer Advances for Construction	159,526		(159,526)	(159,526)	0
2530000 Other Deferred Credits	14,036		(14,036)		(14,036)
2530004 Allowances	6,484		(6,484)		(6,484)
2530022 Customer Advance Receipts	1,722,175		(1,722,175)		(1,722,175)
2530050 Deferred Rev -Pole Attachments	(9,059)		9,059		9,059
2530067 IPP - System Upgrade Credits	298,475		(298,475)		(298,475)
2530092 Fbr Opt Lns-In Kind Sv-Dfd Gns	133,189		(133,189)		(133,189)
2530101 MACSS Unidentified EDI Cash	0		0		0
2530112 Other Deferred Credits-Curr	4,131		(4,131)		(4,131)
2530114 Federl Mitigation Deferal(NSR)	1,110,644		(1,110,644)		(1,110,644)
2530124 Contr In Aid of Constr Advance	98,374		(98,374)		(98,374)
2530137 Fbr Opt Lns-Sold-Defd Rev	60,247		(60,247)		(60,247)
2530177 Deferred Rev-Bonus Lease Curr	431,564		(431,564)		(431,564)
2530178 Deferred Rev-Bonus Lease NC	503,492		(503,492)		(503,492)
Other Deferred Credits	4,373,750		(4,373,750)		(4,373,750)
Deferred Credits	4,533,276	0	(4,533,276)	(159,526)	(4,373,750)
DEFERRED CREDITS & REGULATED LIABILITIES	732,168,078	1,250	(732,166,828)	(522,750,791)	(209,416,037)
CAPITAL & LIABILITIES	2,490,553,144	1,537,040,286	(953,512,858)	(549,668,142)	(403,844,717)
Accounts Receivable / Cash Working Capital		46,807,067	46,807,067	21,366,873	25,440,194
	2,490,553,144	1,583,847,353	(906,705,791)	(528,301,269)	(378,404,523)
Assets	2,490,553,144	0	2,490,553,144	1,882,315,919	608,237,225
Liabilities	2,490,553,144	1,583,847,353	(906,705,791)	(528,301,269)	(378,404,523)
		1,583,847,353	1,583,847,353	1,354,014,650	229,832,702

Account	Descr
1010001	Plant in Service
1010007	Plant In Service-IMPCo-SBSMPP
1011001	Capital Leases
1011006	Prov-Leased Assets
1011012	Accrued Capital Leases
1020001	Plant Purchd or Sold
1050001	Held For Fut Use
1060001	Const Not Classifd
1070000	Construction Work In Progress
1070001	CWIP - Project
1070910	Capitalized Softwr Bill Step 1
1080000	Accum Prov for Deprec of Plant
1080001	A/P for Deprec of Plt
1080002	A/P for Deprec of Plt-Transmn
1080005	RWIP - Project Detail
1080011	Cost of Removal Reserve
1080013	ARO Removal Deprec - Accretion
1110001	A/P for Amort of Plt
1201000	Nuclr Fuel in Proc of Refinmnt
1210001	Nonutility Property - Owned
1220001	Depr&Amrt of Nonutl Prop-Ownd
1220003	Depr&Amrt of Nonutl Prop-WIP
1240001	Other Investments - Associated
1240002	Oth Investments-Nonassociated
1240004	Other Inv-Employee Loans-LT
1240005	Spec Allowance Inv NOx
1240006	Other Investments - COLI
1240007	Deferred Compensation Benefits
1240009	Land & Land Rights
1240011	Unreal Gain on Fwd Commitments
1240025	Other Property - CWIP
1240027	Other Property - RWIP
1240028	Other Property - RETIRE
1240029	Other Property - CPR
1240030	NonCurrent Option Prem Payment
1240037	Intang Assets - Amortizable
1240044	Spec Allowances Inv SO2
1240092	Fbr Opt Lns-In Kind Sv-Invest
1290000	Pension Net Funded Position
1290001	Non-UMWA PRW Funded Position
1290002	SFAS 106 - Non-UMWA PRW
1290003	SFAS 87 - Pension
1310000	Cash
1340000	Other Special Deposits
1340002	Allowances
1340004	Worker's Comp Adv Premium
1340017	Spec Deposits - Gas Options
1340018	Spec Deposits - Elect Trading
1340043	Spec Deposit BNP Paribas
1340044	Spec Deposits - SO2 Trading
1340048	Spec Deposits-Trading Contra
1340050	Spec Deposit Mizuho Securities
1340051	Spec Deposit RBC
1340053	Deposits - Flexible Spending
1340055	Spec Dep Affil - Elect Trading
1350003	Cash Advances - Wages
1350004	Cash Adv-Employee Expenses
1410002	P/R Ded - Misc Loan Repayments
1420001	Customer A/R - Electric
1420003	Customer A/R - CMP
1420005	Employee Loans - Current
1420011	A/R - Retail Cust Rents
1420014	Customer A/R-System Sales
1420019	Transmission Sales Receivable
1420022	Cust A/R - Factored
1420023	Cust A/R-System Sales - MLR
1420024	Cust A/R-Options & Swaps - MLR
1420027	Low Inc Energy Asst Pr (LIEAP)
1420028	Emergency LIEAP
1420044	Customer A/R - Estimated
1420048	Emission Allowance Trading
1420050	PJM AR Accrual

Account	Descr
1420052	Gas Accruals
1420053	AR Coal Trading
1420054	Accrued Power Brokers
1420057	Customer A/R - REC activity
1420058	Cust A/R-Contra-Home Warranty
1420059	AR PS Bill-Cust Home Warranty
1420101	Other Accounts Rec - Cust
1420102	AR Peoplesoft Billing - Cust
1430001	Other Accounts Rec-Regular
1430002	Allowances
1430006	Unbilled Accounts Receivable
1430018	Survivor Benefit Plan Premiums
1430019	Coal Trading
1430021	Emission Allowance Trading
1430022	2001 Employee Biweekly Pay Cnv
1430023	A/R PeopleSoft Billing System
1430081	Damage Recovery - Third Party
1430082	Acct Rec Gas - AEP Sys Pool
1430083	Damage Recovery Offset Demand
1430085	Gas Accruals GDA Transactions
1430086	AR Accrual NYMEX OTC Penults
1430087	PJM AR Accrual
1430089	A/R - Benefits Billing
1430090	Accrued Broker - Power
1430101	Other Accounts Rec - Misc
1430102	AR Peoplesoft Billing - Misc
1440001	Uncoll Accts-Elect Receivables
1440002	Uncoll Accts-Other Receivables
1440003	Uncoll Accts-Power Trading
1450000	Corp Borrow Prg (NR-Assoc)
1460001	A/R Assoc Co - InterUnit G/L
1460002	A/R Assoc Co - Allowances
1460006	A/R Assoc Co - Intercompany
1460007	A/R Assoc Co - OAR System
1460008	A/R Assoc Co - AEPSC Bills
1460009	A/R Assoc Co - InterUnit A/P
1460011	A/R Assoc Co - Multi Pmts
1460012	A/R Assoc-PCRB Interest
1460014	A/R-Assoc-Unvouchered
1460019	A/R-Assoc Co-AEPSC-Agent
1460024	A/R Assoc Co - System Sales
1460025	Fleet - M4 - A/R
1460028	Factored-A/R Chg off Limit Fee
1460045	A/R Assc Co-Realization Sharnq
1510001	Fuel Stock - Coal
1510002	Fuel Stock - Oil
1510003	Fuel Stock - Gas
1510017	Lignite Inv on Hand Inc Transp
1510020	Fuel Stock Coal - Intransit
1520000	Fuel Stock Exp Undistributed
1530000	Residuals
1540001	M&S - Regular
1540002	M&S - Loaned/Rented
1540004	M&S - Exempt Material
1540005	Material Away for Repairs
1540006	M&S - Lime and Limestone
1540012	Materials & Supplies - Urea
1540013	Transportation Inventory
1540014	Indus Direct Charge Clearing
1540016	MMS - Truck Stock
1540019	M&S Validation Error Correctns
1540022	M&S-Lime & Limestone Intransit
1540023	M&S Inv - Urea In-Transit
1581000	SO2 Allowance Inventory
1581003	SO2 Allowance Inventory - Curr
1581004	NOx Allowance Inventory - Curr
1581006	An. NOx Comp Inv - Curr
1581009	CSAPR Current SO2 Inv
1630000	Stores Expense Undistributed
1630001	Strs Exp-Canton Centrl Wrhse
1630002	Strs Exp-Ft Wayne Centrl Wrhse

Account	Descr
1630003	Strs Exp-Roanoke Centrl Wrhse
1630004	Strs Exp-T&D Satellite Storem
1630005	Stores Exp - Rockport Plant
1630006	Stores Exp - Amos Plant
1630007	Stores Exp - Clinch River Plan
1630008	Stores Exp - Glen Lyn Plant
1630009	Stores Exp - Kanawha River Plt
1630010	Stores Exp - Mountaineer Plt
1630011	Stores Exp - Sporn Plant
1630013	Stores Exp - Conesville Plant
1630014	Stores Exp - Picway Plant
1630017	Stores Exp - Tanners Creek Plt
1630018	Stores Exp - Cook Nuclear Plan
1630019	Stores Exp - Big Sandy Plant
1630020	Stores Exp - Cardinal Plant
1630021	Stores Exp - Gavin Plant
1630022	Stores Exp - Kammer Plant
1630023	Stores Exp - Mitchell Plant
1630024	Stores Exp - Muskingum River
1630026	Stores Exp - Cook Coal Term
1630027	Stores Exp - Waterford Plant
1630029	Stores Exp - Fossil & Hydro
1630031	Stores Exp - T&D General
1630032	Stores Exp - Power Gen General
1630033	Stores Exp - All Busin Units
1630035	Coletto Creek Power Station
1630043	Comanche Station
1630044	Northeast Station - 1 & 2
1630045	Northeast Station - 3 & 4
1630046	Riverside Station
1630047	Southwest Station
1630048	Tulsa Power Station
1630049	Weleetka Power Station
1630053	Arsenal Hill Power Plant
1630055	Flint Creek Power Plant
1630056	Knox Lee Power Plant
1630057	Lieberman Power Plant
1630058	Lone Star Power Plant #1
1630059	Pirkey Power Plant
1630060	Wilkes Power Plant
1630061	Welsh Power Plant
1630064	Oklunion Power Station
1630070	Stores Exp - Houston Pipe Line
1630071	Stores Exp - Conesville Prep
1630089	Stores Exp - Shrevprt Chem Lab
1630091	Stores Exp - Central Mach Shop
1630108	Strs Exp - ACCT-AUP-ADJ
1630109	Strs Exp - ACCT-COUNT-ADJ
1630110	Strs Exp - ACCT-FRT-EXPENSE
1630111	Strs Exp - ACCT-INV-SCRAP
1630112	Strs Exp - PRICE VARIANCE
1630113	Strs Exp - ACCT-REC-INT
1630121	Strs Exp - Tulsa
1630125	Stores - Contract & Labor Svcs
1630126	Strs Exp - Transf Poly PH Pad
1630155	Stores Exp - Ceredo Plant
1630156	Stores Exp - Darby Plant
1630157	Stores Exp - Mattison Plant
1630158	Stores Exp-Lawrenceburg Plant
1630159	Stores Expense - Turk Plant
1630160	Stores Expense - Dresden Plant
1630999	Cash Discount Allocation Only
1650001	Prepaid Insurance
165000201	Prepaid Taxes
165000202	Prepaid Taxes
165000204	Prepaid Taxes
165000205	Prepaid Taxes
165000206	Prepaid Taxes
165000207	Prepaid Taxes
165000208	Prepaid Taxes
165000209	Prepaid Taxes

Account	Descr
165000210	Prepaid Taxes
165000211	Prepaid Taxes
165000212	Prepaid Taxes
165000213	Prepaid Taxes
165000214	Prepaid Taxes
165000215	Prepaid Taxes
165000216	Prepaid Taxes
1650004	Prepaid Interest
1650005	Prepaid Employee Benefits
1650006	Other Prepayments
1650007	Corporate Owned Life Insurance
1650009	Prepaid Carry Cost-Factored AR
1650010	Prepaid Pension Benefits
165001112	Prepaid Sales Taxes
165001113	Prepaid Sales Taxes
165001114	Prepaid Sales Taxes
165001115	Prepaid Sales Taxes
165001116	Prepaid Sales Taxes
165001117	Prepaid Sales Taxes
165001212	Prepaid Use Taxes
165001213	Prepaid Use Taxes
165001214	Prepaid Use Taxes
165001215	Prepaid Use Taxes
165001216	Prepaid Use Taxes
165001217	Prepaid Use Taxes
1650014	FAS 158 Qual Contra Asset
1650021	Prepaid Insurance - EIS
1650023	Prepaid Lease
1650031	Prepaid OCIP Work Comp
1650033	Prepaid OCIP Work Comp - Aff
1650035	PRW Without MED-D Benefits
1650036	PRW for Med-D Benefits
1650037	FAS158 Contra-PRW Exclud Med-D
1710048	Interest Receivable -FIT -LT
1710248	Interest Receivable -FIT -ST
1710348	Interest Receivable -SIT -LT
1710448	Interest Receivable. -SIT -ST
1720000	Rents Receivable
1730000	Accrued Utility Revenues
1730002	Acrd Utility Rev-Factored-Assc
1730005	Accrued Util. Rev.- SECA
1740000	Misc Current & Accrued Assets
174000400	State Excise Tax Refund
174001112	Non-Highway Fuel Tx Credit-2012
174001113	Non-Highway Fuel Tx Credit-2012
174001114	Non-Highway Fuel Tax Credit
174001115	Non-Highway Fuel Tax Credit
1740012	Pension Plan
1740014	Unreal Gain on Fwd Commitments
1740015	Option Premium Payments
1740017	Firm Transmission Rights
1740031	City of Mesa Cntrct Fee - Curr
1740035	Misc Current Assets - EIS
1750001	Curr. Unreal Gains - NonAffil
1750002	Long-Term Unreal Gns - Non Aff
1750003	Curr. Unrealized Gains Affil
1750004	Long-Term Unreal Gains - Affil
1750009	S/T Option Premium Purchases
1750021	S/T Asset MTM Collateral
1750022	L/T Asset MTM Collateral
1760010	S/T Asset for Commodity Hedges
1760011	L/T Asset for Commodity Hedges
1810001	Unamort Debt Exp - FMB
1810002	Unamort Debt Exp - Inst Pur Cn
1810003	Unamort Debt Exp Notes Payable
1810004	Unamort Debt Exp - Debentures
1810006	Unamort Debt Exp - Sr Unsec Nt
1823000	Other Regulatory Assets
1823001	Allowances
1823005	SFAS 109 DFIT
182300600	SFAS 109 DSIT

Account	Descr
182300698	SFAS 109 DSIT
182300699	SFAS 109 DSIT
1823007	SFAS 112 Postemployment Benef
1823009	DSM Incentives
1823010	Energy Efficiency Recovery
1823011	DSM Lost Revenues
1823012	DSM Program Costs
1823022	HRJ 765kV Post Service AFUDC
1823054	HRJ 765kV Depreciation Expense
1823063	Unrecovered Fuel Cost
1823064	Oth Work In Prog - DSM Port
1823077	Unreal Loss on Fwd Commitments
1823078	Deferred Storm Expense
1823080	Deregulation Consumer Educat
1823099	Asset Retirement Obligations
1823105	Deferred Merger Cost - AEP/CSW
1823115	Defd Equity Carry Chg-Non Fuel
1823118	BridgeCo TO Funding
1823119	PJM Integration Payments
1823120	Other PJM Integration
1823121	Carry Chgs-RTO Startup Costs
1823122	Alliance RTO Deferred Expense
1823157	Interstate Project 765kv Line
1823165	REG ASSET FAS 158 QUAL PLAN
1823166	REG ASSET FAS 158 OPEB PLAN
1823167	REG Asset FAS 158 SERP Plan
1823188	Deferred Carbon Mgmt Research
1823299	SFAS 106 Medicare Subsidy
1823301	SFAS 109 Flow Thru Defd FIT
1823302	SFAS 109 Flow Thru Defrd SIT
1823306	Net CCS FEED Study Costs
1823325	CCS FEED Study Reserve
1823329	ATR Under-Recovery
1823359	SWEPCo Transmission Recovery
1823376	Cost of Removal-Big Sandy Coal
1823377	NBV - AROs Retired Plants
1823378	M&S - Retiring Plants
1823379	Unrecovered Plant - Big Sandy
1823380	Spent AROs - Big Sandy Coal
1823410	BS1OR Unrecognized Equity CC
1823411	BS1OR Under Recovery CC
1823414	Capacity Charge Tariff Rev
1823500	Mon Power Integration Cost
1823515	IGCC Pre-Construction Costs
1823516	BS1OR Under Recovery
1823517	Big Sandy Recov O/U Balancing
1823518	BSRR Unit 2 O&M
1823519	Unrecovered Purch Power-PPA
1823520	Deferred Dep - Environmental
1823521	Carrying Charge - Environmenta
1823522	CC - Environmental Unrec Equit
1823523	Deferred O&M - Environmental
1823524	Deferred Consumable Exp - Envi
1823525	Deferred Property Tax - Enviro
1823536	CC-NERC Compl/Cyber Unrec Eqty
1823537	CC-NERC Compliance/Cyber Sec
1823538	Def Depr-NERC Compli/Cybersec
1823547	Def Depr-Big Sandy Unit 1 Gas
1823550	Def Prop Tax-Big Sandy U1 Gas
1830000	Prelimin Surv&Investgtn Chrgs
1830001	Interstate Project 765 kv Line
1830004	Prelim Survey & Invstgtn Resrv
1840000	Clearing Accounts
1840001	Bldg Servcs Oper Exp-Clearing
1840002	Accounts Pay Adj - Clearing
1840003	Procurement Card - Clearing
1840004	Undistributed Payroll-Clearing
1840005	Non-Product Payroll - Clearing
1840006	Telephone Expense - Clearing
1840007	Transfer of Funds - Clearing
1840019	CMS & CMF - Clearing Activity

Account	Descr
1840020	Simulator Learning Center-Clrg
1840023	Factored Cust Accts Rec-Affil
1840025	Aviation - Clearing
1840026	Oth Accts Rec - Cash Clearing
1840027	Oth Accts Rec - A/R Clearing
1840028	Non T/L Payroll-Clearing
1840029	Transp-Assigned Vehicles
1840030	Transportation-Other
1840031	Affil Transactions-Cash Clrng
1840033	Alliance Rail Car - OH
1840035	IT Oper Company (OPCO) Clearng
1840040	Undist Labor Fringe Benefit Clr
1840041	Undist Incentive Frg Ben Clr
1840043	Treasury Clearing
1840045	Veh Clr - Conversion Use Only
1840046	PeopleSoft Treasury Wire Paymt
1840047	Pension Benefit Clearing
1840048	FIT Payment Clearing
1840051	Allowances - Clearing
1840054	Insurance Clearing
1840057	Cell Phone/Pager - Clearing
1840058	Severance Clearing
1840059	NTL Payroll Clearing-Non Labor
1840061	Labor Clearing Allocation
1840062	AEPSC Coal Lab Clearing
1840063	Corporate Charge Card Clearing
1850000	Temporary Facilities
1860000	MDD-Internal Billing Only
1860001	Allowances
1860002	Deferred Expenses
186000301	Deferred Property Taxes
186000310	Deferred Property Taxes
186000312	Deferred Property Taxes
186000313	Deferred Property Taxes
186000314	Deferred Property Taxes
186000315	Deferred Property Taxes
186000316	Deferred Property Taxes
1860005	Unidentified Cash Receipts
1860007	Billings and Deferred Projects
1860008	Billings for Mutual Assistance
1860018	Corp Separation Clearing
1860042	Exp Issue/Reaq Bonds & Stk
1860046	Railroad Cars Subleased
1860072	Deferred Coal Transactions
1860074	Merger Severance Offsets
1860076	Deferred Merger Relocation Exp
1860077	Agency Fees - Factored A/R
1860078	Incentive Expense-EVP Summary
1860079	Incentive Expense - Offset
186008102	Defd Property Tax - Cap Leases
186008103	Defd Property Tax - Cap Leases
186008104	Defd Property Tax - Cap Leases
186008105	Defd Property Tax - Cap Leases
186008106	Defd Property Tax - Cap Leases
186008107	Defd Property Tax - Cap Leases
186008108	Defd Property Tax - Cap Leases
186008113	Defd Property Tax - Cap Leases
186008114	Defd Property Tax - Cap Leases
186008115	Defd Property Tax - Cap Leases
186008116	Defd Property Tax - Cap Lease
186008117	Defd Property Tax - Cap Lease
1860085	BridgeCo TO Funding
1860087	Estimated Barging Bills
1860091	BridgeCo RTO Deferred Exp
1860092	Compatible Unit/Wrk 2k Sys Clr
1860094	Labor Accruals - Bal Sheet
1860096	PJM Payments
1860110	AEP Branding
1860114	ABD Major Construction Work
1860116	PJM Integration
1860136	NonTradition Option Premiums

Account	Descr
1860150	Deferred Rate Case Expense
1860151	Transmission JV Deferred Costs
1860153	Unamortized Credit Line Fees
1860160	Deferred Expenses - Current
1860166	Def Lease Assets - Non Taxable
1860167	Def Lease Assets - Taxable
1860168	AEPSC Accrued Labor-Bal Sheet
1860179	Local Credit Line Fees
1860999	Validation Error Correction
1880000	R&D Expenses
1890001	Loss Recqd Debt - FMB
1890004	Loss Rec Debt-Debentures
1900001	Accum Def Income Tax - Federal
1900006	ADIT Federal - SFAS 133 Nonaff
1900009	ADIT Federal - Pension OCI Naf
1900010	ADIT Federal - Pension OCI
1900011	ADIT Federal Non-UMWA PRW OCI
1900015	ADIT-Fed-Hdg-CF-Int Rate
1901001	Accum Deferred FIT - Other
1901002	Accum Deferred SIT - Other
1902001	Accum Defd FIT - Oth Inc & Ded
1903001	Acc Dfd FIT - FAS109 Flow Thru
1904001	Accum Dfd FIT - FAS 109 Excess
2010001	Common Stock Issued-Affiliated
2080000	Donations Recvd from Stckhldrs
2110000	Miscellaneous Paid-In Capital
2110009	MPIC - restricted stock units
2110018	DSIT Apportionment Adj.
2160001	Unapprp Retnd Erngs-Unrstrictd
2190001	OCI - FAS 133
2190004	OCI-Min Pen Liab FAS 158-SERP
2190006	OCI-Min Pen Liab FAS 158-Qual
2190007	OCI-Min Pen Liab FAS 158-OPEB
2190010	OCI for Commodity Hedges
2190015	Accum OCI-Hdg-CF-Int Rate
2210001	First Mortgage Bonds
2210004	Debentures
2210504	Debentures - Current Portion
2230000	Advances from Associated Co
2230500	Advances from Assoc Co-Current
2240002	Installment Purchase Contracts
2240005	Other Long Term Debt - Other
2240006	Senior Unsecured Notes
2240103	Notes Payable - Affiliated
2240502	Instl Purchase Contracts-Curr
2240503	Notes - Current Portion
2240505	Oth LTD - Other - Current
2240506	Senior Unsecured Notes-Current
2240603	Notes - Affiliated - Current
2260001	Unam Disc LTD-Debit-FMB
2260004	Unam Disc LTD-Dr-Debentures
2260006	Unam Disc LTD-Dr-Sr Unsec Note
2270001	Obligatns Undr Cap Lse-Noncurr
2270003	Accrued Noncur Lease Oblig
2282003	Accm Prv I/D - Worker's Com
2283000	Accm Prv for Pensions&Benefits
2283001	Deferred Compensation Plan
2283002	Supplemental Savings Plan
2283003	SFAS 106 Post Retirement Benef
2283005	SFAS 112 Postemployment Benef
2283006	SFAS 87 - Pensions
2283007	Perf Share Incentive Plan
2283013	Incentive Comp Deferral Plan
2283015	FAS 158 SERP Payable Long Term
2283016	FAS 158 Qual Payable Long Term
2283017	FAS 158 OPEB Payable Long Term
2283018	SFAS 106 Med Part-D
2284027	Econ. Development Fund NonCurr
2290002	Acc Prv Rate Refnds-Nonassoc
2290006	Acc Prv for Potential Refund
2300001	Asset Retirement Obligations

Account	Descr
2300002	ARO - Current
2320001	Accounts Payable - Regular
2320002	Unvouchered Invoices
2320003	Retention
2320006	Allowance Settlements
2320008	Miscellaneous Liabilities
2320011	Uninvoiced Fuel
2320050	Coal Trading
2320052	Accounts Payable - Purch Power
2320053	Elect Trad-Options&Swaps
2320054	Emission Allowance Trading
2320056	Gas Physicals
2320062	Broker Fees Payable
2320071	Gas Accruals GDA Trans-Payable
2320073	A/P Misc Dedic. Power
2320074	A/P - FTL - SWITCH Rentals
2320076	Corporate Credit Card Liab
2320077	INDUS Unvouchered Liabilities
2320079	Broker Commisn Spark/Merch Gen
2320081	AP Accrual NYMEX OTC & Penults
2320083	PJM Net AP Accrual
2320084	Uninvoiced OVEC Purch Power
2320086	Accrued Broker - Power
2320090	MISO AP Accrual
2320094	Customer A/P - REC Activity
2320095	Home Warranty Payables
2320096	OCIP Unvouchered liability
2330000	Corp Borrow Program (NP-Assoc)
2330012	PCRB Note-Assoc-Current
2330212	PCRB Note-Assoc-Reacq-Current
2330999	Unbundling Adjustment
2340001	A/P Assoc Co - InterUnit G/L
2340002	Accnts Pay-Assoc-Unvouchrd
2340005	A/P Assoc Co - Allowances
2340011	A/P-Assoc Co-AEPSC-Agent
2340012	A/P Assoc-PCRB Interest
2340025	A/P Assoc Co - CM Bills
2340026	A/P Assoc Co - R&D Bills
2340027	A/P Assoc Co - Intercompany
2340028	Factored-A/R Chg off Limit Fee
2340029	A/P Assoc Co - AEPSC Bills
2340030	A/P Assoc Co - InterUnit A/P
2340032	A/P Assoc Co - Multi Pmts
2340034	A/P Assoc Co - System Sales
2340035	Fleet - M4 - A/P
2340037	A/P Assoc-Global Borrowing Int
2340040	A/P Assc Co-On Behalf Of Trans
2340041	A/P Assc Co - Non-InterUnit GL
2340049	A/P Assoc -Realization Sharing
2340212	A/P Assoc-PCRB Reacq Int
2350001	Customer Deposits-Active
2350003	Deposits - Trading Activity
2350005	Deposits - Trading Contra
2360001	Federal Income Tax
236000101	Federal Income Tax
236000102	Federal Income Tax
236000190	Federal Income Tax
236000200	State Income Taxes
236000201	State Income Taxes
236000202	State Income Taxes
236000203	State Income Taxes
236000204	State Income Taxes
236000205	State Income Taxes
236000206	State Income Taxes
236000207	State Income Taxes
236000208	State Income Taxes
236000209	State Income Taxes
236000210	State Income Taxes
236000211	State Income Taxes
236000212	State Income Taxes
236000213	State Income Taxes

Account	Descr
236000214	State Income Taxes
236000215	State Income Taxes
236000216	State Income Taxes
236000217	State Income Taxes
236000299	State Income Taxes
2360004	FICA
2360005	Federal Unemployment Tax
2360006	State Unemployment Tax
236000700	State Sales and Use Taxes
236000701	State Sales and Use Taxes
236000702	State Sales and Use Taxes
236000703	State Sales and Use Taxes
236000704	State Sales and Use Taxes
236000705	State Sales and Use Taxes
236000706	State Sales and Use Taxes
236000707	State Sales and Use Taxes
236000708	State Sales and Use Taxes
236000709	State Sales and Use Taxes
236000710	State Sales and Use Taxes
236000711	State Sales and Use Taxes
236000712	State Sales and Use Taxes
236000713	State Sales and Use Taxes
236000714	State Sales and Use Taxes
236000715	State Sales and Use Taxes
236000716	State Sales and Use Taxes
236000717	State Sales and Use Taxes
236000800	Real & Personal Property Taxes
236000801	Real & Personal Property Taxes
236000802	Real & Personal Property Taxes
236000803	Real & Personal Property Taxes
236000804	Real & Personal Property Taxes
236000805	Real & Personal Property Taxes
236000806	Real & Personal Property Taxes
236000807	Real & Personal Property Taxes
236000808	Real & Personal Property Taxes
236000809	Real & Personal Property Taxes
236000810	Real Personal Property Taxes
236000811	Real Personal Property Taxes
236000812	Real Personal Property Taxes
236000813	Real Personal Property Taxes
236000814	Real Personal Property Taxes
236000815	Real Personal Property Taxes
236000816	Real Personal Property Taxes
236000906	Federal Excise Taxes
236000907	Federal Excise Taxes
236000908	Federal Excise Taxes
236000909	Federal Excise Taxes
236000910	Federal Excise Taxes
236000911	Federal Excise Taxes
236000912	Federal Excise Taxes
236000913	Federal Excise Taxes
236000914	Federal Excise Taxes
236000915	Federal Excise Taxes
236000916	Federal Excise Taxes
236001015	State Excise Taxes
236001201	State Franchise Taxes
236001202	State Franchise Taxes
236001203	State Franchise Taxes
236001204	State Franchise Taxes
236001205	State Franchise Taxes
236001206	State Franchise Taxes
236001207	State Franchise Taxes
236001208	State Franchise Taxes
236001209	State Franchise Taxes
236001210	State Franchise Taxes
236001211	State Franchise Taxes
236001212	State Franchise Taxes
236001213	State Franchise Taxes
236001214	State Franchise Taxes
236001314	State Business Occupatn Taxes
236001315	State Business Occupatn Taxes

Account	Descr
236001316	State Business Occupatn Taxes
236001317	State Business Occupatn Taxes
236001600	State Gross Receipts Tax
236001605	State Gross Receipts Tax
236001606	State Gross Receipts Tax
236001607	State Gross Receipts Tax
236001608	State Gross Receipts Tax
236001609	State Gross Receipts Tax
236001610	State Gross Receipts Tax
236001611	State Gross Receipts Tax
236001612	State Gross Receipts Tax
236001613	State Gross Receipts Tax
236001614	State Gross Receipts Tax
236001615	State Gross Receipts Tax
236001616	State Gross Receipts Tax
236001617	State Gross Receipts Tax
236001707	Municipal License Fees Accrd
236001708	Municipal License Fees Accrd
236001709	Municipal License Fees Accrd
236001710	Municipal License Fees Accrd
236001711	Municipal License Fees Accrd
236001712	Municipal License Fees Accrd
236001713	Municipal License Fees Accrd
236001714	Municipal License Fees Accrd
236001715	Municipal License Fees Accrd
236001716	Municipal License Fees Accrd
236001717	Municipal License Fees Accrd
236002203	State License/Registration Tax
236002204	State License/Registration Tax
236002205	State License/Registration Tax
236002206	State License/Registration Tax
236002207	State License/Registration Tax
236002208	State License/Registration Tax
236002209	State License/Registration Tax
236002210	State License Registration Tax
236002211	State License Registration Tax
236002212	State License Registration Tax
236002213	State License Registration Tax
236002214	State License Registration Tax
236002215	State License Registration Tax
236002216	State License Registration Tax
236002502	Local Franchise Tax
236003301	Real/Pers Prop Tax-Cap Leases
236003302	Real/Pers Prop Tax-Cap Leases
236003303	Pers Prop Tax-Cap Leases
236003304	Pers Prop Tax-Cap Leases
236003310	Pers Prop Tax-Cap Leases
236003311	Pers Prop Tax-Cap Leases
236003312	Pers Prop Tax-Cap Leases
236003313	Pers Prop Tax-Cap Leases
236003314	Pers Prop Tax-Cap Leases
236003315	Pers Prop Tax-Cap Leases
236003316	Pers Prop Tax-Cap Leases
236003317	Pers Prop Tax-Cap Leases
236003513	Real Prop Tax-Cap Leases
236003514	Real Prop Tax-Cap Leases
236003515	Real Prop Tax-Cap Leases
236003516	Real Prop Tax-Cap Leases
236003517	Real Prop Tax-Cap Leases
2360037	FICA - Incentive accrual
2360038	Reorg Payroll Tax Accrual
2360501	Fed Inc Tax-Short Term FIN48
2360502	State Inc Tax-Short Term FIN48
2360601	Fed Inc Tax-Long Term FIN48
2360602	State Inc Tax-Long Term FIN48
2360701	SEC Accum Defd FIT-Utill FIN 48
2360702	SEC Accum Defd SIT - FIN 48
2360801	Federal Income Tax - IRS Audit
2360901	Accum Defd FIT- IRS Audit
2370001	Interest Accrued-FMB
2370002	Interest Accrued-Inst Pur Con

Account	Descr
2370003	Interest Accrued-Notes Pay
2370004	Interest Accrued-Debentures
2370005	Interest Accrd-Other LT Debt
2370006	Interest Accrd-Sen Unsec Notes
2370007	Interest Accrd-Customer Depsts
2370009	Interest Accrued-Other
2370010	Interest Accrued - Affiliated
2370011	Interest Accrd-Short Term Debt
2370016	Interest Accrued - Tax
2370018	Accrued Margin Interest
2370048	Acrd Int.- FIT Reserve - LT
2370248	Acrd Int. - FIT Reserve - ST
2370348	Acrd Int. - SIT Reserve - LT
2370448	Acrd Int. - SIT Reserve - ST
2380003	Div Decl - Common Stock-Affil
2410001	Federal Income Tax Withheld
2410002	State Income Tax Withheld
2410003	Local Income Tax Withheld
2410004	State Sales Tax Collected
2410005	FICA Tax Withheld
2410006	School District Tax Withheld
2410008	Franchise Fee Collected
2410009	KY Utility Gr Receipts Lic Tax
2420000	Misc Current & Accrued Liab
2420001	P/R Ded - Charitable Contribut
2420002	P/R Ded - Medical Insurance
2420003	P/R Ded - Dental Insurance
2420004	P/R Ded - Long Term Care
2420006	P/R Ded - Fitness Dues
2420007	P/R Ded - Savings Plan
2420009	Depend Care/Flex Medical Spend
2420010	P/R Ded - Dependent Life Ins
2420012	P/R Ded - Hyatt Legal Plan
2420013	P/R Ded - LTD Ins Premiums
2420014	P/R Ded - Savings Bonds
2420015	P/R Ded - Union Dues
2420016	P/R Ded-Crt Ordrr/Grnshmt/Tx Lv
2420017	P/R Ded - AD&D and OAD&D Ins
2420018	P/R Ded-Reg&Spec Life Ins Prem
2420020	Vacation Pay - This Year
2420021	Vacation Pay - Next Year
2420022	P/R Ded - PAC
2420026	MICP
2420027	FAS 112 CURRENT LIAB
2420028	ESP - Employer Contrib Accrued
2420044	P/R Withholdings
2420045	Other Employee Benefits
2420046	FAS 158 SERP Payable - Current
2420049	P/R Ded - MetPay Insurance
2420051	Non-Productive Payroll
2420052	RSU Sec 16 Exec, Current
2420053	Perf Share Incentive Plan
2420057	Control Payroll Disburse Acct
2420063	Current Credit Risk Reserve
2420070	P/R Ded - Salvation Army
2420071	P/R Ded - Vision Plan
2420072	P/R - Payroll Adjustment
2420076	P/R Savings Plan - Incentive
2420081	Environmntl Remediation Accrua
2420083	Active Med and Dental IBNR
2420086	Environ Remediation - SEMCO
2420087	Engage to Gain Incentive
2420088	Econ. Development Fund Curr
2420091	HSA - Employer Contribution
2420504	Accrued Lease Expense
2420506	Est Financing Cost - Bonds
2420511	Control Cash Disburse Account
2420512	Unclaimed Funds
2420514	Revenue Refunds Accrued
2420515	Severance Accrual
2420521	Interchange Power - Loop

Account	Descr
2420532	Adm Liab-Cur-S/Ins-W/C
2420538	Federal Admin Fee
2420542	Acc Cash Franchise Req
2420554	P/R Ded - Stock Purchase Plan
2420558	Admitted Liab NC-Self/Ins-W/C
2420568	Prov Est Loss Obsolet M&S
242059201	Sales & Use Tax - Leased Equ
242059202	Sales & Use Tax - Leased Equ
242059203	Sales & Use Tax - Leased Equ
242059204	Sales & Use Tax - Leased Equ
242059205	Sales & Use Tax - Leased Equ
242059206	Sales & Use Tax - Leased Equ
242059207	Sales & Use Tax - Leased Equ
242059208	Sales & Use Tax - Leased Equ
242059209	Sales & Use Tax - Leased Equ
242059210	Sales Use Tax - Leased Equip
242059211	Sales Use Tax - Leased Equip
242059212	Sales Use Tax - Leased Equip
242059213	Sales Use Tax - Lease Equip
242059214	Sales Use Tax - Lease Equip
242059215	Sales Use Tax - Leased Equip
242059216	Sales Use Tax - Leased Equip
242059217	Sales Use Tax - Leased Equip
242059301	Real & Pers Prop Tax-Leased Eq
2420598	Est Fin Cost - Sen Unsec Notes
2420600	Unreal Loss on Fwd Commitments
2420601	Option Premium Receipts
2420607	Incentive Plan Payments
2420613	Public Liability Claim Deposit
2420618	Accrued Payroll
2420620	Energy Supply Non Gen ICP
2420623	Distr, Cust Ops & Reg Svcs ICP
2420624	Corp & Shrd Srv Incentive Plan
2420626	Safety Focus Incentive Plan
2420634	Sustnd Earngs Improv Severance
2420635	Generation Incentive Plan
2420642	Accrd SEI Misc Empl Benefits
2420643	Accrued Audit Fees
2420649	Reclamation Liability - Curr
2420650	P/R Ded - Health Savings Acct
2420651	Reorg Severance Accrual
2420653	Reorg Misc HR Exp Accrual
2420656	Federal Mitigation Accru (NSR)
2420657	Civil Penalties Accrual NSR
2420660	AEP Transmission ICP
2420664	ST State Mitigation Def (NSR)
2420700	Quality of Service
2430001	Oblig Under Cap Leases - Curr
2430003	Accrued Cur Lease Oblig
2440001	Curr. Unreal Losses - NonAffil
2440002	LT Unreal Losses - Non Affil
2440007	Curr. Liab. - Deferred Futures
2440009	S/T Option Premium Receipts
2440021	S/T Liability MTM Collateral
2440022	L/T Liability MTM Collateral
2450010	S/T Liability-Commodity Hedges
2450011	L/T Liability-Commodity Hedges
2520000	Customer Adv for Construction
2530000	Other Deferred Credits
2530001	Deferred Revenues
2530004	Allowances
2530012	Unclaim Chks - Ret to Gen Fd
2530022	Customer Advance Receipts
2530044	Neigh Help Neig-Cust Donations
2530050	Deferred Rev -Pole Attachments
2530054	Unreal Loss on Fwd Commitments
2530065	Deferred Gain - Affiliated
2530067	IPP - System Upgrade Credits
2530084	NonCurrent Option Prem Receipt
2530092	Fbr Opt Lns-In Kind Sv-Dfd Gns
2530101	MACSS Unidentified EDI Cash

Account	Descr
2530112	Other Deferred Credits-Curr
2530114	Federl Mitigation Deferral(NSR)
2530124	Contr In Aid of Constr Advance
2530137	Fbr Opt Lns-Sold-Defrd Rev
2530177	Deferred Rev-Bonus Lease Curr
2530178	Deferred Rev-Bonus Lease NC
2530185	O\U Accounting of ExpensesT
2540000	Other Regulatory Liabilities
2540006	SFAS 109 DFIT
2540007	SFAS 109 Excess DFIT
2540011	Over Recovered Fuel Cost
2540047	Unreal Gain on Fwd Commitments
2540057	Unrlzd Gain on Fwd Commit -Aff
2540071	KY Enhanced Reliability Liab
2540105	Home Energy Assist Prgm - KPCO
2540173	Green Pricing Option
2540185	ATR Over-Recovery
2540205	Over Recovered Purch Power-PPA
2540208	Deferred O&M - Environmental
2543001	SFAS109 Flow Thru Def FIT Liab
2543220	Economic Development
2543221	BS1OR Over Recovery
2543321	Deferred Carbon Mgmt Research
2544001	SFAS 109 Exces Deferred FIT
2550001	Accum Deferred ITC - Federal
2811001	Acc Dfd FIT - Accel Amort Prop
2820001	ADIT- Other Property - Federal
2821001	Accum Defrd FIT - Utility Prop
2822001	Accum Defrd FIT - Other Prop
2823001	Acc Dfrd FIT FAS 109 Flow Thru
2824001	Acc Dfrd FIT - SFAS 109 Excess
2825001	Acc Dfd FIT-Utily Prop FIN48
2830001	ADIT - Other - Federal
2830002	ADIT - Other - State
283000202	ADIT - Other - State
2830006	ADIT Federal - SFAS 133 Nonaff
2831001	Accum Deferred FIT - Other
2831002	Accum Deferred SIT - Other
2831102	Acc Dfd SIT-WV Pollution Cntrl
2831302	Acc Dfd SIT-Transferred Plants
2832001	Accum Dfrd FIT - Oth Inc & Ded
2833001	Acc Dfd FIT FAS 109 Flow Thru
2833002	Acc Dfrd SIT FAS 109 Flow Thru
2835002	Accum Deferred SIT - FIN48
4010001	Operation Exp - Nonassociated
4020000	Maintenance Expense
4030001	Depreciation Exp
4030021	AEPSC Bell Howell Inserter
4031001	Depr - Asset Retirement Oblig
4040001	Amort. of Plant
4060001	Amort of Plt Acq Adj
4073000	Regulatory Debits
4073014	Regulatory Debit - BSRR
4081002	FICA
4081003	Federal Unemployment Tax
408100508	Real & Personal Property Taxes
408100509	Real & Personal Property Taxes
408100510	Real Personal Property Taxes
408100511	Real Personal Property Taxes
408100512	Real Personal Property Taxes
408100513	Real Personal Property Taxes
408100514	Real Personal Property Taxes
408100515	Real Personal Property Taxes
408100516	Real Personal Property Taxes
408100600	State Gross Receipts Tax
408100608	State Gross Receipts Tax
408100609	State Gross Receipts Tax
408100612	State Gross Receipts Tax
408100613	State Gross Receipts Tax
408100614	State Gross Receipts Tax
408100615	State Gross Receipts Tax

Account	Descr
408100616	State Gross Receipts Tax
408100617	State Gross Receipts Tax
4081007	State Unemployment Tax
408100812	State Franchise Taxes
408100813	State Franchise Taxes
408100814	State Franchise Taxes
408100815	State Franchise Taxes
408101413	Federal Excise Taxes
408101414	Federal Excise Taxes
408101415	Federal Excise Taxes
408101416	Federal Excise Taxes
408101713	St Lic Rgstrtion Tax-Fees
408101714	St Lic Rgstrtion Tax-Fees
408101715	St Lic-Rgstrtion Tax-Fees
408101716	St Lic-Rgstrtion Tax-Fees
408101812	St Publ Serv Comm Tax-Fees
408101813	St Publ Serv Comm Tax-Fees
408101814	St Publ Serv Comm Tax-Fees
408101815	St Publ Serv Comm Tax-Fees
408101816	St Publ Serv Comm Tax-Fees
408101900	State Sales and Use Taxes
408101912	State Sales and Use Taxes
408101913	State Sales and Use Taxes
408101914	State Sales and Use Taxes
408101915	State Sales and Use Taxes
408101916	State Sales and Use Taxes
408101917	State Sales and Use Taxes
408102014	State Business Occup Taxes
408102015	State Business Occup Taxes
408102016	State Business Occup Taxes
408102017	State Business Occup Taxes
408102213	Municipal License Fees
408102214	Municipal License Fees
408102215	Municipal License Fees
408102216	Municipal License Fees
408102217	Municipal License Fees
408102910	Real-Pers Prop Tax-Cap Leases
408102911	Real-Pers Prop Tax-Cap Leases
408102912	Real-Pers Prop Tax-Cap Leases
408102913	Real-Pers Prop Tax-Cap Leases
408102914	Real-Pers Prop Tax-Cap Leases
408102915	Real-Pers Prop Tax-Cap Leases
408102916	Real-Pers Prop Tax-Cap Leases
408102917	Real-Pers Prop Tax-Cap Leases
4081033	Fringe Benefit Loading - FICA
4081034	Fringe Benefit Loading - FUT
4081035	Fringe Benefit Loading - SUT
408103613	Real Prop Tax-Cap Leases
408103614	Real Prop Tax-Cap Leases
408103615	Real Prop Tax-Cap Leases
408103616	Real Prop Tax-Cap Leases
408103617	Real Prop Tax-Cap Leases
408200512	Real Personal Property Taxes
408200513	Real Personal Property Taxes
408200514	Real Personal Property Taxes
408200515	Real Personal Property Taxes
408200516	Real Personal Property Taxes
408201415	St Lic-Registration Tax-Fees
4091001	Income Taxes, UOI - Federal
409100211	Income Taxes UOI - State
409100212	Income Taxes UOI - State
409100213	Income Taxes UOI - State
409100214	Income Taxes UOI - State
409100215	Income Taxes UOI - State
409100216	Income Taxes UOI - State
409100217	Income Taxes UOI - State
4092001	Inc Tax, Oth Inc&Ded-Federal
409200212	Inc Tax Oth Inc Ded - State
409200213	Inc Tax Oth Inc Ded - State
409200214	Inc Tax Oth Inc Ded - State
409200215	Inc Tax Oth Inc Ded - State

Account	Descr
409200216	Inc Tax Oth Inc Ded - State
409200217	Inc Tax Oth Inc Ded - State
4101001	Prov Def I/T Util Op Inc-Fed
4101002	Prov Def I/T Util Op Inc-State
4102001	Prov Def I/T Oth I&D - Federal
4111001	Prv Def I/T-Cr Util Op Inc-Fed
4111002	Prv Def I/T-Cr UtilOpInc-State
4111005	Accretion Expense
4112001	Prv Def I/T-Cr Oth I&D-Fed
4114001	ITC Adj, Utility Oper - Fed
4116000	Gain From Disposition of Plant
4117000	Loss From Disposition of Plant
4118002	Comp. Allow Gains Title IV SO2
4118003	Comp. Allow. Gains-Seas NOx
4118004	Comp. Allow. Gains-Ann NOx
4118006	CSAPR SO2 Gains
4118008	Comp Allow Gain CSAPR Seas NOx
4118009	Comp Allow Gains CSAPR An NOx
4118010	Emission Allow KY Env Surch
4119002	Comp. Allow. Loss-SO2
4170004	Rev from Non-Util Oper NonAfil
4171001	Exp of NonUtil Oper - Nonassoc
4180001	Non-Operatng Rental Income
4180003	Non-Opratng Rntal Inc-Maint
4180005	Non-Opratng Rntal Inc-Depr
4190001	Interest Inc - Assoc Non CBP
4190002	Int & Dividend Inc - Nonassoc
4190005	Interest Income - Assoc CBP
4191000	Allw Oth Fnds Usd Drng Cnstr
4210002	Misc Non-Op Inc-NonAsc-Rents
4210005	Misc Non-Op Inc-NonAsc-Timber
4210007	Misc Non-Op Inc - NonAsc - Oth
4210009	Misc Non-Op Exp - NonAssoc
4210031	Pwr Sales Outside Svc Territry
4210032	Pwr Purch Outside Svc Territry
4210039	Carrying Charges
4210043	Realiz Sharing West Coast Pwr
4211000	Gain on Dpsition of Property
4212000	Loss on Dpsition of Property
4261000	Donations
4263001	Penalties
4263003	Penalties - Quality of Service
4264000	Civic & Political Activities
4265002	Other Deductions - Nonassoc
4265004	Social & Service Club Dues
4265007	Regulatory Expenses
4265009	Factored Cust A/R Exp - Affil
4265010	Fact Cust A/R-Bad Debts-Affil
4265033	Transition Costs
4265034	Transaction Costs
4265054	Specul. Allow Loss-Seas NOx
4270002	Int on LTD - Install Pur Contr
4270005	Int on LTD - Other LTD
4270006	Int on LTD - Sen Unsec Notes
4270012	PCRB Interest Exp-Assoc
4280002	Amrtz Debt Dscnt&Exp-Instl Pur
4280003	Amrtz Debt Dscnt&Exp-N/P
4280006	Amrtz Dscnt&Exp-Sn Unsec Note
4281004	Amrtz Loss Rquired Debt-Dbnt
4300001	Interest Exp - Assoc Non-CBP
4300003	Int to Assoc Co - CBP
4310001	Other Interest Expense
4310002	Interest on Customer Deposits
4310007	Lines Of Credit
4310022	Interest Expense - Federal Tax
4310023	Interest Expense - State Tax
4320000	Allw Brwed Fnds Used Cnstr-Cr
4380001	Div Declrd - Common Stk - Asso
4400001	Residential Sales-W/Space Htg
4400002	Residential Sales-W/O Space Ht
4400005	Residential Fuel Rev

Account	Descr
4420001	Commercial Sales
4420002	Industrial Sales (Excl Mines)
4420004	Ind Sales-NonAffil(Incl Mines)
4420006	Sales to Pub Auth - Schools
4420007	Sales to Pub Auth - Ex Schools
4420013	Commercial Fuel Rev
4420016	Industrial Fuel Rev
4440000	Public Street/Highway Lighting
4440002	Public St & Hwy Light Fuel Rev
4470001	Sales for Resale - Assoc Cos
4470002	Sales for Resale - NonAssoc
4470006	Sales for Resale-Bookout Sales
4470010	Sales for Resale-Bookout Purch
4470027	Whsal/Muni/Pb Ath Fuel Rev
4470028	Sale/Resale - NA - Fuel Rev
4470033	Whsal/Muni/Pub Auth Base Rev
4470035	SlS for Rsl - Fuel Rev - Assoc
4470066	PWR Trding Trans Exp-NonAssoc
4470074	Sale for Resale-Aff-Trnf Price
4470081	Financial Spark Gas - Realized
4470082	Financial Electric Realized
4470089	PJM Energy Sales Margin
4470093	PJM Implicit Congestion-LSE
4470098	PJM Oper.Reserve Rev-OSS
4470099	Capacity Cr. Net Sales
4470100	PJM FTR Revenue-OSS
4470101	PJM FTR Revenue-LSE
4470103	PJM Energy Sales Cost
4470106	PJM Pt2Pt Trans.Purch-NonAff.
4470107	PJM NITS Purch-NonAff.
4470109	PJM FTR Revenue-Spec
4470110	PJM TO Admin. Exp.-NonAff.
4470112	Non-Trading Bookout Sales-OSS
4470115	PJM Meter Corrections-OSS
4470116	PJM Meter Corrections-LSE
4470124	PJM Incremental Spot-OSS
4470126	PJM Incremental Imp Cong-OSS
4470128	Sales for Res-Aff. Pool Energy
4470131	Non-Trading Bookout Purch-OSS
4470141	PJM Contract Net Charge Credit
4470143	Financial Hedge Realized
4470144	Realiz.Sharing - 06 SIA
4470150	Transm. Rev.-Dedic. Whsl/Muni
4470151	Trading Auction Sales Affil
4470155	OSS Physical Margin Reclass
4470156	OSS Optim. Margin Reclass
4470168	Interest Rate Swaps-Power
4470170	Non-ECR Auction Sales-OSS
4470174	PJM Whlse FTR Rev - OSS
4470175	OSS Sharing Reclass - Retail
4470176	OSS Sharing Reclass-Reduction
4470180	Trading intra-book Reclass
4470181	Auction intra-book Reclass
4470202	PJM OpRes-LSE-Credit
4470203	PJM OpRes-LSE-Charge
4470204	PJM Spinning-Credit
4470206	PJM Trans loss credits-OSS
4470207	PJM transm loss charges - LSE
4470208	PJM Transm loss credits-LSE
4470209	PJM transm loss charges-OSS
4470214	PJM 30m Suppl Reserve CR OSS
4470215	PJM 30m Suppl Reserve CH OSS
4470220	PJM Regulation - OSS
4470221	PJM Spinning Reserve - OSS
4470222	PJM Reactive - OSS
4470228	PJM OVEC Liquidations
4491002	Prov Rate Refund-Nonaffiliated
4491003	Prov Rate Refund - Retail
4491004	Prov Rate Refund - Affiliated
4500000	Forfeited Discounts
4510001	Misc Service Rev - Nonaffil

Account	Descr
4540001	Rent From Elect Property - Af
4540002	Rent From Elect Property-NAC
4540004	Rent From Elect Prop-ABD-Nonaf
4540005	Rent from Elec Prop-Pole Attch
4560001	Oth Elect Rev - Affiliated
4560007	Oth Elect Rev - DSM Program
4560015	Other Electric Revenues - ABD
4560016	Financial Trading Rev-Unreal
4560017	Oth Elect Rev-Trans-Affil
4560030	MTM Gains/Losses - Affiliated
4560031	MTM Credit Risk Reserve
4560043	Oth Elec Rv-Trn-Aff-Trnf Price
4560049	Merch Generation Finan -Realzd
4560050	Oth Elec Rev-Coal Trd Rlzd G-L
4560084	MTM-Coal Procurement
4560115	OSS FTR Auction MTM
4560118	MTM Fleet Fuel Hedging
4561002	RTO Formation Cost Recovery
4561003	PJM Expansion Cost Recov
4561005	PJM Point to Point Trans Svc
4561006	PJM Trans Owner Admin Rev
4561007	PJM Network Integ Trans Svc
4561019	Oth Elec Rev Trans Non Affil
4561026	PJM Transm Dist./Meter-Affil.
4561028	PJM Pow Fac Cre Rev Whsl Cu-NA
4561029	PJM NITS Revenue Whsl Cus-NAff
4561030	PJM TO Serv Rev Whls Cus-NAff
4561033	PJM NITS Revenue - Affiliated
4561034	PJM TO Adm. Serv Rev - Aff
4561035	PJM Affiliated Trans NITS Cost
4561036	PJM Affiliated Trans TO Cost
4561058	NonAffil PJM Trans Enhncmt Rev
4561059	Affil PJM Trans Enhancmnt Rev
4561060	Affil PJM Trans Enhancmnt Cost
4561061	NAff PJM RTEP Rev for Whsl-FR
4561062	PROVISION RTO Cost - Affi
4561063	PROVISION RTO Rev Affiliated
4561064	PROVISION RTO Rev WhslCus-NAf
4561065	PROVISION RTO Rev - NonAff
5000000	Oper Supervision & Engineering
5000001	Oper Super & Eng-RATA-Affil
5010000	Fuel
5010001	Fuel Consumed
5010003	Fuel - Procure Unload & Handle
5010005	Fuel - Deferred
5010012	Ash Sales Proceeds
5010013	Fuel Survey Activity
5010019	Fuel Oil Consumed
5010020	Nat Gas Consumed Steam
5010027	Gypsum handling/disposal costs
5010028	Gypsum Sales Proceeds
5010029	Gypsum handling/displ-Affiliat
5010031	Fuel Contract Termination Adj.
5010034	Gas Transp Res Fees-Steam
5010040	Gas Procuremnt Sales Net
5020000	Steam Expenses
5020001	Lime Expense
5020002	Urea Expense
5020003	Trona Expense
5020004	Limestone Expense
5020005	Polymer expense
5020007	Lime Hydrate Expense
5020008	Activated Carbon
5020013	Anhydrous Ammonia Expense
5020014	Calcium Bromide Expense
5020015	Environmental Over/Under Consu
5020025	Steam Exp Environmental
5020028	Sodium Bicarbonate Expense
5050000	Electric Expenses
5060000	Misc Steam Power Expenses
5060001	Dresden Misc Steam Pwer Exp

Account	Descr
5060002	Misc Steam Power Exp-Assoc
5060003	Removal Cost Expense - Steam
5060004	NSR Settlement Expense
5060011	BSRR O/U Recovery-Oper Costs
5060012	BS1OR O/U Recovery-Oper Costs
5060013	Environmental Over/Under O&M E
5060025	Misc Stm Pwr Exp Environmental
5070000	Rents
5080017	IPP Oper - Training/Travel
5090000	Allow Consum Title IV SO2
5090001	Allowance Consumption - NOx
5090002	Allowance Expenses
5090005	An. NOx Cons. Exp
5090009	Allow Consumpt CSAPR SO2
5090014	Environmental Over/Under O&M E
5100000	Maint Supv & Engineering
5110000	Maintenance of Structures
5120000	Maintenance of Boiler Plant
5120003	Environmental Over/Under O&M E
5120025	Maint of Blr Plt Environmental
5120034	BSRR O/U Recovery-Maint Costs
5120035	BS1OR O/U Recovery-Maint Costs
5130000	Maintenance of Electric Plant
5140000	Maintenance of Misc Steam Plt
5140025	Maint MiscStmPlt Environmental
5170000	Oper Supervision & Engineering
5170001	Oper Supervision & Engineering
5200000	Steam Expenses
5240000	Misc Nuclear Power Expenses
5280000	Maint Supv & Engineering
5300000	Maint of Reactor Plant Equip
5310000	Maintenance of Electric Plant
5320000	Maint of Misc Nuclear Plant
5320002	Fire Protection
5320003	Office & Cafeteria Equipment
5320009	Security Equipment
5350000	Oper Supervision & Engineering
5370000	Hydraulic Expenses
5370001	Fish & Wildlife Facilities
5370002	Recreation Facilities
5380000	Electric Expenses
5390000	Misc Hydr Power Generation Exp
5390001	Misc Hydr Pwr - Envir Poll Cnt
5400000	Rents
5420000	Maintenance of Structures
5420001	Maint of Strctures - Env Poll
5430000	Maint Rsrvoirs,Dams&Wtrways
5440000	Maintenance of Electric Plant
5450000	Maint of Misc Hydraulic Plant
5460000	Oper Supervision & Engineering
5470004	Fuel - Gas Turb - Purch / Hand
5480000	Generation Expenses
5490000	Misc Other Pwr Generation Exp
5490001	Misc Oth Pwr Gen - Gas Turbine
5530001	Maint of Gen Plant - Gas Turb
5550000	Purchased Power
5550001	Purch Pwr-NonTrading-Nonassoc
5550004	Purchased Power-Pool Capacity
5550005	Purchased Power - Pool Energy
5550023	Purch Power Capacity -NA
5550027	Purch Pwr-Non-Fuel Portion-Aff
5550029	Purch Power-Assoc-Trnsfr Price
5550032	Gas-Conversion-Mone Plant
5550039	PJM Inadvertent Mtr Res-OSS
5550040	PJM Inadvertent Mtr Res-LSE
5550041	PJM Ancillary Serv.-Sync
5550046	Purch Power-Fuel Portion-Affil
5550074	PJM Reactive-Charge
5550075	PJM Reactive-Credit
5550076	PJM Black Start-Charge
5550077	PJM Black Start-Credit

Account	Descr
5550078	PJM Regulation-Charge
5550079	PJM Regulation-Credit
5550080	PJM Hourly Net Purch.-FERC
5550083	PJM Spinning Reserve-Charge
5550084	PJM Spinning Reserve-Credit
5550090	PJM 30m Suppl Rserv Charge LSE
5550093	Peak Hour Avail charge - LSE
5550094	Purchased Power - Fuel
5550099	PJM Purchases-non-ECR-Auction
5550100	Capacity Purchases-Auction
5550101	Purch Power-Pool Non-Fuel -Aff
5550102	Pur Power-Pool NonFuel-OSS-Aff
5550107	Capacity purchases - Trading
5550123	PJM OpRes-LSE-Charge
5550124	PJM Implicit Congestion-LSE
5550132	PJM FTR Revenue-LSE
5550137	PJM OpRes-LSE-Credit
5550141	Purchase Power-PPA Deferred
5550142	KY Env Sur - Purchase Power
5550143	BS1OR PJM Over/Under Recovery
5550326	PJM Transm Loss Charges - LSE
5550327	PJM Transm Loss Credits-LSE
5560000	Sys Control & Load Dispatching
5570000	Other Expenses
5570007	Other Pwr Exp - Wholesale RECs
5570008	Other Pwr Exp - Voluntary RECs
5570009	Other Pwr Exp- REC's - RETAIL
5570010	OH Auction Exp - Incremental
5600000	Oper Supervision & Engineering
5611000	Load Dispatch - Reliability
5612000	Load Dispatch-Mntr&Op TransSys
5614000	PJM Admin-SSC&DS-OSS
5614001	PJM Admin-SSC&DS-Internal
5614007	RTO Admin Default LSE.
5614008	PJM Admin Defaults OSS
5615000	Reliability,Plng&Stds Develop
5616000	Transmission Service Studies
5618000	PJM Admin-RP&SDS-OSS
5618001	PJM Admin-RP&SDS- Internal
5620001	Station Expenses - Nonassoc
5630000	Overhead Line Expenses
5640000	Underground Line Expenses
5650002	Transmsn Elec by Others-NAC
5650007	Tran Elec by Oth-Aff-Trn Price
5650012	PJM Trans Enhancement Charge
5650015	PJM TO Serv Exp - Aff
5650016	PJM NITS Expense - Affiliated
5650019	Affil PJM Trans Enhncement Exp
5650020	PROVISION RTO Affl Expense
5660000	Misc Transmission Expenses
5660004	SPP FERC Assessment Fees
5660008	R.King Trans Cntr Exp - Affil
5670001	Rents - Nonassociated
5670002	Rents - Associated
5680000	Maint Supv & Engineering
5690000	Maintenance of Structures
5691000	Maint of Computer Hardware
5692000	Maint of Computer Software
5693000	Maint of Communication Equip
5700000	Maint of Station Equipment
5710000	Maintenance of Overhead Lines
5720000	Maint of Underground Lines
5720001	CnstrSrchrgMntUndrgrndLines
5730000	Maint of Misc Trnsmssion Plt
5757000	PJM Admin-MAM&SC- OSS
5757001	PJM Admin-MAM&SC- Internal
5757002	SPP Admin-MAM&SC
5800000	Oper Supervision & Engineering
5810000	Load Dispatching
5820000	Station Expenses
5830000	Overhead Line Expenses

Account	Descr
5840000	Underground Line Expenses
5841000	Oper of Energy Storage Equip
5850000	Street Lighting & Signal Sys E
5860000	Meter Expenses
5870000	Customer Installations Exp
5880000	Miscellaneous Distribution Exp
5890001	Rents - Nonassociated
5890002	Rents - Associated
5900000	Maint Supv & Engineering
5910000	Maintenance of Structures
5920000	Maint of Station Equipment
5922000	Maint of Energy Storage Equip
5930000	Maintenance of Overhead Lines
5930001	Tree and Brush Control
5930008	Maint Ovh Lines Strm Exp-OvUnd
5930010	Storm Expense Amortization
5940000	Maint of Underground Lines
5950000	Maint of Lne Trnf,Rglators&Dvi
5960000	Maint of Strt Lghtng & Sgnal S
5970000	Maintenance of Meters
5980000	Maint of Misc Distribution Plt
9010000	Supervision - Customer Accts
9020000	Meter Reading Expenses
9020001	Customer Card Reading
9020002	Meter Reading - Regular
9020003	Meter Reading - Large Power
9020004	Read-In & Read-Out Meters
9030000	Cust Records & Collection Exp
9030001	Customer Orders & Inquiries
9030002	Manual Billing
9030003	Postage - Customer Bills
9030004	Cashiering
9030005	Collection Agents Fees & Exp
9030006	Credit & Oth Collection Activi
9030007	Collectors
9030009	Data Processing
9040007	Uncoll Accts - Misc Receivable
9050000	Misc Customer Accounts Exp
9070000	Supervision - Customer Service
9070001	Supervision - DSM
9080000	Customer Assistance Expenses
9080001	DSM-Customer Advisory Grp
9080004	Cust Assistnce Exp - DSM - Ind
9080009	Cust Assistance Expense - DSM
9090000	Information & Instruct Advrtis
9100000	Misc Cust Svc&Informational Ex
9100001	Misc Cust Svc & Info Exp - RCS
9110001	Supervision - Residential
9110002	Supervision - Comm & Ind
9120000	Demonstrating & Selling Exp
9120001	Demo & Selling Exp - Res
9120003	Demo & Selling Exp - Area Dev
9130000	Advertising Expenses
9130001	Advertising Exp - Residential
9130006	Advertising Exp-Mktg Research
9200000	Administrative & Gen Salaries
9210001	Off Supl & Exp - Nonassociated
9210003	Office Supplies & Exp - Trnsf
9210005	Cellular Phones and Pagers
9210007	Dresden Off Supl & Exp Nonasoc
9220000	Administrative Exp Trnsf - Cr
9220001	Admin Exp Trnsf to Cnstrction
9220004	Admin Exp Trnsf to ABD
9230001	Outside Svcs Empl - Nonassoc
9230002	Outside Svcs Empl - Assoc
9230003	AEPSC Billed to Client Co
9240000	Property Insurance
9250000	Injuries and Damages
9250001	Safety Dinners and Awards
9250002	Emp Accdent Prvntion-Adm Exp
9250004	Injuries to Employees

Account	Descr
9250006	Wrkrs Cmpnsth Pre&Slf Ins Prv
9250007	Prsnal Injries&Prop Dmage-Pub
9250010	Frg Ben Loading - Workers Comp
9260000	Employee Pensions & Benefits
9260001	Edit & Print Empl Pub-Salaries
9260002	Pension & Group Ins Admin
9260003	Pension Plan
9260004	Group Life Insurance Premiums
9260005	Group Medical Ins Premiums
9260006	Physical Examinations
9260007	Group L-T Disability Ins Prem
9260009	Group Dental Insurance Prem
9260010	Training Administration Exp
9260012	Employee Activities
9260014	Educational Assistance Pmts
9260019	Employee Benefit Exp - COLI
9260021	Postretirement Benefits - OPEB
9260027	Savings Plan Contributions
9260036	Deferred Compensation
9260037	Supplemental Pension
9260040	SFAS 112 Postemployment Benef
9260050	Frg Ben Loading - Pension
9260051	Frg Ben Loading - Grp Ins
9260052	Frg Ben Loading - Savings
9260053	Frg Ben Loading - OPEB
9260055	IntercoFringeOffset- Don't Use
9260057	Postret Ben Medicare Subsidy
9260058	Frg Ben Loading - Accrual
9260060	Amort-Post Retirement Benefit
9270000	Franchise Requirements
9280000	Regulatory Commission Exp
9280001	Regulatory Commission Exp-Adm
9280002	Regulatory Commission Exp-Case
9280005	Reg Com Exp-FERC Trans Cases
9301000	General Advertising Expenses
9301001	Newspaper Advertising Space
9301002	Radio Station Advertising Time
9301003	TV Station Advertising Time
9301010	Publicity
9301012	Public Opinion Surveys
9301014	Video Communications
9301015	Other Corporate Comm Exp
9302000	Misc General Expenses
9302003	Corporate & Fiscal Expenses
9302004	Research, Develop&Demonstr Exp
9302006	Assoc Bus Dev - Materials Sold
9302007	Assoc Business Development Exp
9302458	AEPSC Non Affiliated expenses
9310000	Rents
9310001	Rents - Real Property
9310002	Rents - Personal Property
9310004	Rents - Personal Prop - Assoc
9350000	Maintenance of General Plant
9350001	Maint of Structures - Owned
9350002	Maint of Structures - Leased
9350003	Maint of Prprty Held Fture Use
9350006	Maint of Carrier Equipment
9350012	Maint of Data Equipment
9350013	Maint of Cmmncation Eq-Unall
9350015	Maint of Office Furniture & Eq
9350016	Maintenance of Video Equipment
9350019	Maint of Gen Plant-SCADA Equ
9350023	Site Communications Services
9350024	Maint of DA-AMI Comm Equip

INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Shareholder of
Kentucky Power Company:

We have audited the accompanying financial statements of Kentucky Power Company (the "Company"), which comprise the balance sheets as of December 31, 2016 and 2015, and the related statements of income, comprehensive income (loss), changes in common shareholder's equity, and cash flows for each of the three years in the period ended December 31, 2016, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Kentucky Power Company as of December 31, 2016 and 2015, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2016 in accordance with accounting principles generally accepted in the United States of America.

Deloitte & Touche LLP

Columbus, Ohio
February 27, 2017

American Electric Power
10000 East
Columbus, Ohio 43215



November 17, 1997

Mr. Bryan K. Craig
Acting Director, Division of Electric
and Hydropower Operations
Office of the Chief Accountant
Federal Energy Regulatory Commission
888 First Street, N.E.
Washington, DC 20426

Peter J. DeMarla
Federal Energy Commission
Accounting and
Chief Accounting Officer
402 223 1261

Dear Mr. Craig:

We have reviewed the audit report (copy attached) forwarded to us on October 30, 1997. The report summarizes the Results of the FERC audit staff's examination of the Books and Records of Kentucky Power Company for the period January 1, 1992 through December 31, 1996 in Docket No. FA96-40-000 and FA96-40-001.

Our comments on the three report issues are noted herein. Should you have any questions concerning our comments, please do not hesitate to contact the undersigned or Leonard V. Assante, Controller of AEPSC.

I. Compliance Exceptions

1. Accounting for Settlement Costs

Kentucky Power's Response

We agree with the recommendation that settlement costs on employment litigation be recorded below the line and have revised our accounting procedures accordingly. Attached is a copy of July 9, 1997 memorandum from G. R. Knorr, Assistant Controller of AEPSC, revising our procedures.

November 17, 1997
Bryan K. Craig
Page 2
Kentucky Power Company

2. **Miscellaneous Accounting Misclassification**

Kentucky Power's Response

We agree with the recommendation concerning Account 228.3 (Accumulated Provision for Pensions and Benefits) and have revised our accounting procedures accordingly. Attached is a copy of our August 13, 1997 memorandum from G. S. Campbell/H. E. McCoy revising our procedures.

II. **Deferred Matter**

1. **Accounting Classification for Service Company Billings**

Kentucky Power's Response

The FERC audit report makes no recommendation on this issue pending further study by the FERC's Office of the Chief Accountant. We reserve our right to respond to this issue when the FERC's study is completed and released for comment.

I would like to take this opportunity to express our support for the new centralized approach to auditing AEP's electric operating subsidiaries. The new approach reduced the total time required to complete the audit of all AEP subsidiaries and reduced the cost to both AEP and the FERC. I would also like to thank Lucretia Smith and the fine staff of auditors that performed an efficient audit while minimizing disruption of our accounting operations.

Respectfully submitted,


Peter J. DeMarino
PJD:sv
Attachments

FEDERAL ENERGY REGULATORY COMMISSION

WASHINGTON, D.C. 20426

In Reply Refer To:
OCA-DE/HO
Docket Nos. FA96-40-000
and FA96-40-001

OCT 30 1997

Kentucky Power Company
Attention: Mr. Len Assante
Controller
1 Riverside Plaza
Columbus, OH 43215

Elec. Cor.

Ladies and Gentlemen:

The Division of Electric and Hydropower Operations of the Office of the Chief Accountant has examined the books and records of Kentucky Power Company for the period January 1, 1992, through December 31, 1996. The purpose of the examination was to evaluate your Company's compliance with Commission accounting and reporting regulations contained in the Uniform System of Accounts, Annual Report FERC Form No. 1, and the related regulations. The examination included selective tests of the accounting records, review of the internal control structure, and other tests and procedures considered necessary under the circumstances.

The Division of Electric and Hydropower Operations recommended corrective actions on certain findings of noncompliance with the Commission's accounting, financial reporting, and/or related regulations. Part I of the enclosed audit report describes the findings and recommendations. By letter dated August 29, 1997, your Company agreed to adopt the recommended corrective actions in Part I. I hereby approve and direct the recommended corrective actions in Part I.

The issue set forth in Part II on the accounting classification of service company billings is deferred for further study. The issue has been assigned as Docket No. FA96-40-001.

The Kentucky Power Commission did not respond with any objections to the foregoing matters.

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FERC - DOCKETED

OCT 30 1997

Kentucky Power Company

2

The Commission delegated authority to act in this matter to the Acting Director, Division of Electric and Hydropower Operations under 18 C.F.R. § 375.303. This letter order constitutes final agency action on the corrective actions approved and directed in this report. Within 30 days of the date of this order, your Company may file a request for rehearing by the Commission under 18 C.F.R. § 385.713.

This letter order is without prejudice to the Commission's right to require hereafter any later adjustments arising from additional information that may come to its attention.

Sincerely,

Bryan K. Craig

Bryan K. Craig
Acting Director,
Division of Electric
and Hydropower Operations

Enclosure

Results of the Examination
of the
Books and Records
of

Kentucky Power Company
Docket Nos. FA96-40-000
and FA96-40-001

For the Period
1/1/92 through 12/31/96

Conducted by
Division of Audits
Office of the Chief Accountant
Federal Energy Regulatory Commission

Kentucky Power Company

ii

TABLE OF CONTENTS

No.	Description	Page
I. Compliance Exceptions		
1.	Accounting for Settlement Costs	1
2.	Miscellaneous Accounting Misclassifications	1
II. Deferred Matter		
1.	Accounting Classification for Service Company Billings . .	3

Kentucky Power Company

1

I. Compliance Exceptions

Kentucky Power Company (the Company) agreed to the recommended corrective actions on the following compliance matters:

1. Accounting for Settlement Costs

The Company used the wrong accounts to record costs to settle employment suits.

Recommendation

We recommend the Company revise procedures to ensure it records settlement payments in Account 426.5, Other Deductions, consistent with the requirements of the Uniform System of Accounts.

Facts

During 1995 and 1996, the AEP Service Company paid certain employment settlement costs. It recorded the settlement fees of \$47,500 in Work Order No. 9988 - AEPSC Overheads. The Service Company allocated this work order to all the AEP Service Company Work Orders based on salaries. The Service Company then billed out to the AEP System companies all its costs based upon SEC approved allocations for each individual work order. As a result, the Company recorded these settlement costs in every account charged as a result of the AEP Service Company billing. The effect of these transactions on the individual operating companies was not material.

Discussion of Accounting Requirements

Accounting Release No. 12, issued February 12, 1980, requires companies to charge expenditures resulting from compromise settlements or consent decrees to Account 426.5.

2. Miscellaneous Accounting Classification

The Company classified a transaction in the wrong account. The following indicates the nature of the item misclassified, the account the Company used, and the proper account for such transactions:

Kentucky Power Company

2

<u>Description</u>	<u>Account Used</u>	<u>Proper Account</u>
Post-Retirement Benefits Other than Pensions - Liability	228.4	228.3

Recommendation

We recommend the Company adopt procedures to ensure that it records similar charges in the future consistent with the requirements of the Uniform Systems of Accounts.

Kentucky Power Company

3

II. Deferred Matter

1. Accounting Classification for Service Company Billings

AEPSC is a subsidiary of American Electric Power Corporation (AEP). It provides various services to affiliated AEP subsidiaries, including system planning, engineering, financial, accounting, public affairs, fuel procurement and customer services.

AEPSC is subject to the Public Utility Holding Company Act (PUCHA) which the Securities and Exchange Commission (SEC) administers. AEPSC maintains its accounts based on the SEC's Uniform System of Accounts for mutual service companies.

AEPSC first assigns all costs to various expense and other accounts. Then, it assigns all direct and indirect costs to various billable projects or work orders. ^{1/} Direct costs include labor and labor fringes, such as payroll taxes and employee benefits. Indirect amounts include overhead amounts not specifically assignable to the work orders, such as administrative and general salaries, miscellaneous general expenses, depreciation, maintenance of general plant, etc.

AEPSC bills interest on working capital loans and income taxes to the various operating companies as separate items apart from the normal fully allocated billable work orders.

AEPSC's invoices rendered to the Company and the other AEP subsidiaries include a cost breakdown for each work order between direct and overhead costs. The subsidiaries use the accounting classifications AEPSC provides to assign costs to its various accounts. Under this procedure, the AEP subsidiaries classified certain AEPSC administrative and general expenses, payroll taxes, etc., to accounts other than those that it would charge if it directly incurred the expenditures. For example, charges for direct labor costs to particular projects and accounts included additional costs related to employment taxes, pensions, other employee benefits, administrative and general expenses, and depreciation and maintenance of the office building owned by AEPSC.

Also, the AEP subsidiaries recorded income taxes and interest costs separately billed by AEPSC in Account 930.2, Miscellaneous General Expenses.

^{1/} When AEPSC performs specific work for more than one company within the holding company group, it uses an SEC approved method for assigning the cost among the various members.

Kentucky Power Company

4

Discussion of Accounting Requirements

General Instruction No. 14, Transactions with Associated Companies, of the Uniform System of Accounts States:

Each utility shall keep its accounts and records so as to be able to furnish accurately and expeditiously statements of all transactions with associated companies. The statements may be required to show the general nature of the transactions, the amounts involved therein and the amounts included in each account prescribed herein with respect to such transactions. **Transactions with associated companies shall be recorded in the appropriate accounts for transactions of the same nature.** Nothing herein contained, however, shall be construed as restraining the utility from subdividing accounts for the purpose of recording separately transactions with associated companies. [Emphasis added.]

The Office of the Chief Accountant is currently studying the issue of classification of affiliated company charges on an industry-wide basis. Therefore, the Division of Audits did not make any recommendations on the subject pending completion of the study and any resulting FERC action. The accounting for the classification of affiliated company charges will be resolved in a separate docket, Docket No. FA96-40-001.

Date July 9, 1997

Subject Employment Settlement Costs

From G. R. Knorr

To File

Accounting Release 12 (AR-12) issued by the Office of the Chief Accountant at FERC requires all expenditures related to discriminatory employment practices to be recorded below-the-line as other income deductions. Fines and penalties are to be recorded in Account 426.3, Penalties, and all other costs, including settlement costs paid to the plaintiffs, are to be recorded in Account 426.5, Other deductions.

In the future, whenever such costs are paid by AEP Service Corporation, the expenditures should be classified to the appropriate FERC account (see above) and in Work Order No. 1011, Miscellaneous non-operating expenses. Work Order No. 1011 will transfer the incurred costs to first-tier AEP client companies for recording below-the-line.


G. R. Knorr

cc P. J. DeMaria
L. V. Assante
T. P. Bowman - Canton
G. E. Laurey
F. L. Sagan



Date August 13, 1997

Subject: Reclassification of Benefits Liabilities

From: Greg Campbell/Hugh McCoy

To: Tim Bowman - Canton
Jerry Knorr - Columbus
George Lantry - Columbus
Maurice McIntyre - Ft. Wayne
Tom Mitchell - Roanoke

Our practice in accounting for accumulated liabilities for pension benefits recorded under SFAS 87, postretirement benefits (OPEB) recorded under SFAS 106, and postemployment benefits recorded under SFAS 112 has been to record the liabilities to Account 228.4, Accumulated Miscellaneous Operating Provisions. We did not use Account 228.3, Accumulated Provision for Pensions and Benefits, because the description of Account 228.3 seems to exclude benefits funded through an irrevocable trust fund.

Nevertheless, during the course of the recent FERC audit, the FERC Staff informed us that our OPEB liability should be recorded to Account 228.3, rather than 228.4. The Staff also referred us to the FERC's May 7, 1993 OPEB accounting guidance in Docket No. A193-4-000, which also provides for the use of Account 228.3. Therefore, the accumulated liability for benefits recorded under SFAS 87, 106, and 112 as of July 31, 1997 that is currently recorded in Account 228.4 should be reclassified in August 1997 business to Account 228.3, Accumulated Provision for Pensions and Benefits:

Please contact us if you should have any questions on this matter.

Greg Campbell/Hugh McCoy

cc: Len Assante
Geoff Dean
Pete DeMaria
Bill Scott
Deloitte & Touche

THIS FILING IS	
Item 1: <input checked="" type="checkbox"/> An Initial (Original) Submission	OR <input type="checkbox"/> Resubmission No. _____

Form 1 Approved
OMB No.1902-0021
(Expires 12/31/2019)
Form 1-F Approved
OMB No.1902-0029
(Expires 12/31/2019)
Form 3-Q Approved
OMB No.1902-0205
(Expires 12/31/2019)



FERC FINANCIAL REPORT

FERC FORM No. 1: Annual Report of Major Electric Utilities, Licensees and Others and Supplemental Form 3-Q: Quarterly Financial Report

These reports are mandatory under the Federal Power Act, Sections 3, 4(a), 304 and 309, and 18 CFR 141.1 and 141.400. Failure to report may result in criminal fines, civil penalties and other sanctions as provided by law. The Federal Energy Regulatory Commission does not consider these reports to be of confidential nature

Exact Legal Name of Respondent (Company) Kentucky Power Company	Year/Period of Report End of <u>2016/Q4</u>
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INSTRUCTIONS FOR FILING FERC FORM NOS. 1 and 3-Q

GENERAL INFORMATION

I. Purpose

FERC Form No. 1 (FERC Form 1) is an annual regulatory requirement for Major electric utilities, licensees and others (18 C.F.R. § 141.1). FERC Form No. 3-Q (FERC Form 3-Q) is a quarterly regulatory requirement which supplements the annual financial reporting requirement (18 C.F.R. § 141.400). These reports are designed to collect financial and operational information from electric utilities, licensees and others subject to the jurisdiction of the Federal Energy Regulatory Commission. These reports are also considered to be non-confidential public use forms.

II. Who Must Submit

Each Major electric utility, licensee, or other, as classified in the Commission's Uniform System of Accounts Prescribed for Public Utilities and Licensees Subject To the Provisions of The Federal Power Act (18 C.F.R. Part 101), must submit FERC Form 1 (18 C.F.R. § 141.1), and FERC Form 3-Q (18 C.F.R. § 141.400).

Note: Major means having, in each of the three previous calendar years, sales or transmission service that exceeds one of the following:

- (1) one million megawatt hours of total annual sales,
- (2) 100 megawatt hours of annual sales for resale,
- (3) 500 megawatt hours of annual power exchanges delivered, or
- (4) 500 megawatt hours of annual wheeling for others (deliveries plus losses).

III. What and Where to Submit

(a) Submit FERC Forms 1 and 3-Q electronically through the forms submission software. Retain one copy of each report for your files. Any electronic submission must be created by using the forms submission software provided free by the Commission at its web site: <http://www.ferc.gov/docs-filing/forms/form-1/elec-subm-soft.asp>. The software is used to submit the electronic filing to the Commission via the Internet.

(b) The Corporate Officer Certification must be submitted electronically as part of the FERC Forms 1 and 3-Q filings.

(c) Submit immediately upon publication, by either eFiling or mail, two (2) copies to the Secretary of the Commission, the latest Annual Report to Stockholders. Unless eFiling the Annual Report to Stockholders, mail the stockholders report to the Secretary of the Commission at:

Secretary
Federal Energy Regulatory Commission
888 First Street, NE
Washington, DC 20426

(d) For the CPA Certification Statement, submit within 30 days after filing the FERC Form 1, a letter or report (not applicable to filers classified as Class C or Class D prior to January 1, 1984). The CPA Certification Statement can be either eFiled or mailed to the Secretary of the Commission at the address above.

The CPA Certification Statement should:

- a) Attest to the conformity, in all material aspects, of the below listed (schedules and pages) with the Commission's applicable Uniform System of Accounts (including applicable notes relating thereto and the Chief Accountant's published accounting releases), and
- b) Be signed by independent certified public accountants or an independent licensed public accountant certified or licensed by a regulatory authority of a State or other political subdivision of the U. S. (See 18 C.F.R. §§ 41.10-41.12 for specific qualifications.)

<u>Reference Schedules</u>	<u>Pages</u>
Comparative Balance Sheet	110-113
Statement of Income	114-117
Statement of Retained Earnings	118-119
Statement of Cash Flows	120-121
Notes to Financial Statements	122-123

- e) The following format must be used for the CPA Certification Statement unless unusual circumstances or conditions, explained in the letter or report, demand that it be varied. Insert parenthetical phrases only when exceptions are reported.

"In connection with our regular examination of the financial statements of _____ for the year ended on which we have reported separately under date of _____, we have also reviewed schedules _____ of FERC Form No. 1 for the year filed with the Federal Energy Regulatory Commission, for conformity in all material respects with the requirements of the Federal Energy Regulatory Commission as set forth in its applicable Uniform System of Accounts and published accounting releases. Our review for this purpose included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

Based on our review, in our opinion the accompanying schedules identified in the preceding paragraph (except as noted below) conform in all material respects with the accounting requirements of the Federal Energy Regulatory Commission as set forth in its applicable Uniform System of Accounts and published accounting releases."

The letter or report must state which, if any, of the pages above do not conform to the Commission's requirements. Describe the discrepancies that exist.

- (f) Filers are encouraged to file their Annual Report to Stockholders, and the CPA Certification Statement using eFiling. To further that effort, new selections, "Annual Report to Stockholders," and "CPA Certification Statement" have been added to the dropdown "pick list" from which companies must choose when eFiling. Further instructions are found on the Commission's website at <http://www.ferc.gov/help/how-to.asp>.

- (g) Federal, State and Local Governments and other authorized users may obtain additional blank copies of FERC Form 1 and 3-Q free of charge from <http://www.ferc.gov/docs-filing/forms/form-1/form-1.pdf> and <http://www.ferc.gov/docs-filing/forms.asp#3Q-gas>.

IV. When to Submit:

FERC Forms 1 and 3-Q must be filed by the following schedule:

- a) FERC Form 1 for each year ending December 31 must be filed by April 18th of the following year (18 CFR § 141.1), and
- b) FERC Form 3-Q for each calendar quarter must be filed within 60 days after the reporting quarter (18 C.F.R. § 141.400).

V. Where to Send Comments on Public Reporting Burden.

The public reporting burden for the FERC Form 1 collection of information is estimated to average 1,144 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data-needed, and completing and reviewing the collection of information. The public reporting burden for the FERC Form 3-Q collection of information is estimated to average 150 hours per response.

Send comments regarding these burden estimates or any aspect of these collections of information, including suggestions for reducing burden, to the Federal Energy Regulatory Commission, 888 First Street NE, Washington, DC 20426 (Attention: Information Clearance Officer); and to the Office of Information and Regulatory Affairs, Office of Management and Budget, Washington, DC 20503 (Attention: Desk Officer for the Federal Energy Regulatory Commission). No person shall be subject to any penalty if any collection of information does not display a valid control number (44 U.S.C. § 3512 (a)).

GENERAL INSTRUCTIONS

- I. Prepare this report in conformity with the Uniform System of Accounts (18 CFR Part 101) (USofA). Interpret all accounting words and phrases in accordance with the USofA.
- II. Enter in whole numbers (dollars or MWH) only, except where otherwise noted. (Enter cents for averages and figures per unit where cents are important. The truncating of cents is allowed except on the four basic financial statements where rounding is required.) The amounts shown on all supporting pages must agree with the amounts entered on the statements that they support. When applying thresholds to determine significance for reporting purposes, use for balance sheet accounts the balances at the end of the current reporting period, and use for statement of income accounts the current year's year to date amounts.
- III. Complete each question fully and accurately, even if it has been answered in a previous report. Enter the word "None" where it truly and completely states the fact.
- IV. For any page(s) that is not applicable to the respondent, omit the page(s) and enter "NA," "NONE," or "Not Applicable" in column (d) on the List of Schedules, pages 2 and 3.
- V. Enter the month, day, and year for all dates. Use customary abbreviations. **The "Date of Report" included in the header of each page is to be completed only for resubmissions** (see VII. below).
- VI. Generally, except for certain schedules, all numbers, whether they are expected to be debits or credits, must be reported as positive. Numbers having a sign that is different from the expected sign must be reported by enclosing the numbers in parentheses.
- VII. For any resubmissions, submit the electronic filing using the form submission software only. Please explain the reason for the resubmission in a footnote to the data field.
- VIII. Do not make references to reports of previous periods/years or to other reports in lieu of required entries, except as specifically authorized.
- IX. Wherever (schedule) pages refer to figures from a previous period/year, the figures reported must be based upon those shown by the report of the previous period/year, or an appropriate explanation given as to why the different figures were used.

Definitions for statistical classifications used for completing schedules for transmission system reporting are as follows:

FNS - Firm Network Transmission Service for Self. "Firm" means service that can not be interrupted for economic reasons and is intended to remain reliable even under adverse conditions. "Network Service" is Network Transmission Service as described in Order No. 888 and the Open Access Transmission Tariff. "Self" means the respondent.

FNO - Firm Network Service for Others. "Firm" means that service cannot be interrupted for economic reasons and is intended to remain reliable even under adverse conditions. "Network Service" is Network Transmission Service as described in Order No. 888 and the Open Access Transmission Tariff.

LFP - for Long-Term Firm Point-to-Point Transmission Reservations. "Long-Term" means one year or longer and "firm" means that service cannot be interrupted for economic reasons and is intended to remain reliable even under adverse conditions. "Point-to-Point Transmission Reservations" are described in Order No. 888 and the Open Access Transmission Tariff. For all transactions identified as LFP, provide in a footnote the

termination date of the contract defined as the earliest date either buyer or seller can unilaterally cancel the contract.

OLF - Other Long-Term Firm Transmission Service. Report service provided under contracts which do not conform to the terms of the Open Access Transmission Tariff. "Long-Term" means one year or longer and "firm" means that service cannot be interrupted for economic reasons and is intended to remain reliable even under adverse conditions. For all transactions identified as OLF, provide in a footnote the termination date of the contract defined as the earliest date either buyer or seller can unilaterally get out of the contract.

SFP - Short-Term Firm Point-to-Point Transmission Reservations. Use this classification for all firm point-to-point transmission reservations, where the duration of each period of reservation is less than one-year.

NF - Non-Firm Transmission Service, where firm means that service cannot be interrupted for economic reasons and is intended to remain reliable even under adverse conditions.

OS - Other Transmission Service. Use this classification only for those services which can not be placed in the above-mentioned classifications, such as all other service regardless of the length of the contract and service FERC Form. Describe the type of service in a footnote for each entry.

AD - Out-of-Period Adjustments. Use this code for any accounting adjustments or "true-ups" for service provided in prior reporting periods. Provide an explanation in a footnote for each adjustment.

DEFINITIONS

I. Commission Authorization (Comm. Auth.) -- The authorization of the Federal Energy Regulatory Commission, or any other Commission. Name the commission whose authorization was obtained and give date of the authorization.

II. Respondent -- The person, corporation, licensee, agency, authority, or other Legal entity or instrumentality in whose behalf the report is made.

EXCERPTS FROM THE LAW

Federal Power Act, 16 U.S.C. § 791a-825r

Sec. 3. The words defined in this section shall have the following meanings for purposes of this Act, to with:

(3) 'Corporation' means any corporation, joint-stock company, partnership, association, business trust, organized group of persons, whether incorporated or not, or a receiver or receivers, trustee or trustees of any of the foregoing. It shall not include 'municipalities, as hereinafter defined;

(4) 'Person' means an individual or a corporation;

(5) 'Licensee, means any person, State, or municipality Licensed under the provisions of section 4 of this Act, and any assignee or successor in interest thereof;

(7) 'municipality means a city, county, irrigation district, drainage district, or other political subdivision or agency of a State competent under the Laws thereof to carry and the business of developing, transmitting, unitizing, or distributing power;

(11) "project' means. a complete unit of improvement or development, consisting of a power house, all water conduits, all dams and appurtenant works and structures (including navigation structures) which are a part of said unit, and all storage, diverting, or fore bay reservoirs directly connected therewith, the primary line or lines transmitting power there from to the point of junction with the distribution system or with the interconnected primary transmission system, all miscellaneous structures used and useful in connection with said unit or any part thereof, and all water rights, rights-of-way, ditches, dams, reservoirs, Lands, or interest in Lands the use and occupancy of which are necessary or appropriate in the maintenance and operation of such unit;

"Sec. 4. The Commission is hereby authorized and empowered

(a) To make investigations and to collect and record data concerning the utilization of the water 'resources of any region to be developed, the water-power industry and its relation to other industries and to interstate or foreign commerce, and concerning the location, capacity, development -costs, and relation to markets of power sites; ... to the extent the Commission may deem necessary or useful for the purposes of this Act."

"Sec. 304. (a) Every Licensee and every public utility shall file with the Commission such annual and other periodic or special* reports as the Commission may be rules and regulations or other prescribe as necessary or appropriate to assist the Commission in the -proper administration of this Act. The Commission may prescribe the manner and FERC Form in which such reports salt be made, and require from such persons specific answers to all questions upon which the Commission may need information. The Commission may require that such reports shall include, among other things, full information as to assets and Liabilities, capitalization, net investment, and reduction thereof, gross receipts, interest due and paid, depreciation, and other reserves, cost of project and other facilities, cost of maintenance and operation of the project and other facilities, cost of renewals and replacement of the project works and other facilities, depreciation, generation, transmission, distribution, delivery, use, and sale of electric energy. The Commission may require any such person to make adequate provision for currently determining such costs and other facts. Such reports shall be made under oath unless the Commission otherwise specifies*.10

"Sec. 309. The Commission shall have power to perform any and all acts, and to prescribe, issue, make, and rescind such orders, rules and regulations as it may find necessary or appropriate to carry out the provisions of this Act. Among other things, such rules and regulations may define accounting, technical, and trade terms used in this Act; and may prescribe the FERC Form or FERC Forms of all statements, declarations, applications, and reports to be filed with the Commission, the information which they shall contain, and the time within which they shall be filed..."

General Penalties

The Commission may assess up to \$1 million per day per violation of its rules and regulations. *See* FPA § 316(a) (2005), 16 U.S.C. § 825o(a).

**FERC FORM NO. 1/3-Q:
 REPORT OF MAJOR ELECTRIC UTILITIES, LICENSEES AND OTHER**

IDENTIFICATION		
01 Exact Legal Name of Respondent Kentucky Power Company	02 Year/Period of Report End of <u>2016/Q4</u>	
03 Previous Name and Date of Change <i>(if name changed during year)</i> / /		
04 Address of Principal Office at End of Period <i>(Street, City, State, Zip Code)</i> 1 Riverside Plaza, Columbus, OH 43215-2373		
05 Name of Contact Person Jason M. Johnson	06 Title of Contact Person Accountant	
07 Address of Contact Person <i>(Street, City, State, Zip Code)</i> AEP Service Corp., 1 Riverside Plaza, Columbus, OH 43215-2373		
08 Telephone of Contact Person, <i>Including Area Code</i> (614) 716-1000	09 This Report Is (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	10 Date of Report <i>(Mo, Da, Yr)</i> / /
ANNUAL CORPORATE OFFICER CERTIFICATION		
<p>The undersigned officer certifies that:</p> <p>I have examined this report and to the best of my knowledge, information, and belief all statements of fact contained in this report are correct statements of the business affairs of the respondent and the financial statements, and other financial information contained in this report, conform in all material respects to the Uniform System of Accounts.</p>		
01 Name F. Scott Travis	03 Signature F. Scott Travis	04 Date Signed <i>(Mo, Da, Yr)</i> 04/14/2017
02 Title Assistant Controller		
<p>Title 18, U.S.C. 1001 makes it a crime for any person to knowingly and willingly to make to any Agency or Department of the United States any false, fictitious or fraudulent statements as to any matter within its jurisdiction.</p>		

Name of Respondent Kentucky Power Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2016/Q4
LIST OF SCHEDULES (Electric Utility)				
Enter in column (c) the terms "none," "not applicable," or "NA," as appropriate, where no information or amounts have been reported for certain pages. Omit pages where the respondents are "none," "not applicable," or "NA".				
Line No.	Title of Schedule (a)	Reference Page No. (b)	Remarks (c)	
1	General Information	101		
2	Control Over Respondent	102		
3	Corporations Controlled by Respondent	103	NA	
4	Officers	104		
5	Directors	105		
6	Information on Formula Rates	106(a)(b)		
7	Important Changes During the Year	108-109		
8	Comparative Balance Sheet	110-113		
9	Statement of Income for the Year	114-117	Page 116 - NA	
10	Statement of Retained Earnings for the Year	118-119		
11	Statement of Cash Flows	120-121		
12	Notes to Financial Statements	122-123		
13	Statement of Accum Comp Income, Comp Income, and Hedging Activities	122(a)(b)		
14	Summary of Utility Plant & Accumulated Provisions for Dep, Amort & Dep	200-201		
15	Nuclear Fuel Materials	202-203	NA	
16	Electric Plant in Service	204-207		
17	Electric Plant Leased to Others	213	NA	
18	Electric Plant Held for Future Use	214		
19	Construction Work in Progress-Electric	216		
20	Accumulated Provision for Depreciation of Electric Utility Plant	219		
21	Investment of Subsidiary Companies	224-225	NA	
22	Materials and Supplies	227		
23	Allowances	228(ab)-229(ab)		
24	Extraordinary Property Losses	230	NA	
25	Unrecovered Plant and Regulatory Study Costs	230	NA	
26	Transmission Service and Generation Interconnection Study Costs	231		
27	Other Regulatory Assets	232		
28	Miscellaneous Deferred Debits	233		
29	Accumulated Deferred Income Taxes	234		
30	Capital Stock	250-251		
31	Other Paid-in Capital	253		
32	Capital Stock Expense	254	NA	
33	Long-Term Debt	256-257		
34	Reconciliation of Reported Net Income with Taxable Inc for Fed Inc Tax	261		
35	Taxes Accrued, Prepaid and Charged During the Year	262-263		
36	Accumulated Deferred Investment Tax Credits	266-267		

Name of Respondent Kentucky Power Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2016/Q4
LIST OF SCHEDULES (Electric Utility) (continued)					
Enter in column (c) the terms "none," "not applicable," or "NA," as appropriate, where no information or amounts have been reported for certain pages. Omit pages where the respondents are "none," "not applicable," or "NA".					
Line No.	Title of Schedule (a)	Reference Page No. (b)	Remarks (c)		
37	Other Deferred Credits	269			
38	Accumulated Deferred Income Taxes-Accelerated Amortization Property	272-273			
39	Accumulated Deferred Income Taxes-Other Property	274-275			
40	Accumulated Deferred Income Taxes-Other	276-277			
41	Other Regulatory Liabilities	278			
42	Electric Operating Revenues	300-301			
43	Regional Transmission Service Revenues (Account 457.1)	302	NA		
44	Sales of Electricity by Rate Schedules	304			
45	Sales for Resale	310-311			
46	Electric Operation and Maintenance Expenses	320-323			
47	Purchased Power	326-327			
48	Transmission of Electricity for Others	328-330			
49	Transmission of Electricity by ISO/RTOs	331	NA		
50	Transmission of Electricity by Others	332			
51	Miscellaneous General Expenses-Electric	335			
52	Depreciation and Amortization of Electric Plant	336-337			
53	Regulatory Commission Expenses	350-351			
54	Research, Development and Demonstration Activities	352-353			
55	Distribution of Salaries and Wages	354-355			
56	Common Utility Plant and Expenses	356	NA		
57	Amounts included in ISO/RTO Settlement Statements	397			
58	Purchase and Sale of Ancillary Services	398			
59	Monthly Transmission System Peak Load	400			
60	Monthly ISO/RTO Transmission System Peak Load	400a	NA		
61	Electric Energy Account	401			
62	Monthly Peaks and Output	401			
63	Steam Electric Generating Plant Statistics	402-403			
64	Hydroelectric Generating Plant Statistics	406-407	NA		
65	Pumped Storage Generating Plant Statistics	408-409	NA		
66	Generating Plant Statistics Pages	410-411	NA		

Name of Respondent Kentucky Power Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2016/Q4
LIST OF SCHEDULES (Electric Utility) (continued)					
Enter in column (c) the terms "none," "not applicable," or "NA," as appropriate, where no information or amounts have been reported for certain pages. Omit pages where the respondents are "none," "not applicable," or "NA".					
Line No.	Title of Schedule (a)	Reference Page No. (b)	Remarks (c)		
67	Transmission Line Statistics Pages	422-423			
68	Transmission Lines Added During the Year	424-425			
69	Substations	426-427			
70	Transactions with Associated (Affiliated) Companies	429			
71	Footnote Data	450			
	Stockholders' Reports Check appropriate box: <input checked="" type="checkbox"/> Two copies will be submitted <input type="checkbox"/> No annual report to stockholders is prepared				

Name of Respondent Kentucky Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report <i>(Mo, Da, Yr)</i> / /	Year/Period of Report End of <u>2016/Q4</u>
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GENERAL INFORMATION

1. Provide name and title of officer having custody of the general corporate books of account and address of office where the general corporate books are kept, and address of office where any other corporate books of account are kept, if different from that where the general corporate books are kept.

F. Scott Travis, Assistant Controller
 1 Riverside Plaza
 Columbus, OH 43215

2. Provide the name of the State under the laws of which respondent is incorporated, and date of incorporation. If incorporated under a special law, give reference to such law. If not incorporated, state that fact and give the type of organization and the date organized.

Kentucky
 July 21, 1919

3. If at any time during the year the property of respondent was held by a receiver or trustee, give (a) name of receiver or trustee, (b) date such receiver or trustee took possession, (c) the authority by which the receivership or trusteeship was created, and (d) date when possession by receiver or trustee ceased.

None

4. State the classes or utility and other services furnished by respondent during the year in each State in which the respondent operated.

Electric - Kentucky

5. Have you engaged as the principal accountant to audit your financial statements an accountant who is not the principal accountant for your previous year's certified financial statements?

- (1) Yes...Enter the date when such independent accountant was initially engaged:
 (2) No

Name of Respondent Kentucky Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report <i>(Mo, Da, Yr)</i> / /	Year/Period of Report End of <u>2016/Q4</u>
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CONTROL OVER RESPONDENT

1. If any corporation, business trust, or similar organization or a combination of such organizations jointly held control over the respondent at the end of the year, state name of controlling corporation or organization, manner in which control was held, and extent of control. If control was in a holding company organization, show the chain of ownership or control to the main parent company or organization. If control was held by a trustee(s), state name of trustee(s), name of beneficiary or beneficiaries for whom trust was maintained, and purpose of the trust.

American Electric Power Company, Inc.
 Ownership of 100% of Respondent's Common Stock

Name of Respondent Kentucky Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2016/Q4
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CORPORATIONS CONTROLLED BY RESPONDENT

1. Report below the names of all corporations, business trusts, and similar organizations, controlled directly or indirectly by respondent at any time during the year. If control ceased prior to end of year, give particulars (details) in a footnote.
2. If control was by other means than a direct holding of voting rights, state in a footnote the manner in which control was held, naming any intermediaries involved.
3. If control was held jointly with one or more other interests, state the fact in a footnote and name the other interests.

Definitions

1. See the Uniform System of Accounts for a definition of control.
2. Direct control is that which is exercised without interposition of an intermediary.
3. Indirect control is that which is exercised by the interposition of an intermediary which exercises direct control.
4. Joint control is that in which neither interest can effectively control or direct action without the consent of the other, as where the voting control is equally divided between two holders, or each party holds a veto power over the other. Joint control may exist by mutual agreement or understanding between two or more parties who together have control within the meaning of the definition of control in the Uniform System of Accounts, regardless of the relative voting rights of each party.

Line No.	Name of Company Controlled (a)	Kind of Business (b)	Percent Voting Stock Owned (c)	Footnote Ref. (d)
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Name of Respondent Kentucky Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2016/Q4
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OFFICERS

1. Report below the name, title and salary for each executive officer whose salary is \$50,000 or more. An "executive officer" of a respondent includes its president, secretary, treasurer, and vice president in charge of a principal business unit, division or function (such as sales, administration or finance), and any other person who performs similar policy making functions.
 2. If a change was made during the year in the incumbent of any position, show name and total remuneration of the previous incumbent, and the date the change in incumbency was made.

Line No.	Title (a)	Name of Officer (b)	Salary for Year (c)
1	See Footnote		
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Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2016/Q4
Kentucky Power Company			
FOOTNOTE DATA			

Schedule Page: 104 Line No.: 1 Column: a

Executive Compensation Table

The following table provides summary information concerning compensation earned by our Chief Executive Officer, our Chief Financial Officer and the three other most highly compensated executive officers, to whom we refer collectively as the named executive officers.

Name and Principal Position (a)	Salary (\$)(1) (b)	Bonus (\$) (c)	Stock Awards (\$)(2) (d)	Non-Equity Incentive Plan Compensation (\$)(3) (f)	Change in Pension Value and Non-qualified Deferred Compensation Earnings (\$)(4) (g)	All Other Compensation Earnings (\$)(5) (h)	Total (\$) (i)
Nicholas K. Akins — Chairman of the Board and Chief Executive Officer	1,325,077	—	6,720,027	3,000,000	323,949	103,687	11,472,740
Brian X. Tierney — Executive Vice President and Chief Financial Officer	730,800	—	1,895,038	990,000	131,575	95,026	3,842,439
Robert P. Powers — Vice Chairman	723,773	—	1,895,038	980,000	335,960	93,931	4,028,702
David M. Feinberg — Executive Vice President and General Counsel	615,358	—	1,126,919	730,000	85,179	75,435	2,632,891
Lisa M. Barton — Executive Vice President- Transmission	532,039	—	1,003,030	650,000	95,020	68,007	2,348,096

- Amounts in the salary column are composed of executive salaries earned for the year shown, which include 261 days of pay for 2016. This is one day more than the standard 260 calendar work days and holidays in a year.
- The amounts reported in this column reflect the aggregate grant date fair value, calculated in accordance with FASB ASC Topic 718, of performance units and RSUs granted under our Long-Term Incentive Plan. See Note 15 to the Consolidated Financial Statements included in our Form 10-K for the year ended December 31, 2016 for a discussion of the relevant assumptions used in calculating these amounts. With respect to the performance units, the estimates of the grant date fair values determined in accordance with FASB ASC Topic 718 assumes the vesting of 100% of the performance units awarded. The value realized for the performance units, if any, will depend on the Company's performance during a three-year performance and vesting period. The potential payout can range from 0 percent to 200 percent of the target number of performance units, plus any dividend equivalents. Therefore, the maximum amount payable for the 2016 performance units is equal to \$10,080,010 for Mr. Akins; \$2,842,526 for each of Messrs. Tierney and Powers; \$1,690,378 for Mr. Feinberg and \$1,504,608 for Ms. Barton. The RSU's vest over a forty month period.
- The amounts shown in this column are annual incentive compensation paid under the Senior Officer Incentive Plan for 2016. At the outset of each year, the HR Committee sets annual incentive targets and performance criteria that are used after year-end to determine if and the extent to which executive officers may receive annual incentive award payments under this plan.
- The amounts shown in this column are attributable to the increase in the actuarial values of each of the named executive officer's combined benefits under AEP's qualified and non-qualified defined benefit plans determined using interest rate and mortality assumptions consistent with those used in the Company's financial statements. See Note 8 to the Consolidated Financial Statements included in our Form 10-K for the year ended December 31, 2016 for a discussion of the relevant assumptions. None of the named executive officer received preferential or above-market earnings on deferred compensation.
- Amounts shown in the All Other Compensation column for 2016 include: (a) Company contributions to the Company's Retirement Savings Plan, (b) Company contributions to the Company's Supplemental Retirement Savings Plan and (c) perquisites. The amounts are listed in the following table:

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2016/Q4
FOOTNOTE DATA			

All Other Compensation

Type	Nicholas K. Akins	Brian X. Tierney	Robert P. Powers	David M. Feinberg	Lisa M. Barton
Retirement Savings Plan Match	11,629	11,925	11,925	11,925	11,925
Supplemental Retirement Savings Plan Match	78,075	70,302	68,873	51,623	42,771
Perquisites	13,983	12,799	13,133	11,887	13,311
Total	103,687	95,026	93,931	75,435	68,007

Perquisites provided in 2016 included: financial counseling and tax preparation services, and, for Mr. Akins, director's accidental death insurance premium. Executive officers may also have the occasional personal use of event tickets when such tickets are not being used for business purposes, however, there is no associated incremental cost. From time to time executive officers may receive customary gifts from third parties that sponsor sporting events (subject to our policies on conflicts of interest).

Name of Respondent Kentucky Power Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2016/Q4
DIRECTORS				
1. Report below the information called for concerning each director of the respondent who held office at any time during the year. Include in column (a), abbreviated titles of the directors who are officers of the respondent.				
2. Designate members of the Executive Committee by a triple asterisk and the Chairman of the Executive Committee by a double asterisk.				
Line No.	Name (and Title) of Director (a)	Principal Business Address (b)		
1	Nicholas K. Akins, Chairman of the Board	Columbus, Ohio		
2	and Chief Executive Officer			
3				
4	Lisa M. Barton, Vice President	Columbus, Ohio		
5				
6	Robert P. Powers, Vice President	Columbus, Ohio		
7				
8	Brian X. Tierney, Chief Financial Officer	Columbus, Ohio		
9	and Vice President			
10				
11	Mark C. McCullough, Vice President	Columbus, Ohio		
12				
13	Lana L. Hillebrand, Vice President	Columbus, Ohio		
14				
15	David M. Feinberg, Secretary	Columbus, Ohio		
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17	Note: The Respondent does not have an Executive Committee			
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Name of Respondent Kentucky Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of <u>2016/Q4</u>
INFORMATION ON FORMULA RATES FERC Rate Schedule/Tariff Number FERC Proceeding			
Does the respondent have formula rates?		<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
1. Please list the Commission accepted formula rates including FERC Rate Schedule or Tariff Number and FERC proceeding (i.e. Docket No) accepting the rate(s) or changes in the accepted rate.			
Line No.	FERC Rate Schedule or Tariff Number	FERC Proceeding	
1	Rate Schedule 51	ER06-340	
2	Rate Schedule 52	ER06-358	
3			
4	PJM Interconnection LLC, Attachment H-14	ER08-1329	
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Name of Respondent Kentucky Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2016/Q4
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INFORMATION ON FORMULA RATES
 FERC Rate Schedule/Tariff Number FERC Proceeding

Does the respondent file with the Commission annual (or more frequent) filings containing the inputs to the formula rate(s)?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
--	--

2. If yes, provide a listing of such filings as contained on the Commission's eLibrary website

Line No.	Accession No.	Document Date \ Filed Date	Docket No.	Description	Formula Rate FERC Rate Schedule Number or Tariff Number
1	20160609-5130	06/09/2016	ER08-1329	AEP PJM OATT Formula Update	PJM OATT Attach H-14
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Name of Respondent Kentucky Power Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of <u>2016/Q4</u>
INFORMATION ON FORMULA RATES Formula Rate Variances				
<p>1. If a respondent does not submit such filings then indicate in a footnote to the applicable Form 1 schedule where formula rate inputs differ from amounts reported in the Form 1.</p> <p>2. The footnote should provide a narrative description explaining how the "rate" (or billing) was derived if different from the reported amount in the Form 1.</p> <p>3. The footnote should explain amounts excluded from the ratebase or where labor or other allocation factors, operating expenses, or other items impacting formula rate inputs differ from amounts reported in Form 1 schedule amounts.</p> <p>4. Where the Commission has provided guidance on formula rate inputs, the specific proceeding should be noted in the footnote.</p>				
Line No.	Page No(s).	Schedule	Column	Line No
1	204-207	Electric Plant in Service		g 49
2	214	Electric Plant Held for Use		d 46
3	216	Construction Work in Progress		b 1
4	310-311	Sales for Resale		k 1
5	320	Electric Operation and Maintenance Expenses		b 5
6	321	Electric Operation and Maintenance Expenses		b 93
7	323	Electric Operation and Maintenance Expenses		b 185
8	336	Depreciation and Amortization of Electric Plant		b 7
9	354	Distribution of Salaries and Wages		b 28
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Name of Respondent Kentucky Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report / /	Year/Period of Report End of <u>2016/Q4</u>
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IMPORTANT CHANGES DURING THE QUARTER/YEAR

Give particulars (details) concerning the matters indicated below. Make the statements explicit and precise, and number them in accordance with the inquiries. Each inquiry should be answered. Enter "none," "not applicable," or "NA" where applicable. If information which answers an inquiry is given elsewhere in the report, make a reference to the schedule in which it appears.

1. Changes in and important additions to franchise rights: Describe the actual consideration given therefore and state from whom the franchise rights were acquired. If acquired without the payment of consideration, state that fact.
2. Acquisition of ownership in other companies by reorganization, merger, or consolidation with other companies: Give names of companies involved, particulars concerning the transactions, name of the Commission authorizing the transaction, and reference to Commission authorization.
3. Purchase or sale of an operating unit or system: Give a brief description of the property, and of the transactions relating thereto, and reference to Commission authorization, if any was required. Give date journal entries called for by the Uniform System of Accounts were submitted to the Commission.
4. Important leaseholds (other than leaseholds for natural gas lands) that have been acquired or given, assigned or surrendered: Give effective dates, lengths of terms, names of parties, rents, and other condition. State name of Commission authorizing lease and give reference to such authorization.
5. Important extension or reduction of transmission or distribution system: State territory added or relinquished and date operations began or ceased and give reference to Commission authorization, if any was required. State also the approximate number of customers added or lost and approximate annual revenues of each class of service. Each natural gas company must also state major new continuing sources of gas made available to it from purchases, development, purchase contract or otherwise, giving location and approximate total gas volumes available, period of contracts, and other parties to any such arrangements, etc.
6. Obligations incurred as a result of issuance of securities or assumption of liabilities or guarantees including issuance of short-term debt and commercial paper having a maturity of one year or less. Give reference to FERC or State Commission authorization, as appropriate, and the amount of obligation or guarantee.
7. Changes in articles of incorporation or amendments to charter: Explain the nature and purpose of such changes or amendments.
8. State the estimated annual effect and nature of any important wage scale changes during the year.
9. State briefly the status of any materially important legal proceedings pending at the end of the year, and the results of any such proceedings culminated during the year.
10. Describe briefly any materially important transactions of the respondent not disclosed elsewhere in this report in which an officer, director, security holder reported on Page 104 or 105 of the Annual Report Form No. 1, voting trustee, associated company or known associate of any of these persons was a party or in which any such person had a material interest.
11. (Reserved.)
12. If the important changes during the year relating to the respondent company appearing in the annual report to stockholders are applicable in every respect and furnish the data required by Instructions 1 to 11 above, such notes may be included on this page.
13. Describe fully any changes in officers, directors, major security holders and voting powers of the respondent that may have occurred during the reporting period.
14. In the event that the respondent participates in a cash management program(s) and its proprietary capital ratio is less than 30 percent please describe the significant events or transactions causing the proprietary capital ratio to be less than 30 percent, and the extent to which the respondent has amounts loaned or money advanced to its parent, subsidiary, or affiliated companies through a cash management program(s). Additionally, please describe plans, if any to regain at least a 30 percent proprietary ratio.

PAGE 108 INTENTIONALLY LEFT BLANK
 SEE PAGE 109 FOR REQUIRED INFORMATION.

Name of Respondent Kentucky Power Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2016/Q4
IMPORTANT CHANGES DURING THE QUARTER/YEAR (Continued)			

1. None
2. None
3. In December 2016, KPCo sold 739 acres of Carrs Plant Site land to a third party for \$2.2M. KPCo realized a gain of \$1M on the sale of the land, which was recorded in Account 105, Electric Plant Held for Future Use. When a gain realized from the sale of property recorded in Account 105 exceeds \$100,000, the transaction is governed by FERC. By letter dated February 27, 2017, KPCo requested FERC approval to record the gain in Account 411.6, Gains from Disposition of Utility Plant.
4. None
5. None
6. None
7. None
8. KPCo employees represented by IBEW 978 were provided with 2.5% general wage increase effective May 1, 2016

KPCo employees represented by UWUA 492 were provided with a 2.5% general wage increase effective June 1, 2016
9. Please refer to the Notes to the Financial Statements Pages 122-123.
10. None
11. (Reserved)
12. Not Used
13. Dieck, Lonni L. elected as Vice President 05/03/2016
Dieck, Lonni L. elected as Treasurer 05/03/2016
Sloat, Julia A. resigned as Vice President 05/02/2016
Sloat, Julia A. resigned as Treasurer 05/02/2016
Satterwhite, Matthew J. elected as President and Chief Operating Officer 12/09/2016
LaFleur, Jeffery D. resigned as Vice President Generation Assets 12/31/2016
Pauley, Gregory G. resigned as President and Chief Operating Officer 12/08/2016
Light, Timothy K. resigned as Vice President 12/08/2016
Patton, Charles R. resigned as Vice President 12/31/2016
14. Proprietary capital ratio exceeds 30%

Name of Respondent Kentucky Power Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2016/Q4
COMPARATIVE BALANCE SHEET (ASSETS AND OTHER DEBITS)				
Line No.	Title of Account (a)	Ref. Page No. (b)	Current Year End of Quarter/Year Balance (c)	Prior Year End Balance 12/31 (d)
1	UTILITY PLANT			
2	Utility Plant (101-106, 114)	200-201	2,601,765,597	2,497,548,422
3	Construction Work in Progress (107)	200-201	27,379,769	59,350,976
4	TOTAL Utility Plant (Enter Total of lines 2 and 3)		2,629,145,366	2,556,899,398
5	(Less) Accum. Prov. for Depr. Amort. Depl. (108, 110, 111, 115)	200-201	855,212,999	805,037,535
6	Net Utility Plant (Enter Total of line 4 less 5)		1,773,932,367	1,751,861,863
7	Nuclear Fuel in Process of Ref., Conv., Enrich., and Fab. (120.1)	202-203	0	0
8	Nuclear Fuel Materials and Assemblies-Stock Account (120.2)		0	0
9	Nuclear Fuel Assemblies in Reactor (120.3)		0	0
10	Spent Nuclear Fuel (120.4)		0	0
11	Nuclear Fuel Under Capital Leases (120.6)		0	0
12	(Less) Accum. Prov. for Amort. of Nucl. Fuel Assemblies (120.5)	202-203	0	0
13	Net Nuclear Fuel (Enter Total of lines 7-11 less 12)		0	0
14	Net Utility Plant (Enter Total of lines 6 and 13)		1,773,932,367	1,751,861,863
15	Utility Plant Adjustments (116)		0	0
16	Gas Stored Underground - Noncurrent (117)		0	0
17	OTHER PROPERTY AND INVESTMENTS			
18	Nonutility Property (121)		995,120	995,120
19	(Less) Accum. Prov. for Depr. and Amort. (122)		234,965	228,295
20	Investments in Associated Companies (123)		0	0
21	Investment in Subsidiary Companies (123.1)	224-225	0	0
22	(For Cost of Account 123.1, See Footnote Page 224, line 42)			
23	Noncurrent Portion of Allowances	228-229	9,037,212	0
24	Other Investments (124)		2,011,098	2,038,474
25	Sinking Funds (125)		0	0
26	Depreciation Fund (126)		0	0
27	Amortization Fund - Federal (127)		0	0
28	Other Special Funds (128)		0	0
29	Special Funds (Non Major Only) (129)		5,891,386	6,938,909
30	Long-Term Portion of Derivative Assets (175)		-170	12,095
31	Long-Term Portion of Derivative Assets - Hedges (176)		0	0
32	TOTAL Other Property and Investments (Lines 18-21 and 23-31)		17,699,681	9,756,303
33	CURRENT AND ACCRUED ASSETS			
34	Cash and Working Funds (Non-major Only) (130)		0	0
35	Cash (131)		859,326	866,903
36	Special Deposits (132-134)		4,238,324	1,531,811
37	Working Fund (135)		0	0
38	Temporary Cash Investments (136)		0	0
39	Notes Receivable (141)		0	0
40	Customer Accounts Receivable (142)		11,554,287	11,149,887
41	Other Accounts Receivable (143)		380,488	110,019
42	(Less) Accum. Prov. for Uncollectible Acct.-Credit (144)		66,756	242,308
43	Notes Receivable from Associated Companies (145)		0	0
44	Accounts Receivable from Assoc. Companies (146)		28,523,016	19,609,035
45	Fuel Stock (151)	227	19,198,596	21,255,090
46	Fuel Stock Expenses Undistributed (152)	227	624,851	829,982
47	Residuals (Elec) and Extracted Products (153)	227	0	0
48	Plant Materials and Operating Supplies (154)	227	16,124,794	16,676,493
49	Merchandise (155)	227	0	0
50	Other Materials and Supplies (156)	227	0	0
51	Nuclear Materials Held for Sale (157)	202-203/227	0	0
52	Allowances (158.1 and 158.2)	228-229	9,452,802	10,028,244

Name of Respondent Kentucky Power Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2016/Q4
COMPARATIVE BALANCE SHEET (ASSETS AND OTHER DEBITS)(Continued)					
Line No.	Title of Account (a)	Ref. Page No. (b)	Current Year End of Quarter/Year Balance (c)	Prior Year End Balance 12/31 (d)	
53	(Less) Noncurrent Portion of Allowances		9,037,212	0	
54	Stores Expense Undistributed (163)	227	0	0	
55	Gas Stored Underground - Current (164.1)		0	0	
56	Liquefied Natural Gas Stored and Held for Processing (164.2-164.3)		0	0	
57	Prepayments (165)		2,046,416	2,092,348	
58	Advances for Gas (166-167)		0	0	
59	Interest and Dividends Receivable (171)		0	0	
60	Rents Receivable (172)		3,053,849	2,596,749	
61	Accrued Utility Revenues (173)		4,542,082	52,589	
62	Miscellaneous Current and Accrued Assets (174)		0	834,832	
63	Derivative Instrument Assets (175)		456,690	3,054,578	
64	(Less) Long-Term Portion of Derivative Instrument Assets (175)		-170	12,095	
65	Derivative Instrument Assets - Hedges (176)		0	0	
66	(Less) Long-Term Portion of Derivative Instrument Assets - Hedges (176)		0	0	
67	Total Current and Accrued Assets (Lines 34 through 66)		91,951,723	90,434,157	
68	DEFERRED DEBITS				
69	Unamortized Debt Expenses (181)		2,725,201	3,270,739	
70	Extraordinary Property Losses (182.1)	230a	0	0	
71	Unrecovered Plant and Regulatory Study Costs (182.2)	230b	0	0	
72	Other Regulatory Assets (182.3)	232	557,355,104	518,260,211	
73	Prelim. Survey and Investigation Charges (Electric) (183)		251,087	127,491	
74	Preliminary Natural Gas Survey and Investigation Charges 183.1)		0	0	
75	Other Preliminary Survey and Investigation Charges (183.2)		0	0	
76	Clearing Accounts (184)		0	0	
77	Temporary Facilities (185)		0	0	
78	Miscellaneous Deferred Debits (186)	233	18,298,283	18,362,928	
79	Def. Losses from Disposition of Utility Plt. (187)		0	0	
80	Research, Devel. and Demonstration Expend. (188)	352-353	0	0	
81	Unamortized Loss on Reaquired Debt (189)		535,608	569,259	
82	Accumulated Deferred Income Taxes (190)	234	58,626,333	62,994,524	
83	Unrecovered Purchased Gas Costs (191)		0	0	
84	Total Deferred Debits (lines 69 through 83)		637,791,616	603,585,152	
85	TOTAL ASSETS (lines 14-16, 32, 67, and 84)		2,521,375,387	2,455,637,475	

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COMPARATIVE BALANCE SHEET (LIABILITIES AND OTHER CREDITS)

Line No.	Title of Account (a)	Ref. Page No. (b)	Current Year End of Quarter/Year Balance (c)	Prior Year End Balance 12/31 (d)
1	PROPRIETARY CAPITAL			
2	Common Stock Issued (201)	250-251	50,450,000	50,450,000
3	Preferred Stock Issued (204)	250-251	0	0
4	Capital Stock Subscribed (202, 205)		0	0
5	Stock Liability for Conversion (203, 206)		0	0
6	Premium on Capital Stock (207)		0	0
7	Other Paid-In Capital (208-211)	253	526,135,279	527,309,077
8	Installments Received on Capital Stock (212)	252	0	0
9	(Less) Discount on Capital Stock (213)	254	0	0
10	(Less) Capital Stock Expense (214)	254b	0	0
11	Retained Earnings (215, 215.1, 216)	118-119	93,170,609	86,960,274
12	Unappropriated Undistributed Subsidiary Earnings (216.1)	118-119	0	0
13	(Less) Reaquired Capital Stock (217)	250-251	0	0
14	Noncorporate Proprietorship (Non-major only) (218)		0	0
15	Accumulated Other Comprehensive Income (219)	122(a)(b)	-1,354,460	-1,645,475
16	Total Proprietary Capital (lines 2 through 15)		668,401,428	663,073,876
17	LONG-TERM DEBT			
18	Bonds (221)	256-257	0	0
19	(Less) Reaquired Bonds (222)	256-257	0	0
20	Advances from Associated Companies (223)	256-257	0	0
21	Other Long-Term Debt (224)	256-257	870,000,000	870,000,000
22	Unamortized Premium on Long-Term Debt (225)		0	0
23	(Less) Unamortized Discount on Long-Term Debt-Debit (226)		111,150	277,875
24	Total Long-Term Debt (lines 18 through 23)		869,888,850	869,722,125
25	OTHER NONCURRENT LIABILITIES			
26	Obligations Under Capital Leases - Noncurrent (227)		1,749,344	2,008,253
27	Accumulated Provision for Property Insurance (228.1)		0	0
28	Accumulated Provision for Injuries and Damages (228.2)		61,813	49,225
29	Accumulated Provision for Pensions and Benefits (228.3)		11,707,400	10,934,121
30	Accumulated Miscellaneous Operating Provisions (228.4)		174,737	466,000
31	Accumulated Provision for Rate Refunds (229)		391,157	0
32	Long-Term Portion of Derivative Instrument Liabilities		312,794	10,664
33	Long-Term Portion of Derivative Instrument Liabilities - Hedges		0	0
34	Asset Retirement Obligations (230)		62,994,255	72,012,344
35	Total Other Noncurrent Liabilities (lines 26 through 34)		77,391,500	85,480,607
36	CURRENT AND ACCRUED LIABILITIES			
37	Notes Payable (231)		0	0
38	Accounts Payable (232)		52,601,176	36,881,901
39	Notes Payable to Associated Companies (233)		1,807,118	18,692,147
40	Accounts Payable to Associated Companies (234)		28,579,152	25,138,556
41	Customer Deposits (235)		26,625,196	26,915,926
42	Taxes Accrued (236)	262-263	27,673,529	-20,945,253
43	Interest Accrued (237)		8,223,718	8,012,650
44	Dividends Declared (238)		0	0
45	Matured Long-Term Debt (239)		0	0

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COMPARATIVE BALANCE SHEET (LIABILITIES AND OTHER CREDITS) (Continued)

Line No.	Title of Account (a)	Ref. Page No. (b)	Current Year End of Quarter/Year Balance (c)	Prior Year End Balance 12/31 (d)
46	Matured Interest (240)		0	0
47	Tax Collections Payable (241)		2,602,889	2,247,993
48	Miscellaneous Current and Accrued Liabilities (242)		24,456,647	26,717,242
49	Obligations Under Capital Leases-Current (243)		938,723	895,590
50	Derivative Instrument Liabilities (244)		365,567	1,012,757
51	(Less) Long-Term Portion of Derivative Instrument Liabilities		312,794	10,664
52	Derivative Instrument Liabilities - Hedges (245)		0	0
53	(Less) Long-Term Portion of Derivative Instrument Liabilities-Hedges		0	0
54	Total Current and Accrued Liabilities (lines 37 through 53)		173,560,921	125,558,845
55	DEFERRED CREDITS			
56	Customer Advances for Construction (252)		158,189	162,493
57	Accumulated Deferred Investment Tax Credits (255)	266-267	1,420	4,050
58	Deferred Gains from Disposition of Utility Plant (256)		0	0
59	Other Deferred Credits (253)	269	4,907,929	8,010,573
60	Other Regulatory Liabilities (254)	278	995,314	4,085,397
61	Unamortized Gain on Reaquired Debt (257)		0	0
62	Accum. Deferred Income Taxes-Accel. Amort.(281)	272-277	58,282,271	60,936,706
63	Accum. Deferred Income Taxes-Other Property (282)		395,059,616	379,980,278
64	Accum. Deferred Income Taxes-Other (283)		272,727,949	258,622,525
65	Total Deferred Credits (lines 56 through 64)		732,132,688	711,802,022
66	TOTAL LIABILITIES AND STOCKHOLDER EQUITY (lines 16, 24, 35, 54 and 65)		2,521,375,387	2,455,637,475

Name of Respondent Kentucky Power Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2016/Q4	
STATEMENT OF INCOME						
<p>Quarterly</p> <p>1. Report in column (c) the current year to date balance. Column (c) equals the total of adding the data in column (g) plus the data in column (i) plus the data in column (k). Report in column (d) similar data for the previous year. This information is reported in the annual filing only.</p> <p>2. Enter in column (e) the balance for the reporting quarter and in column (f) the balance for the same three month period for the prior year.</p> <p>3. Report in column (g) the quarter to date amounts for electric utility function; in column (i) the quarter to date amounts for gas utility, and in column (k) the quarter to date amounts for other utility function for the current year quarter.</p> <p>4. Report in column (h) the quarter to date amounts for electric utility function; in column (j) the quarter to date amounts for gas utility, and in column (l) the quarter to date amounts for other utility function for the prior year quarter.</p> <p>5. If additional columns are needed, place them in a footnote.</p> <p>Annual or Quarterly if applicable</p> <p>5. Do not report fourth quarter data in columns (e) and (f)</p> <p>6. Report amounts for accounts 412 and 413, Revenues and Expenses from Utility Plant Leased to Others, in another utility column in a similar manner to a utility department. Spread the amount(s) over lines 2 thru 26 as appropriate. Include these amounts in columns (c) and (d) totals.</p> <p>7. Report amounts in account 414, Other Utility Operating Income, in the same manner as accounts 412 and 413 above.</p>						
Line No.	Title of Account (a)	(Ref.) Page No. (b)	Total Current Year to Date Balance for Quarter/Year (c)	Total Prior Year to Date Balance for Quarter/Year (d)	Current 3 Months Ended Quarterly Only No 4th Quarter (e)	Prior 3 Months Ended Quarterly Only No 4th Quarter (f)
1	UTILITY OPERATING INCOME					
2	Operating Revenues (400)	300-301	662,004,995	670,177,198		
3	Operating Expenses					
4	Operation Expenses (401)	320-323	359,076,117	400,706,295		
5	Maintenance Expenses (402)	320-323	72,067,504	76,957,090		
6	Depreciation Expense (403)	336-337	79,130,335	82,090,907		
7	Depreciation Expense for Asset Retirement Costs (403.1)	336-337	227,059	344,928		
8	Amort. & Depl. of Utility Plant (404-405)	336-337	2,895,282	4,204,635		
9	Amort. of Utility Plant Acq. Adj. (406)	336-337	38,616	38,616		
10	Amort. Property Losses, Unrecov Plant and Regulatory Study Costs (407)					
11	Amort. of Conversion Expenses (407)					
12	Regulatory Debits (407.3)		2,567,625	790,783		
13	(Less) Regulatory Credits (407.4)					
14	Taxes Other Than Income Taxes (408.1)	262-263	21,299,832	22,310,932		
15	Income Taxes - Federal (409.1)	262-263	5,704,182	-61,788,788		
16	- Other (409.1)	262-263	96,461	-1,004,589		
17	Provision for Deferred Income Taxes (410.1)	234, 272-277	115,546,545	299,048,988		
18	(Less) Provision for Deferred Income Taxes-Cr. (411.1)	234, 272-277	95,774,242	236,209,723		
19	Investment Tax Credit Adj. - Net (411.4)	266	-2,630	-25,656		
20	(Less) Gains from Disp. of Utility Plant (411.6)		1,007,058	4,571		
21	Losses from Disp. of Utility Plant (411.7)					
22	(Less) Gains from Disposition of Allowances (411.8)		465,243	322,012		
23	Losses from Disposition of Allowances (411.9)					
24	Accretion Expense (411.10)		885,012	831,666		
25	TOTAL Utility Operating Expenses (Enter Total of lines 4 thru 24)		562,285,397	587,969,501		
26	Net Util Oper Inc (Enter Tot line 2 less 25) Carry to Pg117,line 27		99,719,598	82,207,697		

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STATEMENT OF INCOME FOR THE YEAR (continued)						
Line No.	Title of Account (a)	(Ref.) Page No. (b)	TOTAL		Current 3 Months Ended Quarterly Only No 4th Quarter (e)	Prior 3 Months Ended Quarterly Only No 4th Quarter (f)
			Current Year (c)	Previous Year (d)		
27	Net Utility Operating Income (Carried forward from page 114)		99,719,598	82,207,697		
28	Other Income and Deductions					
29	Other Income					
30	Nonutility Operating Income					
31	Revenues From Merchandising, Jobbing and Contract Work (415)					
32	(Less) Costs and Exp. of Merchandising, Job. & Contract Work (416)					
33	Revenues From Nonutility Operations (417)		141,741			
34	(Less) Expenses of Nonutility Operations (417.1)		28,088			
35	Nonoperating Rental Income (418)		23,140	25,255		
36	Equity in Earnings of Subsidiary Companies (418.1)	119				
37	Interest and Dividend Income (419)		38,552	99,834		
38	Allowance for Other Funds Used During Construction (419.1)		852,463	1,157,911		
39	Miscellaneous Nonoperating Income (421)		463,693	2,791,554		
40	Gain on Disposition of Property (421.1)					
41	TOTAL Other Income (Enter Total of lines 31 thru 40)		1,491,501	4,074,554		
42	Other Income Deductions					
43	Loss on Disposition of Property (421.2)			152,820		
44	Miscellaneous Amortization (425)					
45	Donations (426.1)		3,640,978	452,534		
46	Life Insurance (426.2)					
47	Penalties (426.3)		27,760	12,440		
48	Exp. for Certain Civic, Political & Related Activities (426.4)		484,698	318,441		
49	Other Deductions (426.5)		2,993,206	946,815		
50	TOTAL Other Income Deductions (Total of lines 43 thru 49)		7,146,642	1,883,050		
51	Taxes Applic. to Other Income and Deductions					
52	Taxes Other Than Income Taxes (408.2)	262-263	15,798	41,904		
53	Income Taxes-Federal (409.2)	262-263	-811,756	-903,645		
54	Income Taxes-Other (409.2)	262-263	34,785	21,798		
55	Provision for Deferred Inc. Taxes (410.2)	234, 272-277	3,296,927	25,612,267		
56	(Less) Provision for Deferred Income Taxes-Cr. (411.2)	234, 272-277	4,496,889	12,813,116		
57	Investment Tax Credit Adj.-Net (411.5)					
58	(Less) Investment Tax Credits (420)					
59	TOTAL Taxes on Other Income and Deductions (Total of lines 52-58)		-1,961,135	11,959,208		
60	Net Other Income and Deductions (Total of lines 41, 50, 59)		-3,694,006	-9,767,704		
61	Interest Charges					
62	Interest on Long-Term Debt (427)		44,423,930	43,405,169		
63	Amort. of Debt Disc. and Expense (428)		725,700	716,313		
64	Amortization of Loss on Reaquired Debt (428.1)		33,651	33,624		
65	(Less) Amort. of Premium on Debt-Credit (429)					
66	(Less) Amortization of Gain on Reaquired Debt-Credit (429.1)					
67	Interest on Debt to Assoc. Companies (430)		89,431	79,827		
68	Other Interest Expense (431)		1,156,655	1,113,315		
69	(Less) Allowance for Borrowed Funds Used During Construction-Cr. (432)		614,110	799,382		
70	Net Interest Charges (Total of lines 62 thru 69)		45,815,257	44,548,866		
71	Income Before Extraordinary Items (Total of lines 27, 60 and 70)		50,210,335	27,891,127		
72	Extraordinary Items					
73	Extraordinary Income (434)					
74	(Less) Extraordinary Deductions (435)					
75	Net Extraordinary Items (Total of line 73 less line 74)					
76	Income Taxes-Federal and Other (409.3)	262-263				
77	Extraordinary Items After Taxes (line 75 less line 76)					
78	Net Income (Total of line 71 and 77)		50,210,335	27,891,127		

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STATEMENT OF RETAINED EARNINGS

- Do not report Lines 49-53 on the quarterly version.
- Report all changes in appropriated retained earnings, unappropriated retained earnings, year to date, and unappropriated undistributed subsidiary earnings for the year.
- Each credit and debit during the year should be identified as to the retained earnings account in which recorded (Accounts 433, 436 - 439 inclusive). Show the contra primary account affected in column (b)
- State the purpose and amount of each reservation or appropriation of retained earnings.
- List first account 439, Adjustments to Retained Earnings, reflecting adjustments to the opening balance of retained earnings. Follow by credit, then debit items in that order.
- Show dividends for each class and series of capital stock.
- Show separately the State and Federal income tax effect of items shown in account 439, Adjustments to Retained Earnings.
- Explain in a footnote the basis for determining the amount reserved or appropriated. If such reservation or appropriation is to be recurrent, state the number and annual amounts to be reserved or appropriated as well as the totals eventually to be accumulated.
- If any notes appearing in the report to stockholders are applicable to this statement, include them on pages 122-123.

Line No.	Item (a)	Contra Primary Account Affected (b)	Current Quarter/Year Year to Date Balance (c)	Previous Quarter/Year Year to Date Balance (d)
	UNAPPROPRIATED RETAINED EARNINGS (Account 216)			
1	Balance-Beginning of Period		86,960,274	103,069,147
2	Changes			
3	Adjustments to Retained Earnings (Account 439)			
4				
5				
6				
7				
8				
9	TOTAL Credits to Retained Earnings (Acct. 439)			
10				
11				
12				
13				
14				
15	TOTAL Debits to Retained Earnings (Acct. 439)			
16	Balance Transferred from Income (Account 433 less Account 418.1)		50,210,335	27,891,127
17	Appropriations of Retained Earnings (Acct. 436)			
18				
19				
20				
21				
22	TOTAL Appropriations of Retained Earnings (Acct. 436)			
23	Dividends Declared-Preferred Stock (Account 437)			
24				
25				
26				
27				
28				
29	TOTAL Dividends Declared-Preferred Stock (Acct. 437)			
30	Dividends Declared-Common Stock (Account 438)			
31	Common Stock		-44,000,000	(44,000,000)
32				
33				
34				
35				
36	TOTAL Dividends Declared-Common Stock (Acct. 438)		-44,000,000	(44,000,000)
37	Transfers from Acct 216.1, Unapprop. Undistrib. Subsidiary Earnings			
38	Balance - End of Period (Total 1,9,15,16,22,29,36,37)		93,170,609	86,960,274
	APPROPRIATED RETAINED EARNINGS (Account 215)			
39				
40				

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STATEMENT OF RETAINED EARNINGS

- Do not report Lines 49-53 on the quarterly version.
- Report all changes in appropriated retained earnings, unappropriated retained earnings, year to date, and unappropriated undistributed subsidiary earnings for the year.
- Each credit and debit during the year should be identified as to the retained earnings account in which recorded (Accounts 433, 436 - 439 inclusive). Show the contra primary account affected in column (b)
- State the purpose and amount of each reservation or appropriation of retained earnings.
- List first account 439, Adjustments to Retained Earnings, reflecting adjustments to the opening balance of retained earnings. Follow by credit, then debit items in that order.
- Show dividends for each class and series of capital stock.
- Show separately the State and Federal income tax effect of items shown in account 439, Adjustments to Retained Earnings.
- Explain in a footnote the basis for determining the amount reserved or appropriated. If such reservation or appropriation is to be recurrent, state the number and annual amounts to be reserved or appropriated as well as the totals eventually to be accumulated.
- If any notes appearing in the report to stockholders are applicable to this statement, include them on pages 122-123.

Line No.	Item (a)	Contra Primary Account Affected (b)	Current Quarter/Year Year to Date Balance (c)	Previous Quarter/Year Year to Date Balance (d)
41				
42				
43				
44				
45	TOTAL Appropriated Retained Earnings (Account 215)			
	APPROP. RETAINED EARNINGS - AMORT. Reserve, Federal (Account 215.1)			
46	TOTAL Approp. Retained Earnings-Amort. Reserve, Federal (Acct. 215.1)			
47	TOTAL Approp. Retained Earnings (Acct. 215, 215.1) (Total 45,46)			
48	TOTAL Retained Earnings (Acct. 215, 215.1, 216) (Total 38, 47) (216.1)		93,170,609	86,960,274
	UNAPPROPRIATED UNDISTRIBUTED SUBSIDIARY EARNINGS (Account			
	Report only on an Annual Basis, no Quarterly			
49	Balance-Beginning of Year (Debit or Credit)			
50	Equity in Earnings for Year (Credit) (Account 418.1)			
51	(Less) Dividends Received (Debit)			
52				
53	Balance-End of Year (Total lines 49 thru 52)			

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STATEMENT OF CASH FLOWS				
<p>(1) Codes to be used:(a) Net Proceeds or Payments;(b)Bonds, debentures and other long-term debt; (c) Include commercial paper; and (d) Identify separately such items as investments, fixed assets, intangibles, etc.</p> <p>(2) Information about noncash investing and financing activities must be provided in the Notes to the Financial statements. Also provide a reconciliation between "Cash and Cash Equivalents at End of Period" with related amounts on the Balance Sheet.</p> <p>(3) Operating Activities - Other: Include gains and losses pertaining to operating activities only. Gains and losses pertaining to investing and financing activities should be reported in those activities. Show in the Notes to the Financials the amounts of interest paid (net of amount capitalized) and income taxes paid.</p> <p>(4) Investing Activities: Include at Other (line 31) net cash outflow to acquire other companies. Provide a reconciliation of assets acquired with liabilities assumed in the Notes to the Financial Statements. Do not include on this statement the dollar amount of leases capitalized per the USoFA General Instruction 20; instead provide a reconciliation of the dollar amount of leases capitalized with the plant cost.</p>				
Line No.	Description (See Instruction No. 1 for Explanation of Codes) (a)	Current Year to Date Quarter/Year (b)	Previous Year to Date Quarter/Year (c)	
1	Net Cash Flow from Operating Activities:			
2	Net Income (Line 78(c) on page 117)	50,210,335	27,891,127	
3	Noncash Charges (Credits) to Income:			
4	Depreciation and Depletion	82,291,292	86,679,086	
5	Amortization of Regulatory Debits and Credits (Net)	2,567,625	790,783	
6				
7	Mark-to-Market of Risk Management Contracts	1,950,697	1,642,375	
8	Deferred Income Taxes (Net)	18,572,341	75,638,416	
9	Investment Tax Credit Adjustment (Net)	-2,630	-25,656	
10	Net (Increase) Decrease in Receivables	-10,221,501	17,462,354	
11	Net (Increase) Decrease in Inventory	3,395,019	24,132,548	
12	Net (Increase) Decrease in Allowances Inventory	575,442	2,347,706	
13	Net Increase (Decrease) in Payables and Accrued Expenses	67,615,176	-33,743,114	
14	Net (Increase) Decrease in Other Regulatory Assets	-3,712,687	-17,001,528	
15	Net Increase (Decrease) in Other Regulatory Liabilities	-1,358,635	-4,120,547	
16	(Less) Allowance for Other Funds Used During Construction	852,463	1,157,911	
17	(Less) Undistributed Earnings from Subsidiary Companies			
18	Other (provide details in footnote):	-50,167,987	-47,515,177	
19	Customer Deposits	-290,729	572,573	
20	Over/Under Recovered Fuel, Net	-3,708,892	15,403	
21				
22	Net Cash Provided by (Used in) Operating Activities (Total 2 thru 21)	156,862,403	133,608,438	
23				
24	Cash Flows from Investment Activities:			
25	Construction and Acquisition of Plant (including land):			
26	Gross Additions to Utility Plant (less nuclear fuel)	-100,279,988	-115,352,377	
27	Gross Additions to Nuclear Fuel			
28	Gross Additions to Common Utility Plant			
29	Gross Additions to Nonutility Plant			
30	(Less) Allowance for Other Funds Used During Construction	-852,463	-1,157,911	
31	Other (provide details in footnote):			
32				
33	Acquired Assets	-165,781	-72,486	
34	Cash Outflows for Plant (Total of lines 26 thru 33)	-99,593,306	-114,266,952	
35				
36	Acquisition of Other Noncurrent Assets (d)			
37	Proceeds from Disposal of Noncurrent Assets (d)	2,611,449	1,336,932	
38				
39	Investments in and Advances to Assoc. and Subsidiary Companies			
40	Contributions and Advances from Assoc. and Subsidiary Companies			
41	Disposition of Investments in (and Advances to)			
42	Associated and Subsidiary Companies			
43				
44	Purchase of Investment Securities (a)			
45	Proceeds from Sales of Investment Securities (a)			

Name of Respondent Kentucky Power Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2016/Q4
STATEMENT OF CASH FLOWS				
<p>(1) Codes to be used:(a) Net Proceeds or Payments;(b)Bonds, debentures and other long-term debt; (c) Include commercial paper; and (d) Identify separately such items as investments, fixed assets, intangibles, etc.</p> <p>(2) Information about noncash investing and financing activities must be provided in the Notes to the Financial statements. Also provide a reconciliation between "Cash and Cash Equivalents at End of Period" with related amounts on the Balance Sheet.</p> <p>(3) Operating Activities - Other: Include gains and losses pertaining to operating activities only. Gains and losses pertaining to investing and financing activities should be reported in those activities. Show in the Notes to the Financials the amounts of interest paid (net of amount capitalized) and income taxes paid.</p> <p>(4) Investing Activities: Include at Other (line 31) net cash outflow to acquire other companies. Provide a reconciliation of assets acquired with liabilities assumed in the Notes to the Financial Statements. Do not include on this statement the dollar amount of leases capitalized per the USofA General Instruction 20; instead provide a reconciliation of the dollar amount of leases capitalized with the plant cost.</p>				
Line No.	Description (See Instruction No. 1 for Explanation of Codes) (a)	Current Year to Date Quarter/Year (b)	Previous Year to Date Quarter/Year (c)	
46	Loans Made or Purchased			
47	Collections on Loans			
48				
49	Net (Increase) Decrease in Receivables			
50	Net (Increase) Decrease in Inventory			
51	Net (Increase) Decrease in Allowances Held for Speculation	-8,299		
52	Net Increase (Decrease) in Payables and Accrued Expenses			
53	Contributions in Aid of Construction Proceeds	287,472	304,163	
54	(Increase) Decrease in Other Special Deposits	220	-9,163	
55	EIS Insurance Proceeds	542,943		
56	Net Cash Provided by (Used in) Investing Activities			
57	Total of lines 34 thru 55)	-96,159,521	-112,635,020	
58				
59	Cash Flows from Financing Activities:			
60	Proceeds from Issuance of:			
61	Long-Term Debt (b)		50,000,000	
62	Preferred Stock			
63	Common Stock			
64	Other (provide details in footnote):			
65	Long Term Issuances Costs		-544,268	
66	Net Increase in Short-Term Debt (c)			
67	Proceeds on Capital Leaseback	174,570	78,432	
68				
69				
70	Cash Provided by Outside Sources (Total 61 thru 69)	174,570	49,534,164	
71				
72	Payments for Retirement of:			
73	Long-term Debt (b)			
74	Preferred Stock			
75	Common Stock			
76	Other (provide details in footnote):			
77	Notes Payable to Associated Companies	-16,885,029	-26,435,818	
78	Net Decrease in Short-Term Debt (c)			
79				
80	Dividends on Preferred Stock			
81	Dividends on Common Stock	-44,000,000	-44,000,000	
82	Net Cash Provided by (Used in) Financing Activities			
83	(Total of lines 70 thru 81)	-60,710,459	-20,901,654	
84				
85	Net Increase (Decrease) in Cash and Cash Equivalents			
86	(Total of lines 22,57 and 83)	-7,577	71,764	
87				
88	Cash and Cash Equivalents at Beginning of Period	866,903	795,139	
89				
90	Cash and Cash Equivalents at End of period	859,326	866,903	

Name of Respondent Kentucky Power Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2016/Q4
FOOTNOTE DATA			

Schedule Page: 120 Line No.: 18 Column: b

	2016 Cash Flow Incr / (Decr)	2015 Cash Flow Incr / (Decr)
Utility Plant, Net	\$ (26,569,679)	\$ (13,526,497)
Property and Investments, Net	42,345	2,721,614
Margin Deposits	(2,706,733)	556,568
Prepayments	(1,432,033)	(1,619,129)
Accrued Utility Revenues, Net	(4,489,493)	1,994,542
Miscellaneous Current and Accr Assets	52,139	-
Unamortized Debt Expense	545,538	543,478
Other Deferred Debits, Net	(34,089)	(568,587)
Other Comprehensive Income, Net	60,422	60,422
Unamortized Discount/Premium on Long-Term Debt	166,725	166,725
Accumulated Provisions - Misc	278,543	(163,850)
Current and Accrued Liabilities, Net	(1,566,007)	(38,452,795)
Other Deferred Credits, Net	(14,515,665)	772,332
Total	\$ (50,167,987)	\$ (47,515,177)

Schedule Page: 120 Line No.: 37 Column: b

	2016 Cash Flow Incr / (Decr)	2015 Cash Flow Incr / (Decr)
Sale of transformers between various operating companies	\$ 295,278	\$ 235,089
Sale of meters between various operating companies	99,359	197,039
Sale of land to Triple D Farms	100,000	-
Sale of BFP Rotor	-	904,804
Sale of 779+ acres in Lewis County Kentucky	2,116,812	-
Total	\$ 2,611,449	\$ 1,336,932

Name of Respondent Kentucky Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report / /	Year/Period of Report End of <u>2016/Q4</u>
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NOTES TO FINANCIAL STATEMENTS

1. Use the space below for important notes regarding the Balance Sheet, Statement of Income for the year, Statement of Retained Earnings for the year, and Statement of Cash Flows, or any account thereof. Classify the notes according to each basic statement, providing a subheading for each statement except where a note is applicable to more than one statement.
2. Furnish particulars (details) as to any significant contingent assets or liabilities existing at end of year, including a brief explanation of any action initiated by the Internal Revenue Service involving possible assessment of additional income taxes of material amount, or of a claim for refund of income taxes of a material amount initiated by the utility. Give also a brief explanation of any dividends in arrears on cumulative preferred stock.
3. For Account 116, Utility Plant Adjustments, explain the origin of such amount, debits and credits during the year, and plan of disposition contemplated, giving references to Commission orders or other authorizations respecting classification of amounts as plant adjustments and requirements as to disposition thereof.
4. Where Accounts 189, Unamortized Loss on Reacquired Debt, and 257, Unamortized Gain on Reacquired Debt, are not used, give an explanation, providing the rate treatment given these items. See General Instruction 17 of the Uniform System of Accounts.
5. Give a concise explanation of any retained earnings restrictions and state the amount of retained earnings affected by such restrictions.
6. If the notes to financial statements relating to the respondent company appearing in the annual report to the stockholders are applicable and furnish the data required by instructions above and on pages 114-121, such notes may be included herein.
7. For the 3Q disclosures, respondent must provide in the notes sufficient disclosures so as to make the interim information not misleading. Disclosures which would substantially duplicate the disclosures contained in the most recent FERC Annual Report may be omitted.
8. For the 3Q disclosures, the disclosures shall be provided where events subsequent to the end of the most recent year have occurred which have a material effect on the respondent. Respondent must include in the notes significant changes since the most recently completed year in such items as: accounting principles and practices; estimates inherent in the preparation of the financial statements; status of long-term contracts; capitalization including significant new borrowings or modifications of existing financing agreements; and changes resulting from business combinations or dispositions. However were material contingencies exist, the disclosure of such matters shall be provided even though a significant change since year end may not have occurred.
9. Finally, if the notes to the financial statements relating to the respondent appearing in the annual report to the stockholders are applicable and furnish the data required by the above instructions, such notes may be included herein.

PAGE 122 INTENTIONALLY LEFT BLANK
 SEE PAGE 123 FOR REQUIRED INFORMATION.

Name of Respondent Kentucky Power Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2016/Q4
NOTES TO FINANCIAL STATEMENTS (Continued)			

INDEX OF NOTES TO FINANCIAL STATEMENTS

- Glossary of Terms for Notes
- 1. Organization and Summary of Significant Accounting Policies
- 2. New Accounting Pronouncements
- 3. Comprehensive Income
- 4. Rate Matters
- 5. Effects of Regulation
- 6. Commitments, Guarantees and Contingencies
- 7. Benefit Plans
- 8. Business Segments
- 9. Derivatives and Hedging
- 10. Fair Value Measurements
- 11. Income Taxes
- 12. Leases
- 13. Financing Activities
- 14. Related Party Transactions
- 15. Property, Plant and Equipment

Name of Respondent	This Report is:	Date of Report	Year/Period of Report
Kentucky Power Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) / /	2016/Q4
NOTES TO FINANCIAL STATEMENTS (Continued)			

GLOSSARY OF TERMS FOR NOTES

When the following terms and abbreviations appear in the text of this report, they have the meanings indicated below.

Term	Meaning
AEGCo	AEP Generating Company, an AEP electric utility subsidiary.
AEP	American Electric Power Company, Inc., an investor-owned electric public utility holding company which includes American Electric Power Company, Inc. (Parent) and majority owned subsidiaries and affiliates.
AEP Credit	AEP Credit, Inc., a subsidiary of AEP which securitizes accounts receivable and accrued utility revenues for affiliated electric utility companies.
AEP East Companies	APCo, I&M, KPCo and OPCo.
AEP System	American Electric Power System, an electric system, owned and operated by AEP subsidiaries.
AEPSC	American Electric Power Service Corporation, an AEP service subsidiary providing management and professional services to AEP and its subsidiaries.
AFUDC	Allowance for Funds Used During Construction.
AGR	AEP Generation Resources Inc., a competitive AEP subsidiary that acquired the generation assets and liabilities of OPCo.
AOCI	Accumulated Other Comprehensive Income.
APCo	Appalachian Power Company, an AEP electric utility subsidiary.
ARO	Asset Retirement Obligation
ASU	Accounting Standards Update.
CWIP	Construction Work in Progress.
EIS	Energy Insurance Services, Inc., a nonaffiliated captive insurance company.
ESP	Electric Security Plans, a PUCO requirement for electric utilities to adjust their rates by filing with the PUCO.
FAC	Fuel Adjustment Clause.
FASB	Financial Accounting Standards Board.
Federal EPA	United States Environmental Protection Agency.
FERC	Federal Energy Regulatory Commission.
FGD	Flue Gas Desulfurization or scrubbers.
FTR	Financial Transmission Right, a financial instrument that entitles the holder to receive compensation for certain congestion-related transmission charges that arise when the power grid is congested resulting in differences in locational prices.
GAAP	Accounting Principles Generally Accepted in the United States of America.
I&M	Indiana Michigan Power Company, an AEP electric utility subsidiary.

Name of Respondent Kentucky Power Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2016/Q4
NOTES TO FINANCIAL STATEMENTS (Continued)			

GLOSSARY OF TERMS FOR NOTES (Continued)

When the following terms and abbreviations appear in the text of this report, they have the meanings indicated below.

Term	Meaning
Interconnection Agreement	An agreement by and among APCo, I&M, KPCo and OPCo which defined the sharing of costs and benefits associated with their respective generation plants. This agreement was terminated January 1, 2014.
IRS	Internal Revenue Service.
KGPCo	Kingsport Power Company, an AEP electric utility subsidiary.
KPCo	Kentucky Power Company, an AEP electric utility subsidiary.
KPSC	Kentucky Public Service Commission.
MISO	Midwest Independent Transmission System Operator.
MLR	Member load ratio, the method used to allocate transactions among members of the Interconnection Agreement.
MMBtu	Million British Thermal Units.
MTM	Mark-to-Market.
MW	Megawatt.
MWh	Megawatthour.
NO _x	Nitrogen oxide.
OATT	Open Access Transmission Tariff.
OPCo	Ohio Power Company, an AEP electric utility subsidiary.
OPEB	Other Postretirement Benefit Plans.
Operating Agreement	Agreement, dated January 1, 1997, as amended, by and among PSO and SWEPCo governing generating capacity allocation, energy pricing, and revenues and costs of third party sales. AEPSC acts as the agent.
OTC	Over the counter.
Parent	American Electric Power Company, Inc., the equity owner of AEP subsidiaries within the AEP consolidation.
PCA	Power Coordination Agreement among APCo, I&M, KPCo and WPCo.
PJM	Pennsylvania – New Jersey – Maryland regional transmission organization.
PSO	Public Service Company of Oklahoma, an AEP electric utility subsidiary.
PUCO	Public Utilities Commission of Ohio.
Risk Management Contracts	Trading and nontrading derivatives, including those derivatives designated as cash flow and fair value hedges.

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2016/Q4
Kentucky Power Company			
NOTES TO FINANCIAL STATEMENTS (Continued)			

GLOSSARY OF TERMS FOR NOTES (Continued)

When the following terms and abbreviations appear in the text of this report, they have the meanings indicated below.

Term	Meaning
Rockport Plant	A generation plant, consisting of two 1,310 MW coal-fired generating units near Rockport, Indiana. AEGCo and I&M jointly-own Unit 1. In 1989, AEGCo and I&M entered into a sale-and-leaseback transaction with Wilmington Trust Company, an unrelated, unconsolidated trustee for Rockport Plant, Unit 2.
RTO	Regional Transmission Organization, responsible for moving electricity over large interstate areas.
SIA	System Integration Agreement, effective June 15, 2000, as amended, provides contractual basis for coordinated planning, operation and maintenance of the power supply sources of the combined AEP.
SO ₂	Sulfur dioxide.
SPP	Southwest Power Pool regional transmission organization.
SSO	Standard service offer.
SWEPCo	Southwestern Electric Power Company, an AEP electric utility subsidiary.
Utility Money Pool	Centralized funding mechanism AEP uses to meet the short-term cash requirements of certain utility subsidiaries.
WPCo	Wheeling Power Company, an AEP electric utility subsidiary.

Name of Respondent	This Report is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Kentucky Power Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	/ /	2016/Q4
NOTES TO FINANCIAL STATEMENTS (Continued)			

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

ORGANIZATION

As a public utility, KPCo engages in the generation and purchase of electric power, and the subsequent sale, transmission and distribution of that power to 169,000 retail customers in its service territory in eastern Kentucky. KPCo also sells power at wholesale to municipalities.

Effective January 2014, the FERC approved a PCA among APCo, I&M and KPCo with AEPSC as the agent to coordinate the participants’ respective power supply resources. Effective May 2015, the PCA was revised and approved by the FERC to include WPCo. Under the PCA, APCo, I&M, KPCo and WPCo are individually responsible for planning their respective capacity obligations. Further, the Restated and Amended PCA allows, but does not obligate, APCo, I&M, KPCo and WPCo to participate collectively under a common fixed resource requirement capacity plan in PJM and to participate in specified collective off-system sales and purchase activities.

Also effective January 2014, the FERC approved the creation of a Bridge Agreement among AGR, APCo, I&M, KPCo and OPCo with AEPSC as the agent. The Bridge Agreement is an interim arrangement to: (a) address the treatment of purchases and sales made by AEPSC on behalf of member companies that extend beyond termination of the Interconnection Agreement and (b) address how member companies would fulfill their existing obligations under the PJM Reliability Assurance Agreement through the 2014/2015 PJM planning year. Under the Bridge Agreement, AGR is committed to meet capacity obligations of member companies through the PJM Planning year that ended May 31, 2015.

AEPSC conducts power, capacity, coal, natural gas, interest rate and, to a lesser extent, heating oil, gasoline and other risk management activities on behalf of APCo, I&M, KPCo and WPCo. Effective January 2014, and revised in May 2015, power and natural gas risk management activities are allocated based on the member companies’ respective equity positions. Risk management activities primarily include the power and natural gas physical transactions, financially-settled swaps and exchange-traded futures. AEPSC settles the majority of the physical forward contracts by entering into offsetting contracts. KPCo shared in the revenues and expenses associated with these risk management activities with the member companies.

Under a unit power agreement with AEGCo, an affiliated company, KPCo purchases 390 MWs of Rockport Plant capacity which is 30% of AEGCo’s 50% share of the 2,620 MW Rockport Plant. The unit power agreement expires in December 2022. KPCo pays a demand charge for the right to receive the power, which is payable even if the power is not taken.

Name of Respondent	This Report is:	Date of Report	Year/Period of Report
Kentucky Power Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) / /	2016/Q4
NOTES TO FINANCIAL STATEMENTS (Continued)			

Under the SIA, AEPSC allocates physical and financial revenues and expenses from transactions with neighboring utilities, power marketers and other power and natural gas risk management activities based upon the location of such activity, with margins resulting from trading and marketing activities originating in PJM and MISO generally accruing to the benefit of APCo, I&M, KPCo and WPCo and trading and marketing activities originating in SPP generally accruing to the benefit of PSO and SWEPCo. Margins resulting from other transactions are allocated among APCo, I&M, KPCo, PSO, SWEPCo and WPCo based upon the common shareholder’s equity of these companies.

To minimize the credit requirements and operating constraints when operating within PJM, participating AEP companies, including KPCo, agreed to a netting of certain payment obligations incurred by the participating AEP companies against certain balances due to such AEP companies and to hold PJM harmless from actions that any one or more AEP companies may take with respect to PJM.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Rates and Service Regulation

KPCo’s rates are regulated by the FERC and the KPSC. The FERC also regulates KPCo’s affiliated transactions, including AEPSC intercompany service billings which are generally at cost, under the 2005 Public Utility Holding Company Act and the Federal Power Act. The FERC also has jurisdiction over the issuances and acquisitions of securities of public utility subsidiaries, the acquisition or sale of certain utility assets and mergers with another electric utility or holding company. For non-power goods and services, the FERC requires a nonregulated affiliate to bill an affiliated public utility company at no more than market while a public utility must bill the higher of cost or market to a nonregulated affiliate. The KPSC also regulates certain intercompany transactions under its affiliate statutes. Both the FERC and state regulatory commissions are permitted to review and audit the relevant books and records of companies within a public utility holding company system.

The FERC regulates wholesale power markets, wholesale power transactions and wholesale transmission operations and rates. KPCo’s wholesale power transactions are generally market-based. Wholesale power transactions are cost-based regulated when KPCo negotiates and files a cost-based contract with the FERC or the FERC determines that KPCo has “market power” in the region where the transaction occurs. KPCo has entered into wholesale power supply contracts with various municipalities that are FERC-regulated, cost-based contracts. These contracts are generally formula rate mechanisms, which are trued up to actual costs annually.

The KPSC regulates all of the distribution operations and rates and retail transmission rates on a cost basis. The KPSC also regulates retail generation/power supply operations and rates.

In addition, the FERC regulates the SIA and the Transmission Agreement, which allocate shared system costs and revenues among the utility subsidiaries that are parties to each agreement.

Name of Respondent Kentucky Power Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2016/Q4
NOTES TO FINANCIAL STATEMENTS (Continued)			

Basis of Accounting

KPCo’s accounting is subject to the requirements of the KPSC and the FERC. The financial statements have been prepared in accordance with the Uniform System of Accounts prescribed by the FERC. The principal differences from accounting principles generally accepted in the United States of America (GAAP) include:

- The classification of deferred fuel as noncurrent rather than current.
- The requirement to report deferred tax assets and liabilities separately rather than as a single amount.
- The classification of accrued taxes as a single amount rather than as assets and liabilities.
- The exclusion of current maturities of long-term debt from current liabilities.
- The classification of accrued non-ARO asset removal costs as accumulated depreciation rather than regulatory assets.
- The classification of capital lease payments as operating activities instead of financing activities.
- The classification of gains/losses from disposition of allowances as utility operating expenses rather than as operating revenues.
- The classification of PJM hourly activity for physical transactions as purchases and sales instead of net sales.
- The classification of tax assets related to the accounting guidance for “Uncertainty in Income Taxes” as a reduction to current liabilities rather than a tax benefit.
- The classification of noncurrent tax liabilities related to the accounting guidance for "Uncertainty in Income Taxes" as a current liability rather than a noncurrent liability.
- The classification of regulatory assets and liabilities related to the accounting guidance for "Accounting for Income Taxes" as separate assets and liabilities rather than as a single amount.
- The presentation of capital leased assets and their associated accumulated amortization as a single amount instead of as separate amounts.
- The classification of factored accounts receivable expense as a nonoperating expense instead of as an operating expense.
- The classification of certain nonoperating revenues as miscellaneous nonoperating income instead of as operating revenue.
- The classification of certain nonoperating expenses as miscellaneous nonoperating expense instead of as operating expense.
- The separate classification of income tax expense for operating and nonoperating activities instead of as a single income tax expense.
- The classification of unamortized loss on reacquired debt in deferred debits rather than in regulatory assets.
- The classification of accumulated deferred investment tax credits in deferred credits rather than in regulatory liabilities and deferred investment tax credits.
- The classification of certain other assets and liabilities as current instead of noncurrent.
- The classification of certain other assets and liabilities as noncurrent instead of current.
- The classification of debt issuance costs as noncurrent assets instead of noncurrent liabilities.
- The classification of change in emission allowances held for speculation as investing activities instead of operating activities.

Name of Respondent Kentucky Power Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2016/Q4
NOTES TO FINANCIAL STATEMENTS (Continued)			

Accounting for the Effects of Cost-Based Regulation

As a rate-regulated electric public utility company, KPCo’s financial statements reflect the actions of regulators that result in the recognition of certain revenues and expenses in different time periods than enterprises that are not rate-regulated. In accordance with accounting guidance for “Regulated Operations,” KPCo records regulatory assets (deferred expenses) and regulatory liabilities (deferred revenue reductions or refunds) to reflect the economic effects of regulation in the same accounting period by matching expenses with their recovery through regulated revenues and by matching income with its passage to customers in cost-based regulated rates.

Use of Estimates

The preparation of these financial statements requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. These estimates include but are not limited to inventory valuation, allowance for doubtful accounts, long-lived asset impairment, unbilled electricity revenue, valuation of long-term energy contracts, the effects of regulation, long-lived asset recovery, storm costs, the effects of contingencies and certain assumptions made in accounting for pension and postretirement benefits. The estimates and assumptions used are based upon management’s evaluation of the relevant facts and circumstances as of the date of the financial statements. Actual results could ultimately differ from those estimates.

Cash and Cash Equivalents

Cash and Cash Equivalents on the statements of cash flows include Cash, Working Fund and Temporary Cash Investments on the balance sheets with original maturities of three months or less.

Supplementary Information

For the Years Ended December 31,	2016	2015
	(in thousands)	
Cash Was Paid (Received) for:		
Interest (Net of Capitalized Amounts)	\$ 44,601	\$ 43,426
Income Taxes (Net of Refunds)	(43,032)	(27,317)
Noncash Acquisitions Under Capital Leases	761	244
As of December 31,		
Construction Expenditures Included in Current and Accrued Liabilities	11,929	14,112
Noncash Capital Contribution from (returned to) Parent	(1,174)	9,849

Special Deposits

Special deposits include funds held by trustees primarily for margin deposits for risk management activities.

Name of Respondent Kentucky Power Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2016/Q4
NOTES TO FINANCIAL STATEMENTS (Continued)			

Inventory

Fossil fuel inventories and materials and supplies inventories are carried at average cost.

Accounts Receivable

Customer accounts receivable primarily include receivables from wholesale and retail energy customers, receivables from energy contract counterparties related to risk management activities and customer receivables primarily related to other revenue-generating activities.

Revenue is recognized from electric power sales when power is delivered to customers. To the extent that deliveries have occurred but a bill has not been issued, KPCo accrues and recognizes, as Accrued Utility Revenues on the balance sheets, an estimate of the revenues for energy delivered since the last billing.

AEP Credit factors accounts receivable on a daily basis, excluding receivables from risk management activities, for KPCo. See “Securitized Accounts Receivable- AEP Credit” section of Note 13 for additional information.

Allowance for Uncollectible Accounts

Generally, AEP Credit records bad debt expense related to receivables purchased from KPCo under a sale of receivables agreement. For customer accounts receivables relating to risk management activities, accounts receivables are reviewed for bad debt reserves at a specific counterparty level basis. For miscellaneous accounts receivable, bad debt expense is recorded for all amounts outstanding 180 days or greater at 100%, unless specifically identified. Miscellaneous accounts receivable items open less than 180 days may be reserved using specific identification for bad debt reserves.

Concentrations of Credit Risk and Significant Customers

KPCo has a significant customer which accounts for the following percentage of total operating revenues for the year ended December 31, 2016 and Accounts Receivable – Customers as of December 31, 2016:

Significant Customer of KPCo: Marathon Petroleum Company	2016
Percentage of Operating Revenues	11%
Percentage of Accounts Receivable – Customers	39%

Name of Respondent Kentucky Power Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2016/Q4
NOTES TO FINANCIAL STATEMENTS (Continued)			

KPCo did not have any significant customers that comprised 10% or more of its operating revenues for the year ended December 31, 2015.

Management monitors credit levels and the financial condition of KPCo’s customers on a continuing basis to minimize credit risk. The KPSC allows recovery in rates for a reasonable level of bad debt costs. Management believes adequate provision for credit loss has been made in the accompanying financial statements.

Emission Allowances

KPCo records emission allowances at cost, including the annual SO₂ and NO_x emission allowance entitlements received at no cost from the Federal EPA. Allowances are consumed in the production of energy and are recorded in Operation Expenses at an average cost on the statements of income. The purchases and sales of allowances are reported in the Operating Activities section of the statements of cash flows.

Property, Plant and Equipment

Electric utility property, plant and equipment are stated at original cost. Additions, major replacements and betterments are added to the plant accounts. Under the group composite method of depreciation, continuous interim routine replacements of items such as boiler tubes, pumps, motors, etc. result in original cost retirements, less salvage, being charged to accumulated depreciation. The group composite method of depreciation assumes that on average, asset components are retired at the end of their useful lives and thus there is no gain or loss. The equipment in each primary electric plant account is identified as a separate group. The depreciation rates that are established take into account the past history of interim capital replacements and the amount of removal cost incurred and salvage received. These rates and the related lives are subject to periodic review. Removal costs accrued are typically recorded as regulatory liabilities when removal costs accrued exceed actual removal costs incurred. The asset removal costs liability is relieved as removal costs are incurred. A regulatory asset balance will occur if actual removal costs incurred exceed accumulated removal costs accrued.

The costs of labor, materials and overhead incurred to operate and maintain plant and equipment are included in operating expenses.

Long-lived assets are required to be tested for impairment when it is determined that the carrying value of the assets may no longer be recoverable or when the assets meet the criteria under the accounting guidance for “Impairment or Disposal of Long-lived Assets.” When it becomes probable that an asset in service or an asset under construction will be abandoned and regulatory cost recovery has been disallowed, the cost of that asset shall be removed from plant-in-service or CWIP and charged to expense.

Name of Respondent Kentucky Power Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2016/Q4
NOTES TO FINANCIAL STATEMENTS (Continued)			

The fair value of an asset is the amount at which that asset could be bought or sold in a current transaction between willing parties, as opposed to a forced or liquidation sale. Quoted market prices in active markets are the best evidence of fair value and are used as the basis for the measurement, if available. In the absence of quoted prices for identical or similar assets in active markets, fair value is estimated using various internal and external valuation methods including cash flow analysis and appraisals.

Allowance for Funds Used During Construction

AFUDC represents the estimated cost of borrowed and equity funds used to finance construction projects that is capitalized and recovered through depreciation over the service life of regulated electric utility plant.

Valuation of Nonderivative Financial Instruments

The book values of Cash, Special Deposits, Working Fund, accounts receivable, Notes Receivable from Associated Companies and accounts payable approximate fair value because of the short-term maturity of these instruments.

Fair Value Measurements of Assets and Liabilities

The accounting guidance for “Fair Value Measurements and Disclosures” establishes a fair value hierarchy that prioritizes the inputs used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurement) and the lowest priority to unobservable inputs (Level 3 measurement). Where observable inputs are available for substantially the full term of the asset or liability, the instrument is categorized in Level 2. When quoted market prices are not available, pricing may be completed using comparable securities, dealer values, operating data and general market conditions to determine fair value. Valuation models utilize various inputs such as commodity, interest rate and, to a lesser degree, volatility and credit that include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in inactive markets, market corroborated inputs (i.e. inputs derived principally from, or correlated to, observable market data) and other observable inputs for the asset or liability. The amount of risk taken is determined by the Commercial Operations and Finance groups in accordance with established risk management policies as approved by the Finance Committee of AEP’s Board of Directors. The AEP System’s market risk oversight staff independently monitors risk policies, procedures and risk levels and provides members of the Commercial Operations Risk Committee (Regulated Risk Committee) various reports regarding compliance with policies, limits and procedures. The Regulated Risk Committee consists of AEPSC’s Vice Chairman, Chief Financial Officer, Executive Vice President of Generation, Senior Vice President of Commercial Operations and Chief Risk Officer.

Name of Respondent Kentucky Power Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2016/Q4
NOTES TO FINANCIAL STATEMENTS (Continued)			

For commercial activities, exchange traded derivatives, namely futures contracts, are generally fair valued based on unadjusted quoted prices in active markets and are classified as Level 1. Level 2 inputs primarily consist of OTC broker quotes in moderately active or less active markets, as well as exchange traded contracts where there is insufficient market liquidity to warrant inclusion in Level 1. Management verifies price curves using these broker quotes and classifies these fair values within Level 2 when substantially all of the fair value can be corroborated. Management typically obtains multiple broker quotes, which are nonbinding in nature but are based on recent trades in the marketplace. When multiple broker quotes are obtained, the quoted bid and ask prices are averaged. In certain circumstances, a broker quote may be discarded if it is a clear outlier. Management uses a historical correlation analysis between the broker quoted location and the illiquid locations. If the points are highly correlated, these locations are included within Level 2 as well. Certain OTC and bilaterally executed derivative instruments are executed in less active markets with a lower availability of pricing information. Illiquid transactions, complex structured transactions, FTRs and counterparty credit risk may require nonmarket based inputs. Some of these inputs may be internally developed or extrapolated and utilized to estimate fair value. When such inputs have a significant impact on the measurement of fair value, the instrument is categorized as Level 3. The main driver of contracts being classified as Level 3 is the inability to substantiate energy price curves in the market. A portion of the Level 3 instruments have been economically hedged which limits potential earnings volatility.

AEP utilizes its trustee's external pricing service to estimate the fair value of the underlying investments held in the benefit plan trusts. AEP's investment managers review and validate the prices utilized by the trustee to determine fair value. AEP's management performs its own valuation testing to verify the fair values of the securities. AEP receives audit reports of the trustee's operating controls and valuation processes. The trustee uses multiple pricing vendors for the assets held in the trusts.

Assets in the benefits trusts are classified using the following methods. Equities are classified as Level 1 holdings if they are actively traded on exchanges. Items classified as Level 1 are investments in money market funds, fixed income and equity mutual funds and domestic equity securities. They are valued based on observable inputs primarily unadjusted quoted prices in active markets for identical assets. Items classified as Level 2 are primarily investments in individual fixed income securities and cash equivalent funds. Fixed income securities generally do not trade on exchanges and do not have an official closing price but their valuation inputs are based on observable market data. Pricing vendors calculate bond valuations using financial models and matrices. The models use observable inputs including yields on benchmark securities, quotes by securities brokers, rating agency actions, discounts or premiums on securities compared to par prices, changes in yields for U.S. Treasury securities, corporate actions by bond issuers, prepayment schedules and histories, economic events and, for certain securities, adjustments to yields to reflect changes in the rate of inflation. Other securities with model-derived valuation inputs that are observable are also classified as Level 2 investments. Investments with unobservable valuation inputs are classified as Level 3 investments. Benefit plan assets included in Level 3 are primarily real estate, infrastructure and private equity investments that are valued using methods requiring judgment including appraisals. The fair value of real estate and infrastructure investments is measured using market capitalization rates, recent sales of comparable investments and independent third-party appraisals. The fair value of private equity investments is measured using cost and purchase multiples, operating results, discounted future cash flows and market based comparable data. Depending on the specific situation, one or multiple approaches are used to determine the valuation of a real estate, infrastructure or private equity investment.

Name of Respondent Kentucky Power Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2016/Q4
NOTES TO FINANCIAL STATEMENTS (Continued)			

Deferred Fuel Costs

The cost of fuel and related emission allowances and emission control chemicals/consumables is charged to expense when the fuel is burned or the allowance or consumable is utilized. Fuel cost over-recoveries (the excess of fuel-related revenues over applicable fuel costs incurred) are generally deferred as regulatory liabilities and under-recoveries (the excess of applicable fuel costs incurred over fuel-related revenues) are generally deferred as regulatory assets. These deferrals are amortized when refunded or when billed to customers in later months with the KPSC’s review and approval. The amount of an over-recovery or under-recovery can also be affected by actions of the KPSC. On a routine basis, the KPSC reviews and/or audits KPCo’s fuel procurement policies and practices, the fuel cost calculations and FAC deferrals. FAC deferrals are adjusted when costs are no longer probable of recovery or when refunds of fuel reserves are probable. Changes in fuel costs, including purchased power, are reflected in rates in a timely manner through the FAC. A portion of margins from off-system sales are given to customers through the FAC.

Revenue Recognition

Regulatory Accounting

KPCo’s financial statements reflect the actions of regulators that can result in the recognition of revenues and expenses in different time periods than enterprises that are not rate-regulated. Regulatory assets (deferred expenses) and regulatory liabilities (deferred revenue reductions or refunds) are recorded to reflect the economic effects of regulation in the same accounting period by matching expenses with their recovery through regulated revenues and by matching income with its passage to customers in cost-based regulated rates.

When regulatory assets are probable of recovery through regulated rates, KPCo records them as assets on its balance sheets. KPCo tests for probability of recovery at each balance sheet date or whenever new events occur. Examples of new events include the issuance of a regulatory commission order or passage of new legislation. If it is determined that recovery of a regulatory asset is no longer probable, KPCo writes off that regulatory asset as a charge against income.

Electricity Supply and Delivery Activities

KPCo recognizes revenues from retail and wholesale electricity sales and electricity transmission and distribution delivery services. KPCo recognizes the revenues on the statements of income upon delivery of the energy to the customer and includes unbilled as well as billed amounts. Wholesale transmission revenue is based on FERC approved formula rate filings made for each calendar year using estimated costs. The annual rate filing is compared to actual costs with an over- or under-recovery being trued-up with interest and refunded or recovered in a future year’s rates.

Name of Respondent Kentucky Power Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2016/Q4
NOTES TO FINANCIAL STATEMENTS (Continued)			

Most of the power produced at KPCo’s generation plants is sold to PJM. KPCo purchases power from PJM to supply power to its customers. Generally, these power sales and purchases are reported on a net basis in revenues on the statements of income.

Physical energy purchases arising from non-derivative contracts are accounted for on a gross basis in Operation Expenses on the statements of income. Energy purchases arising from non-trading derivative contracts are recorded based on the transaction’s facts and circumstances. Purchases under non-trading derivatives used to serve accrual based obligations are recorded in Operation Expenses on the statements of income. All other non-trading derivative purchases are recorded net in revenues.

In general, KPCo records expenses when purchased electricity is received and when expenses are incurred, with the exception of certain power purchase contracts that are derivatives and accounted for using MTM accounting. KPCo defers the unrealized MTM amounts as regulatory assets (for losses) and regulatory liabilities (for gains).

Energy Marketing and Risk Management Activities

KPCo engages in power marketing as a major power producer and participant in electricity markets. KPCo also engages in power, capacity, coal, natural gas and, to a lesser extent, heating oil, gasoline and other commodity risk management activities focused on markets where the AEP System owns assets and adjacent markets. These activities include the purchase-and-sale of energy under forward contracts at fixed and variable prices. These contracts include physical transactions, exchange-traded futures, and to a lesser extent, OTC swaps and options. Certain energy marketing and risk management transactions are with RTOs.

KPCo recognizes revenues and expenses from marketing and risk management transactions that are not derivatives upon delivery of the commodity. KPCo uses MTM accounting for marketing and risk management transactions that are derivatives unless the derivative is designated in a qualifying cash flow hedge relationship or elected normal under the normal purchase normal sale election. The realized gains and losses on marketing and risk management transactions are included in revenues or expense based on the transaction’s facts and circumstances. The unrealized MTM amounts are deferred as regulatory assets (for losses) and regulatory liabilities (for gains).

Certain qualifying marketing and risk management derivative transactions are designated as hedges of variability in future cash flows as a result of forecasted transactions (cash flow hedge). In the event KPCo designates a cash flow hedge, the effective portion of the cash flow hedge’s gain or loss is initially recorded as a component of AOCI. When the forecasted transaction is realized and affects net income, KPCo subsequently reclassifies the gain or loss on the hedge from AOCI into revenues or expenses within the same financial statement line item as the forecasted transaction on the statements of income. KPCo defers the ineffective portion as regulatory assets (for losses) and regulatory liabilities (for gains). See “Accounting for Cash Flow Hedging Strategies” section of Note 9.

Name of Respondent Kentucky Power Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2016/Q4
NOTES TO FINANCIAL STATEMENTS (Continued)			

Maintenance

Maintenance costs are expensed as incurred. If it becomes probable that KPCo will recover specifically-incurred costs through future rates, a regulatory asset is established to match the expensing of those maintenance costs with their recovery in cost-based regulated revenues.

Income Taxes and Investment Tax Credits

KPCo uses the liability method of accounting for income taxes. Under the liability method, deferred income taxes are provided for all temporary differences between the book and tax basis of assets and liabilities which will result in a future tax consequence.

When the flow-through method of accounting for temporary differences is reflected in regulated revenues (that is, when deferred taxes are not included in the cost of service for determining regulated rates for electricity), deferred income taxes are recorded and related regulatory assets and liabilities are established to match the regulated revenues and tax expense.

Investment tax credits (ITC) were historically accounted for under the flow-through method, except where regulatory commissions reflected ITC in the rate-making process. In the third quarter of 2016, KPCo changed accounting for the recognition of ITC and elected to apply the preferred deferral methodology. This change had no financial impact to KPCo.

Deferred ITC is amortized to income tax expense over the life of the asset. Amortization of deferred ITC begins when the asset is placed into service, except where regulatory commissions reflect ITC in the rate-making process, then amortization begins when the cash tax benefit is recognized.

KPCo accounts for uncertain tax positions in accordance with the accounting guidance for “Income Taxes.” KPCo classifies interest expense or income related to uncertain tax positions as interest expense or income as appropriate and classifies penalties as Penalties.

Excise Taxes

As an agent for some state and local governments, KPCo collects from customers certain excise taxes levied by those state or local governments on customers. KPCo does not recognize these taxes as revenue or expense.

Name of Respondent Kentucky Power Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2016/Q4
NOTES TO FINANCIAL STATEMENTS (Continued)			

Debt

Gains and losses from the reacquisition of debt used to finance regulated electric utility plants are deferred and amortized over the remaining term of the reacquired debt in accordance with their rate-making treatment unless the debt is refinanced. If the reacquired debt is refinanced, the reacquisition costs are generally deferred and amortized over the term of the replacement debt consistent with its recovery in rates.

Debt discount or premium and debt issuance expenses are deferred and amortized generally utilizing the straight-line method over the term of the related debt. The straight-line method approximates the effective interest method and is consistent with the treatment in rates for regulated operations.

Pension and OPEB Plans

KPCo participates in an AEP sponsored qualified pension plan and an unfunded nonqualified pension plan. Substantially all of KPCo’s employees are covered by the qualified plan or both the qualified and nonqualified pension plans. KPCo also participates in OPEB plans sponsored by AEP to provide health and life insurance benefits for retired employees.

KPCo is allocated a proportionate share of benefit costs and accounts for its participation in these plans as multiple-employer plans. See Note 7 - Benefit Plans for additional information including significant accounting policies associated with the plans.

Investments Held in Trust for Future Liabilities

AEP has several trust funds with significant investments intended to provide for future payments of pension and OPEB benefits. All of the trust funds’ investments are diversified and managed in compliance with all laws and regulations. The investment strategy for the trust funds is to use a diversified portfolio of investments to achieve an acceptable rate of return while managing the investment risk of the assets relative to the associated liabilities. To minimize investment risk, the trust funds are broadly diversified among classes of assets, investment strategies and investment managers. Management regularly reviews the actual asset allocations and periodically rebalances the investments to targeted allocations when appropriate. Investment policies and guidelines allow investment managers in approved strategies to use financial derivatives to obtain or manage market exposures and to hedge assets and liabilities. The investments are reported at fair value under the “Fair Value Measurements and Disclosures” accounting guidance.

Name of Respondent	This Report is:	Date of Report	Year/Period of Report
Kentucky Power Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) / /	2016/Q4
NOTES TO FINANCIAL STATEMENTS (Continued)			

Benefit Plans

All benefit plan assets are invested in accordance with each plan’s investment policy. The investment policy outlines the investment objectives, strategies and target asset allocations by plan.

The investment philosophies for AEP’s benefit plans support the allocation of assets to minimize risks and optimize net returns. Strategies used include:

- Maintaining a long-term investment horizon.
- Diversifying assets to help control volatility of returns at acceptable levels.
- Managing fees, transaction costs and tax liabilities to maximize investment earnings.
- Using active management of investments where appropriate risk/return opportunities exist.
- Keeping portfolio structure style-neutral to limit volatility compared to applicable benchmarks.
- Using alternative asset classes such as real estate and private equity to maximize return and provide additional portfolio diversification.

The objective of the investment policy for the pension fund is to maintain the funded status of the plan while providing for growth in the plan assets to offset the growth in the plan liabilities. The current target asset allocations are as follows:

Pension Plan Assets	Target
Equity	25%
Fixed Income	59%
Other Investments	15%
Cash and Cash Equivalents	1%
OPEB Plans Assets	Target
Equity	65%
Fixed Income	33%
Cash and Cash Equivalents	2%

The investment policy for each benefit plan contains various investment limitations. The investment policies establish concentration limits for securities and prohibit the purchase of securities issued by AEP (with the exception of proportionate and immaterial holdings of AEP securities in passive index strategies). However, the investment policies do not preclude the benefit trust funds from receiving contributions in the form of AEP securities, provided that the AEP securities acquired by each plan may not exceed the limitations imposed by law.

Name of Respondent Kentucky Power Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2016/Q4
NOTES TO FINANCIAL STATEMENTS (Continued)			

For equity investments, the concentration limits are as follows:

- No security in excess of 5% of all equities.
- Cash equivalents must be less than 10% of an investment manager’s equity portfolio.
- No individual stock may be more than 10% and 7% for pension and OPEB investments, respectively, of each manager’s equity portfolio.
- No investment in excess of 5% of an outstanding class of any company.
- No securities may be bought or sold on margin or other use of leverage.

For fixed income investments, each investment manager’s portfolio is compared to investment grade, diversified long and intermediate benchmark indices.

A portion of the pension assets is invested in real estate funds to provide diversification, add return and hedge against inflation. Real estate properties are illiquid, difficult to value and not actively traded. The pension plan uses external real estate investment managers to invest in commingled funds that hold real estate properties. To mitigate investment risk in the real estate portfolio, commingled real estate funds are used to ensure that holdings are diversified by region, property type and risk classification. Real estate holdings include core, value-added and development risk classifications and some investments in Real Estate Investment Trusts, which are publicly traded real estate securities.

A portion of the pension assets is invested in private equity. Private equity investments add return and provide diversification and typically require a long-term time horizon to evaluate investment performance. Private equity is classified as an alternative investment because it is illiquid, difficult to value and not actively traded. The pension plan uses limited partnerships and commingled funds to invest across the private equity investment spectrum. The private equity holdings are with multiple general partners who help monitor the investments and provide investment selection expertise. The holdings are currently comprised of venture capital, buyout and hybrid debt and equity investment instruments. Commingled private equity funds are used to enhance the holdings’ diversity.

AEP participates in a securities lending program with BNY Mellon to provide incremental income on idle assets and to provide income to offset custody fees and other administrative expenses. AEP lends securities to borrowers approved by BNY Mellon in exchange for collateral. All loans are collateralized by at least 102% of the loaned asset’s market value and the collateral is invested. The difference between the rebate owed to the borrower and the collateral rate of return determines the earnings on the loaned security. The securities lending program’s objective is providing modest incremental income with a limited increase in risk.

Name of Respondent Kentucky Power Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2016/Q4
NOTES TO FINANCIAL STATEMENTS (Continued)			

Trust owned life insurance (TOLI) underwritten by The Prudential Insurance Company is held in the OPEB plan trusts. The strategy for holding life insurance contracts in the taxable Voluntary Employees' Beneficiary Association trust is to minimize taxes paid on the asset growth in the trust. Earnings on plan assets are tax-deferred within the TOLI contract and can be tax-free if held until claims are paid. Life insurance proceeds remain in the trust and are used to fund future retiree medical benefit liabilities. With consideration to other investments held in the trust, the cash value of the TOLI contracts is invested in two diversified funds. A portion is invested in a commingled fund with underlying investments in stocks that are actively traded on major international equity exchanges. The other portion of the TOLI cash value is invested in a diversified, commingled fixed income fund with underlying investments in government bonds, corporate bonds and asset-backed securities.

Cash and cash equivalents are held in each trust to provide liquidity and meet short-term cash needs. Cash equivalent funds are used to provide diversification and preserve principal. The underlying holdings in the cash funds are investment grade money market instruments including commercial paper, certificates of deposit, treasury bills and other types of investment grade short-term debt securities. The cash funds are valued each business day and provide daily liquidity.

Comprehensive Income (Loss)

Comprehensive income (loss) is defined as the change in equity (net assets) of a business enterprise during a period from transactions and other events and circumstances from nonowner sources. It includes all changes in equity during a period except those resulting from investments by owners and distributions to owners. Comprehensive income (loss) has two components: net income (loss) and other comprehensive income (loss).

Subsequent Events

Management has evaluated the impact of events occurring after December 31, 2016 through February 27, 2017, the date that KPCo's 2016 annual report was available to be issued, and has updated such evaluation for disclosure purposes through April 14, 2017. These financial statements include all necessary adjustments and disclosures resulting from these evaluations.

Name of Respondent Kentucky Power Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2016/Q4
NOTES TO FINANCIAL STATEMENTS (Continued)			

2. NEW ACCOUNTING PRONOUNCEMENTS

Upon issuance of final pronouncements, management reviews the new accounting literature to determine its relevance, if any, to KPCo’s business. The following final pronouncements will impact the financial statements.

ASU 2014-09 “Revenue from Contracts with Customers” (ASU 2014-09)

In May 2014, the FASB issued ASU 2014-09 clarifying the method used to determine the timing and requirements for revenue recognition on the statements of income. Under the new standard, an entity must identify the performance obligations in a contract, determine the transaction price and allocate the price to specific performance obligations to recognize the revenue when the obligation is completed. The amendments in this update also require disclosure of sufficient information to allow users to understand the nature, amount, timing and uncertainty of revenue and cash flow arising from contracts.

The FASB deferred implementation of ASU 2014-09 under the terms in ASU 2015-14, “Revenue from Contracts with Customers (Topic: 606): Deferral of the Effective Date.” The new accounting guidance is effective for interim and annual periods beginning after December 15, 2017 with early adoption permitted.

Management continues to analyze the impact of the new revenue standard and related ASUs. During 2016, initial revenue contract assessments were completed. Material revenue streams were identified within the AEP System and representative contract/transaction types were sampled. Performance obligations identified within each material revenue stream were evaluated to determine whether the obligations were satisfied at a point in time or over time. Contracts determined to be satisfied over time generally qualified for the invoicing practical expedient since the invoiced amounts reasonably represented the value to customers of performance obligations fulfilled to date. Based upon the completed assessments, management does not expect a material impact to the timing of revenue recognized or net income and plans to elect the modified retrospective transition approach upon adoption. Management also continues to monitor unresolved industry implementation issues, including items related to collectability and alternative revenue programs, and will analyze the related impacts to revenue recognition. Management plans to adopt ASU 2014-09 effective January 1, 2018.

ASU 2015-11 “Simplifying the Measurement of Inventory” (ASU 2015-11)

In July 2015, the FASB issued ASU 2015-11 simplifying the guidance on the subsequent measurement of inventory, excluding inventory measured using last-in, first-out or the retail inventory method. Under the new standard, inventory should be at the lower of cost and net realizable value. The new accounting guidance is effective for interim and annual periods beginning after December 15, 2016 with early adoption permitted. Management adopted ASU 2015-11 prospectively, effective January 1, 2017. There was no impact on results of operations, financial position or cash flows at adoption.

Name of Respondent	This Report is:	Date of Report	Year/Period of Report
Kentucky Power Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) / /	2016/Q4
NOTES TO FINANCIAL STATEMENTS (Continued)			

ASU 2016-01 “Recognition and Measurement of Financial Assets and Financial Liabilities” (ASU 2016-01)

In January 2016, the FASB issued ASU 2016-01 enhancing the reporting model for financial instruments. Under the new standard, equity investments (except those accounted for under the equity method of accounting or those that result in consolidation of the investee) are required to be measured at fair value with changes in fair value recognized in net income. The new standard also amends disclosure requirements and requires separate presentation of financial assets and liabilities by measurement category and form of financial asset (that is, securities or loans and receivables) on the balance sheet or the accompanying notes to the financial statements. The amendments also clarify that an entity should evaluate the need for a valuation allowance on a deferred tax asset related to available-for-sale securities in combination with the entity’s other deferred tax assets.

The new accounting guidance is effective for interim and annual periods beginning after December 15, 2017 with early adoption permitted. The amendments will be applied by means of a cumulative-effect adjustment to the balance sheet as of the beginning of the fiscal year of adoption. Management is analyzing the impact of this new standard and, at this time, cannot estimate the impact of adoption on net income. Management plans to adopt ASU 2016-01 effective January 1, 2018.

ASU 2016-02 “Accounting for Leases” (ASU 2016-02)

In February 2016, the FASB issued ASU 2016-02 increasing the transparency and comparability among organizations by recognizing lease assets and lease liabilities on the balance sheet and disclosing key information about leasing arrangements. Under the new standard, an entity must recognize an asset and liability for operating leases on the balance sheets. Additionally, a capital lease will be known as a finance lease going forward. Leases with lease terms of 12 months or longer will be subject to the new requirements. Fundamentally, the criteria used to determine lease classification will remain the same, but will be more subjective under the new standard.

The new accounting guidance is effective for annual periods beginning after December 15, 2018 with early adoption permitted. The guidance will be applied by means of a modified retrospective approach. The modified retrospective approach will require lessees and lessors to recognize and measure leases at the beginning of the earliest period presented.

Name of Respondent Kentucky Power Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2016/Q4
NOTES TO FINANCIAL STATEMENTS (Continued)			

Management continues to analyze the impact of the new lease standard. During 2016, initial lease contract assessments were completed. The AEP System lease population was identified and representative lease contracts were sampled. Based upon the completed assessments, management prepared a system gap analysis to outline new disclosure compliance requirements compared to current system capabilities. Lease system options are currently being evaluated. Management plans to elect certain of the following practical expedients upon adoption:

Practical Expedient	Description
Overall Expedients (for leases commenced prior to adoption date and must be adopted as a package)	Do not need to reassess whether any expired or existing contracts are/or contain leases, do not need to reassess the lease classification for any expired or existing leases and do not need to reassess initial direct costs for any existing leases.
Lease and Non-lease Components (elect by class of underlying asset)	Elect as an accounting policy to not separate non-lease components from lease components and instead account for each lease and associated non-lease component as a single lease component.
Short-term Lease (elect by class of underlying asset)	Elect as an accounting policy to not apply the recognition requirements to short-term leases.
Lease term	Elect to use hindsight to determine the lease term.

Management expects the new standard to impact financial position, but not results of operations or cash flows. Management also continues to monitor unresolved industry implementation issues, including items related to renewables and Purchase Power and Sale Agreements, pole attachments, easements and right-of-ways, and will analyze the related impacts to lease accounting. Management plans to adopt ASU 2016-02 effective January 1, 2019.

ASU 2016-09 “Compensation – Stock Compensation” (ASU 2016-09)

In March 2016, the FASB issued ASU 2016-09 simplifying the accounting for share-based payment transactions including the income tax consequences, classification of awards as either equity or liabilities and classification on the statements of cash flows. Under the new standard, all excess tax benefits and tax deficiencies (including tax benefits of dividends on share-based payment awards) should be recognized as income tax expense or benefit on the statements of income. Under current GAAP, excess tax benefits are recognized in additional paid-in capital while tax deficiencies are recognized either as an offset to accumulated excess tax benefits, if any, or on the statements of income.

The new accounting guidance is effective for annual periods beginning after December 15, 2016. Early adoption is permitted in any interim or annual period. Certain provisions require retrospective/modified retrospective transition while others are to be applied prospectively. Management adopted ASU 2016-09 effective January 1, 2017. There was no impact on results of operations, financial position or cash flows at adoption.

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2016/Q4
Kentucky Power Company			
NOTES TO FINANCIAL STATEMENTS (Continued)			

ASU 2016-13 “Measurement of Credit Losses on Financial Instruments” (ASU 2016-13)

In June 2016, the FASB issued ASU 2016-13 requiring an allowance to be recorded for all expected credit losses for financial assets. The allowance for credit losses is based on historical information, current conditions and reasonable and supportable forecasts. The new standard also makes revisions to the other than temporary impairment model for available-for-sale debt securities. Disclosures of credit quality indicators in relation to the amortized cost of financing receivables are further disaggregated by year of origination.

The new accounting guidance is effective for interim and annual periods beginning after December 15, 2019 with early adoption permitted for interim and annual periods beginning after December 15, 2018. The amendments will be applied through a cumulative-effect adjustment to retained earnings as of the beginning of the first reporting period in which the guidance is effective. Management is analyzing the impact of this new standard and, at this time, cannot estimate the impact of adoption on net income. Management plans to adopt ASU 2016-13 effective January 1, 2020.

ASU 2016-18 “Restricted Cash” (ASU 2016-18)

In November 2016, the FASB issued ASU 2016-18 clarifying the treatment of restricted cash on the statements of cash flows. Under the new standard, amounts considered restricted cash will be included with cash and cash equivalents when reconciling the beginning-of-period and end-of-period total amounts on the statements of cash flows.

The new accounting guidance is effective for annual periods beginning after December 15, 2017. Early adoption is permitted in any interim or annual period. The guidance will be applied by means of a retrospective approach. Management is analyzing the impact of the new standard. Management plans to adopt ASU 2016-18 effective for the 2017 Annual Report.

Name of Respondent Kentucky Power Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2016/Q4
NOTES TO FINANCIAL STATEMENTS (Continued)			

3. COMPREHENSIVE INCOME

Presentation of Comprehensive Income

The following tables provide the components of changes in AOCI and details of reclassifications from AOCI for the years ended December 31, 2016 and 2015. The amortization of pension and OPEB AOCI components are included in the computation of net periodic pension and OPEB costs. See Note 7 for additional details.

Changes in Accumulated Other Comprehensive Income (Loss) by Component For the Year Ended December 31, 2016

	Cash Flow Hedges		Pension and OPEB		Total
	Commodity	Interest Rate	Amortization of Deferred Costs	Changes in Funded Status	
	(in thousands)				
Balance in AOCI as of December 31, 2015	\$ —	\$ (101)	\$ 3,212	\$ (4,756)	\$ (1,645)
Change in Fair Value Recognized in AOCI	—	—	—	214	214
Amount of (Gain) Loss Reclassified from AOCI					
Interest on Long-Term Debt	—	93	—	—	93
Amortization of Prior Service Cost (Credit)	—	—	(222)	—	(222)
Amortization of Actuarial (Gains)/Losses	—	—	248	—	248
Reclassifications from AOCI, before Income Tax (Expense) Credit	—	93	26	—	119
Income Tax (Expense) Credit	—	33	9	—	42
Reclassifications from AOCI, Net of Income Tax (Expense) Credit	—	60	17	—	77
Net Current Period Other Comprehensive Income	—	60	17	214	291
Balance in AOCI as of December 31, 2016	\$ —	\$ (41)	\$ 3,229	\$ (4,542)	\$ (1,354)

Name of Respondent Kentucky Power Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2016/Q4
NOTES TO FINANCIAL STATEMENTS (Continued)			

**Changes in Accumulated Other Comprehensive Income (Loss) by Component
For the Year Ended December 31, 2015**

	Cash Flow Hedges		Pension and OPEB		Total
	Commodity	Interest Rate	Amortization of Deferred Costs	Changes in Funded Status	
	(in thousands)				
Balance in AOCI as of December 31, 2014	\$ —	\$ (161)	\$ 3,145	\$ (10,320)	\$ (7,336)
Change in Fair Value Recognized in AOCI	—	—	—	(522)	(522)
Amount of (Gain) Loss Reclassified from AOCI					
Interest on Long-Term Debt	—	93	—	—	93
Amortization of Prior Service Cost (Credit)	—	—	(41)	—	(41)
Amortization of Actuarial (Gains)/Losses	—	—	141	—	141
Reclassifications from AOCI, before Income Tax (Expense) Credit	—	93	100	—	193
Income Tax (Expense) Credit	—	33	33	—	66
Reclassifications from AOCI, Net of Income Tax (Expense) Credit	—	60	67	—	127
Net Current Period Other Comprehensive Income (Loss)	—	60	67	(522)	(395)
Pension and OPEB Adjustment Related to Mitchell Plant	—	—	—	6,086	6,086
Balance in AOCI as of December 31, 2015	\$ —	\$ (101)	\$ 3,212	\$ (4,756)	\$ (1,645)

4. RATE MATTERS

KPCo is involved in rate and regulatory proceedings at the FERC and the KPSC. Rate matters can have a material impact on net income, cash flows and possibly financial condition. KPCo's recent significant rate orders and pending rate filings are addressed in this note.

FERC Transmission Complaint and Proposed Modifications to Transmission Rates

In October 2016, several parties filed a joint complaint with the FERC claiming that the base return on common equity used by various AEP affiliates in calculating formula transmission rates under the PJM OATT is excessive and should be reduced from 10.99% to 8.32%, effective upon the date of the complaint. In November 2016, AEP affiliates filed an application with the FERC to modify the FERC formula transmission rate calculation, including adjustments for certain tax issues and a shift from historical to estimated expenses with a proposed effective date of January 1, 2017. The rates will be implemented based upon the date provided in the pending FERC order, subject to refund. Management believes its financial statements adequately address the impact of the complaint and the proposed modifications to AEP's transmission rates in PJM. If the FERC orders revenue reductions as a result of the complaint, including refunds from the date of the complaint filing, it could reduce future net income and cash flows and impact financial condition.

Name of Respondent Kentucky Power Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2016/Q4
NOTES TO FINANCIAL STATEMENTS (Continued)			

5. EFFECTS OF REGULATION

Regulatory Assets and Liabilities

Regulatory assets and liabilities are comprised of the following items:

Regulatory Assets:	December 31,		Remaining Recovery Period
	2016	2015	
	(in thousands)		
Regulatory assets pending final regulatory approval:			
<u>Regulatory Assets Currently Not Earning a Return</u>			
Storm Related Costs	\$ 4,377	\$ 4,377	
Other Regulatory Assets Pending Final Regulatory Approval	52	—	
Total Regulatory Assets Pending Final Regulatory Approval	4,429	4,377	
Regulatory assets approved for recovery:			
<u>Regulatory Assets Currently Earning a Return</u>			
Plant Retirement Costs	212,380	192,536	24 years
Plant Retirement Costs - Asset Retirement Obligation Costs	18,344	7,640	24 years
Plant Retirement Costs - Materials and Supplies	3,903	4,485	24 years
Other Regulatory Assets Approved for Recovery	1,203	1,207	various
<u>Regulatory Assets Currently Not Earning a Return</u>			
Income Taxes Assets	173,278	160,942	22 years
Pension and OPEB Funded Status	57,544	52,687	12 years
Plant Retirement Costs - Asset Retirement Obligation Costs	48,942	58,031	24 years
Peak Demand Reduction/Energy Efficiency	9,075	4,332	2 years
Storm Related Costs	8,502	10,931	4 years
Environmental Costs	5,677	6,365	1 year
Big Sandy Plant, Unit 1 Operating Rider	3,898	4,903	2 years
Postemployment Benefits	3,288	4,557	5 years
Under-recovered Fuel Costs	1,955	232	1 year
Medicare Subsidy	1,733	1,950	8 years
IGCC Pre-Construction Costs	1,251	1,305	24 years
Other Regulatory Assets Approved for Recovery	1,953	1,780	various
Total Regulatory Assets Approved for Recovery	552,926	513,883	
Total FERC Account 182.3 Regulatory Assets	\$ 557,355	\$ 518,260	

Name of Respondent Kentucky Power Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2016/Q4
NOTES TO FINANCIAL STATEMENTS (Continued)			

Regulatory Liabilities:	December 31, 2016 2015 (in thousands)		Remaining Refund Period
Regulatory liabilities approved for payment:			
<u>Regulatory Liabilities Currently Not Paying a Return</u>			
Income Taxes Liabilities	\$ 750	\$ 696	22 years
Unrealized Gain on Forward Commitments	89	1,550	2 years
Over-recovered Fuel Costs	—	1,786	
Other Regulatory Liabilities Approved for Payment	156	53	various
Total Regulatory Liabilities Approved for Payment	995	4,085	
Total FERC Account 254 Regulatory Liabilities	\$ 995	\$ 4,085	

6. COMMITMENTS, GUARANTEES AND CONTINGENCIES

KPCo is subject to certain claims and legal actions arising in its ordinary course of business. In addition, KPCo's business activities are subject to extensive governmental regulation related to public health and the environment. The ultimate outcome of such pending or potential litigation against KPCo cannot be predicted. Management accrues contingent liabilities only when management concludes that it is both probable that a liability has been incurred at the date of the financial statements and the amount of loss can be reasonably estimated. When management determines that it is not probable, but rather reasonably possible that a liability has been incurred at the date of the financial statements, management discloses such contingencies and the possible loss or range of loss if such estimate can be made. Any estimated range is based on currently available information and involves elements of judgment and significant uncertainties. Any estimated range of possible loss may not represent the maximum possible loss exposure. Circumstances change over time and actual results may vary significantly from estimates.

For current proceedings not specifically discussed below, management does not anticipate that the liabilities, if any, arising from such proceedings would have a material effect on the financial statements.

COMMITMENTS

Construction and Commitments

KPCo has substantial construction commitments to support its operations and environmental investments. In managing the overall construction program and in the normal course of business, KPCo contractually commits to third-party construction vendors for certain material purchases and other construction services. KPCo also purchases fuel, materials, supplies, services and property, plant and equipment under contract as part of its normal course of business. Certain supply contracts contain penalty provisions for early termination.

Name of Respondent Kentucky Power Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2016/Q4
NOTES TO FINANCIAL STATEMENTS (Continued)			

In accordance with the accounting guidance for “Commitments”, the following table summarizes KPCo’s actual contractual commitments as of December 31, 2016:

Contractual Commitments	Less Than 1 Year	2-3 Years	4-5 Years	After 5 Years	Total
	(in thousands)				
Fuel Purchase Contracts (a)	\$ 184,784	\$ 190,884	\$ 187,736	\$ 67,069	\$ 630,473
Energy and Capacity Purchase Contracts	39,283	82,418	81,994	41,088	244,783
Total	\$ 224,067	\$ 273,302	\$ 269,730	\$ 108,157	\$ 875,256

(a) Represents contractual commitments to purchase coal and other consumables as fuel for electric generation along with related transportation of the fuel.

GUARANTEES

Liabilities for guarantees are recorded in accordance with the accounting guidance for “Guarantees.” There is no collateral held in relation to any guarantees. In the event any guarantee is drawn, there is no recourse to third parties unless specified below.

Letter of Credit

KPCo has \$65 million of variable rate Pollution Control Bonds supported by a bilateral letter of credit for \$66 million. The letter of credit matures in June 2017.

Indemnifications and Other Guarantees

Contracts

KPCo enters into certain types of contracts which require indemnifications. Typically these contracts include, but are not limited to, sale agreements, lease agreements, purchase agreements and financing agreements. Generally, these agreements may include, but are not limited to, indemnifications around certain tax, contractual and environmental matters. With respect to sale agreements, exposure generally does not exceed the sale price. As of December 31, 2016, there were no material liabilities recorded for any indemnifications.

KPCo is jointly and severally liable for activity conducted by AEPSC on behalf of AEP companies related to power purchase and sale activity.

Name of Respondent Kentucky Power Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2016/Q4
NOTES TO FINANCIAL STATEMENTS (Continued)			

Lease Obligations

KPCo leases certain equipment under master lease agreements. See “Master Lease Agreements” section of Note 12 for disclosure of lease residual value guarantees.

CONTINGENCIES

Insurance and Potential Losses

KPCo maintains insurance coverage normal and customary for an electric utility, subject to various deductibles. KPCo also maintains property and casualty insurance that may cover certain physical damage or third-party injuries caused by cyber security incidents. Insurance coverage includes all risks of physical loss or damage to assets, subject to insurance policy conditions and exclusions. Covered property generally includes power plants, substations, facilities and inventories. Excluded property generally includes transmission and distribution lines, poles and towers. The insurance programs also generally provide coverage against loss arising from certain claims made by third parties and are in excess of KPCo’s retentions. Coverage is generally provided by a combination of the protected cell of EIS and/or various industry mutual and/or commercial insurance carriers.

Some potential losses or liabilities may not be insurable or the amount of insurance carried may not be sufficient to meet potential losses and liabilities, including, but not limited to, liabilities relating to a cyber security incident. Future losses or liabilities, if they occur, which are not completely insured, unless recovered from customers, could reduce future net income and cash flows and impact financial condition.

The Comprehensive Environmental Response Compensation and Liability Act (Superfund) and State Remediation

By-products from the generation of electricity include materials such as ash, slag and sludge. Coal combustion by-products, which constitute the overwhelming percentage of these materials, are typically treated and deposited in captive disposal facilities or are beneficially utilized. In addition, the generation plants and transmission and distribution facilities have used asbestos, polychlorinated biphenyls and other hazardous and nonhazardous materials. KPCo currently incurs costs to dispose of these substances safely.

Superfund addresses clean-up of hazardous substances that are released to the environment. The Federal EPA administers the clean-up programs. Several states enacted similar laws. As of December 31, 2016, there is one site for which KPCo has received an information request which could lead to a Potentially Responsible Party designation. In the instance where KPCo has been named a defendant, disposal or recycling activities were in accordance with the then-applicable laws and regulations. Superfund does not recognize compliance as a defense, but imposes strict liability on parties who fall within its broad statutory categories. Liability has been resolved for a number of sites with no significant effect on net income.

Name of Respondent Kentucky Power Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2016/Q4
NOTES TO FINANCIAL STATEMENTS (Continued)			

Management evaluates the potential liability for each site separately, but several general statements can be made about potential future liability. Allegations that materials were disposed at a particular site are often unsubstantiated and the quantity of materials deposited at a site can be small and often nonhazardous. Although Superfund liability has been interpreted by the courts as joint and several, typically many parties are named for each site and several of the parties are financially sound enterprises. At present, management’s estimates do not anticipate material cleanup costs for identified sites.

7. BENEFIT PLANS

For a discussion of investment strategy, investment limitations, target asset allocations and the classification of investments within the fair value hierarchy, see “Fair Value Measurements of Assets and Liabilities” and “Investments Held in Trust for Future Liabilities” sections of Note 1.

KPCo participates in an AEP sponsored qualified pension plan and an unfunded nonqualified pension plan. Substantially all of KPCo’s employees are covered by the qualified plan or both the qualified and nonqualified pension plans. KPCo also participates in OPEB plans sponsored by AEP to provide health and life insurance benefits for retired employees.

KPCo recognizes its funded status associated with defined benefit pension and OPEB plans in its balance sheets. Disclosures about the plans are required by the “Compensation - Retirement Benefits” accounting guidance. KPCo recognizes an asset for a plan’s overfunded status or a liability for a plan’s underfunded status and recognizes, as a component of other comprehensive income, the changes in the funded status of the plan that arise during the year that are not recognized as a component of net periodic benefit cost. KPCo records a regulatory asset instead of other comprehensive income for qualifying benefit costs of regulated operations that for ratemaking purposes are deferred for future recovery. The cumulative funded status adjustment is equal to the remaining unrecognized deferrals for unamortized actuarial losses or gains, prior service costs and transition obligations, such that remaining deferred costs result in an AOCI equity reduction or regulatory asset and deferred gains result in an AOCI equity addition or regulatory liability.

Name of Respondent Kentucky Power Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2016/Q4
NOTES TO FINANCIAL STATEMENTS (Continued)			

Actuarial Assumptions for Benefit Obligations

The weighted-average assumptions used in the measurement of benefit obligations are shown in the following table:

Assumptions	Pension Plans		Other Postretirement Benefit Plans	
	December 31,			
	2016	2015	2016	2015
Discount Rate	4.05%	4.30%	4.10%	4.30%
Rate of Compensation Increase	4.40% (a)	4.35% (a)	NA	NA

(a) Rates are for base pay only. In addition, an amount is added to reflect target incentive compensation for exempt employees and overtime and incentive pay for nonexempt employees.

NA Not applicable.

A duration-based method is used to determine the discount rate for the plans. A hypothetical portfolio of high quality corporate bonds is constructed with cash flows matching the benefit plan liability. The composite yield on the hypothetical bond portfolio is used as the discount rate for the plan.

For 2016, the rate of compensation increase assumed varies with the age of the employee, ranging from 3.5% per year to 12% per year, with an average increase of 4.4%.

Actuarial Assumptions for Net Periodic Benefit Costs

The weighted-average assumptions used in the measurement of benefit costs are shown in the following table:

Assumptions	Pension Plans		Other Postretirement Benefit Plans	
	January 1,			
	2016	2015	2016	2015
Discount Rate	4.30%	4.00%	4.30%	4.00%
Expected Return on Plan Assets	6.00%	6.00%	7.00%	6.75%
Rate of Compensation Increase	4.40% (a)	4.35% (a)	NA	NA

(a) Rates are for base pay only. In addition, an amount is added to reflect target incentive compensation for exempt employees and overtime and incentive pay for nonexempt employees.

NA Not applicable.

The expected return on plan assets was determined by evaluating historical returns, the current investment climate (yield on fixed income securities and other recent investment market indicators), rate of inflation and current prospects for economic growth.

Name of Respondent Kentucky Power Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2016/Q4
NOTES TO FINANCIAL STATEMENTS (Continued)			

The health care trend rate assumptions used for OPEB plans measurement purposes are shown below:

<u>Health Care Trend Rates</u>	January 1,	
	<u>2016</u>	<u>2015</u>
Initial	7.00%	6.25%
Ultimate	5.00%	5.00%
Year Ultimate Reached	2024	2020

Assumed health care cost trend rates have a significant effect on the amounts reported for the OPEB health care plans. A 1% change in assumed health care cost trend rates would have the following effects:

	<u>1% Increase</u>	<u>1% Decrease</u>
	<u>(in thousands)</u>	
Effect on Total Service and Interest Cost Components of Net Periodic Postretirement Health Care Benefit Cost	\$ 76	\$ (56)
Effect on the Health Care Component of the Accumulated Postretirement Benefit Obligation	1,733	(1,528)

Significant Concentrations of Risk within Plan Assets

In addition to establishing the target asset allocation of plan assets, the investment policy also places restrictions on securities to limit significant concentrations within plan assets. The investment policy establishes guidelines that govern maximum market exposure, security restrictions, prohibited asset classes, prohibited types of transactions, minimum credit quality, average portfolio credit quality, portfolio duration and concentration limits. The guidelines were established to mitigate the risk of loss due to significant concentrations in any investment. The plans are monitored to control security diversification and ensure compliance with the investment policy. As of December 31, 2016, the assets were invested in compliance with all investment limits. See “Investments Held in Trust for Future Liabilities” section of Note 1 for limit details.

Name of Respondent Kentucky Power Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2016/Q4
NOTES TO FINANCIAL STATEMENTS (Continued)			

Benefit Plan Obligations, Plan Assets and Funded Status

The following tables provide a reconciliation of the changes in the plans' benefit obligations, fair value of plan assets and funded status. The benefit obligation for the defined benefit pension and OPEB plans are the projected benefit obligation and the accumulated benefit obligation, respectively.

	Pension Plans		Other Postretirement Benefit Plans	
	2016	2015	2016	2015
Change in Benefit Obligation				
	(in thousands)			
Benefit Obligation as of January 1,	\$ 178,076	\$ 189,224	\$ 50,890	\$ 50,818
Service Cost	2,461	2,680	283	343
Interest Cost	7,489	7,326	2,150	1,952
Actuarial (Gain) Loss	3,943	(10,971)	1,939	972
Benefit Payments	(11,233)	(10,183)	(4,850)	(4,352)
Participant Contributions	—	—	1,418	1,150
Medicare Subsidy	—	—	19	7
Benefit Obligation as of December 31,	\$ 180,736	\$ 178,076	\$ 51,849	\$ 50,890
Change in Fair Value of Plan Assets				
Fair Value of Plan Assets as of January 1,	\$ 173,368	\$ 184,842	\$ 57,829	\$ 63,628
Actual Gain (Loss) on Plan Assets	10,403	(3,191)	3,343	(2,597)
Company Contributions	1,509	1,900	—	—
Participant Contributions	—	—	1,418	1,150
Benefit Payments	(11,233)	(10,183)	(4,850)	(4,352)
Fair Value of Plan Assets as of December 31,	\$ 174,047	\$ 173,368	\$ 57,740	\$ 57,829
Funded (Underfunded) Status as of December 31,	\$ (6,689)	\$ (4,708)	\$ 5,891	\$ 6,939

Amounts Recognized on the Balance Sheets

	Pension Plans		Other Postretirement Benefit Plans	
	2016	2015	December 31, 2016	2015
	(in thousands)			
Special Funds – Prepaid Benefit Costs	\$ —	\$ —	\$ 5,891	\$ 6,939
Accumulated Provision for Pension Benefits – Long-term Benefit Liability	(6,689)	(4,708)	—	—
Funded (Underfunded) Status	\$ (6,689)	\$ (4,708)	\$ 5,891	\$ 6,939

Name of Respondent Kentucky Power Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2016/Q4
NOTES TO FINANCIAL STATEMENTS (Continued)			

Amounts Included in AOCI and Regulatory Assets

Components	Pension Plans		Other Postretirement Benefit Plans	
	December 31,			
	2016	2015	2016	2015
	(in thousands)			
Net Actuarial Loss	\$ 55,653	\$ 54,923	\$ 21,098	\$ 19,699
Prior Service Cost (Credit)	48	100	(17,233)	(19,658)
Recorded as				
Regulatory Assets	\$ 53,550	\$ 52,058	\$ 3,994	\$ 629
Deferred Income Taxes	753	1,038	(44)	(205)
Net of Tax AOCI	1,398	1,927	(85)	(383)

Components of the change in amounts included in AOCI and regulatory assets are as follows:

Components	Pension Plans		Other Postretirement Benefit Plans	
	December 31,			
	2016	2015	2016	2015
	(in thousands)			
Actuarial Loss During the Year	\$ 3,673	\$ 2,201	\$ 2,550	\$ 7,400
Amortization of Actuarial Loss	(2,943)	(3,784)	(1,151)	(622)
Amortization of Prior Service Credit (Cost)	(52)	(53)	2,425	2,424
Change for the Year Ended December 31,	\$ 678	\$ (1,636)	\$ 3,824	\$ 9,202

Pension and Other Postretirement Benefits Plans' Assets

The fair value tables within Pension and Other Postretirement Benefits Plans' Assets present the classification of assets for AEP within the fair value hierarchy. All Level 1, 2, 3 and Other amounts can be allocated to KPCo using the percentages below:

Pension Plan		Other Postretirement Benefit Plans	
December 31,			
2016	2015	2016	2015
3.6%	3.6%	3.7%	3.7%

Name of Respondent	This Report is:	Date of Report	Year/Period of Report
Kentucky Power Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) / /	2016/Q4
NOTES TO FINANCIAL STATEMENTS (Continued)			

The following table presents the classification of pension plan assets for AEP within the fair value hierarchy as of December 31, 2016:

Asset Class	Level 1	Level 2	Level 3	Other	Total	Year End Allocation
	(in millions)					
Equities:						
Domestic	\$ 354.7	\$ —	\$ —	\$ —	\$ 354.7	7.3 %
International	439.2	—	—	—	439.2	9.1 %
Options	—	20.0	—	—	20.0	0.4 %
Real Estate Investment Trusts	3.1	—	—	—	3.1	0.1 %
Common Collective Trusts (c)	—	14.0	—	400.5	414.5	8.6 %
Subtotal – Equities	797.0	34.0	—	400.5	1,231.5	25.5 %
Fixed Income:						
Common Collective Trust – Debt (c)	—	—	—	32.3	32.3	0.7 %
United States Government and Agency Securities (c)	—	423.3	—	17.7	441.0	9.1 %
Corporate Debt (c)	—	1,932.2	—	10.0	1,942.2	40.2 %
Foreign Debt (c)	—	373.7	—	12.1	385.8	8.0 %
State and Local Government	—	11.5	—	—	11.5	0.2 %
Other – Asset Backed (c)	—	5.4	—	7.4	12.8	0.3 %
Subtotal – Fixed Income	—	2,746.1	—	79.5	2,825.6	58.5 %
Infrastructure	—	—	57.6	—	57.6	1.2 %
Real Estate	—	—	254.9	—	254.9	5.3 %
Alternative Investments	—	—	411.1	—	411.1	8.5 %
Securities Lending	—	161.6	—	—	161.6	3.4 %
Securities Lending Collateral (a)	—	—	—	(163.3)	(163.3)	(3.4) %
Cash and Cash Equivalents (c)	—	—	—	29.7	29.7	0.6 %
Other – Pending Transactions and Accrued Income (b)	—	—	—	18.6	18.6	0.4 %
Total	\$ 797.0	\$ 2,941.7	\$ 723.6	\$ 365.0	\$ 4,827.3	100.0 %

- (a) Amounts in “Other” column primarily represent an obligation to repay collateral received as part of the Securities Lending Program.
- (b) Amounts in “Other” column primarily represent accrued interest, dividend receivables and transactions pending settlement.
- (c) Amounts in “Other” column represent investments for which fair value is measured using net asset value per share in accordance with ASU 2015-07, Disclosure for Investments in Certain Entities That Calculate Net Asset Value per Share (or Its Equivalent), which was retrospectively applied to prior periods.

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2016/Q4
Kentucky Power Company			
NOTES TO FINANCIAL STATEMENTS (Continued)			

The following table sets forth a reconciliation of changes in the fair value of AEP's assets classified as Level 3 in the fair value hierarchy for the pension assets:

	<u>Foreign Debt</u>	<u>Infrastructure</u>	<u>Real Estate</u>	<u>Alternative Investments</u>	<u>Total Level 3</u>
	(in millions)				
Balance as of January 1, 2016	\$ 0.1	\$ 42.0	\$ 253.7	\$ 378.7	\$ 674.5
Actual Return on Plan Assets					
Relating to Assets Still Held as of the Reporting Date	—	5.9	5.3	13.7	24.9
Relating to Assets Sold During the Period	—	0.9	23.2	21.1	45.2
Purchases and Sales	(0.1)	8.8	(27.3)	(2.4)	(21.0)
Transfers into Level 3	—	—	—	—	—
Transfers out of Level 3	—	—	—	—	—
Balance as of December 31, 2016	<u>\$ —</u>	<u>\$ 57.6</u>	<u>\$ 254.9</u>	<u>\$ 411.1</u>	<u>\$ 723.6</u>

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NOTES TO FINANCIAL STATEMENTS (Continued)			

The following table presents the classification of OPEB plan assets for AEP within the fair value hierarchy as of December 31, 2016:

Asset Class	Level 1	Level 2	Level 3	Other	Total	Year End Allocation
	(in millions)					
Equities:						
Domestic	\$ 517.1	\$ —	\$ —	\$ —	\$ 517.1	33.5 %
International	435.5	—	—	—	435.5	28.2 %
Options	—	15.2	—	—	15.2	1.0 %
Common Collective Trusts (b)	—	10.9	—	20.5	31.4	2.0 %
Subtotal – Equities	952.6	26.1	—	20.5	999.2	64.7 %
Fixed Income:						
Common Collective Trust Debt (b)	—	—	—	93.7	93.7	6.0 %
United States Government and Agency Securities	—	64.7	—	—	64.7	4.2 %
Corporate Debt	—	121.6	—	—	121.6	7.9 %
Foreign Debt	—	18.6	—	—	18.6	1.2 %
State and Local Government	—	3.0	—	—	3.0	0.2 %
Other – Asset Backed	—	5.9	—	—	5.9	0.4 %
Subtotal – Fixed Income	—	213.8	—	93.7	307.5	19.9 %
Trust Owned Life Insurance:						
International Equities (b)	—	—	—	110.1	110.1	7.1 %
United States Bonds (b)	—	—	—	97.4	97.4	6.3 %
Subtotal – Trust Owned Life Insurance	—	—	—	207.5	207.5	13.4 %
Cash and Cash Equivalents	24.0	10.5	—	—	34.5	2.2 %
Other – Pending Transactions and Accrued Income (a)	—	—	—	(2.8)	(2.8)	(0.2)%
Total	\$ 976.6	\$ 250.4	\$ —	\$ 318.9	\$ 1,545.9	100.0 %

- (a) Amounts in “Other” column primarily represent accrued interest, dividend receivables and transactions pending settlement.
- (b) Amounts in “Other” column represent investments for which fair value is measured using net asset value per share in accordance with ASU 2015-07, Disclosure for Investments in Certain Entities That Calculate Net Asset Value per Share (or Its Equivalent), which was retrospectively applied to prior periods.

Name of Respondent	This Report is:	Date of Report	Year/Period of Report
Kentucky Power Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) / /	2016/Q4
NOTES TO FINANCIAL STATEMENTS (Continued)			

The following table presents the classification of pension plan assets for AEP within the fair value hierarchy as of December 31, 2015:

Asset Class	Level 1	Level 2	Level 3	Other	Total	Year End Allocation
	(in millions)					
Equities:						
Domestic	\$ 315.7	\$ —	\$ —	\$ —	\$ 315.7	6.6 %
International	402.3	—	—	—	402.3	8.4 %
Options	—	15.6	—	—	15.6	0.3 %
Real Estate Investment Trusts	4.0	—	—	—	4.0	0.1 %
Common Collective Trusts (c)	—	16.1	—	369.7	385.8	8.1 %
Subtotal – Equities	722.0	31.7	—	369.7	1,123.4	23.5 %
Fixed Income:						
Common Collective Trust – Debt (c)	—	—	—	34.2	34.2	0.7 %
United States Government and Agency Securities (c)	—	397.8	—	24.1	421.9	8.9 %
Corporate Debt (c)	—	1,964.2	—	19.0	1,983.2	41.6 %
Foreign Debt (c)	—	405.4	0.1	16.0	421.5	8.8 %
State and Local Government	—	12.8	—	—	12.8	0.3 %
Other – Asset Backed (c)	—	15.8	—	7.6	23.4	0.5 %
Subtotal – Fixed Income	—	2,796.0	0.1	100.9	2,897.0	60.8 %
Infrastructure	—	—	42.0	—	42.0	0.9 %
Real Estate	—	—	253.7	—	253.7	5.3 %
Alternative Investments	—	—	378.7	—	378.7	8.0 %
Securities Lending	—	263.0	—	—	263.0	5.5 %
Securities Lending Collateral (a)	—	—	—	(264.7)	(264.7)	(5.5) %
Cash and Cash Equivalents (c)	—	1.2	—	47.4	48.6	1.0 %
Other – Pending Transactions and Accrued Income (b)	—	—	—	25.9	25.9	0.5 %
Total	\$ 722.0	\$ 3,091.9	\$ 674.5	\$ 279.2	\$ 4,767.6	100.0 %

- (a) Amounts in “Other” column primarily represent an obligation to repay collateral received as part of the Securities Lending Program.
- (b) Amounts in “Other” column primarily represent accrued interest, dividend receivables and transactions pending settlement.
- (c) Amounts in “Other” column represent investments for which fair value is measured using net asset value per share in accordance with ASU 2015-07, Disclosure for Investments in Certain Entities That Calculate Net Asset Value per Share (or Its Equivalent), which was retrospectively applied to prior periods.

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Kentucky Power Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) / /	2016/Q4
NOTES TO FINANCIAL STATEMENTS (Continued)			

The following table sets forth a reconciliation of changes in the fair value of AEP's assets classified as Level 3 in the fair value hierarchy for the pension assets:

	Foreign Debt	Infrastructure	Real Estate	Alternative Investments	Total Level 3
	(in millions)				
Balance as of January 1, 2015	\$ 0.1	\$ 12.5	\$ 235.8	\$ 378.9	\$ 627.3
Actual Return on Plan Assets					
Relating to Assets Still Held as of the Reporting Date	—	(3.6)	12.5	(25.9)	(17.0)
Relating to Assets Sold During the Period	—	0.3	23.8	37.6	61.7
Purchases and Sales	—	32.8	(18.4)	(11.9)	2.5
Transfers into Level 3	—	—	—	—	—
Transfers out of Level 3	—	—	—	—	—
Balance as of December 31, 2015	\$ 0.1	\$ 42.0	\$ 253.7	\$ 378.7	\$ 674.5

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NOTES TO FINANCIAL STATEMENTS (Continued)			

The following table presents the classification of OPEB plan assets for AEP within the fair value hierarchy as of December 31, 2015:

Asset Class	Level 1	Level 2	Level 3	Other	Total	Year End Allocation
	(in millions)					
Equities:						
Domestic	\$ 465.1	\$ —	\$ —	\$ —	\$ 465.1	29.5%
International	484.3	—	—	—	484.3	30.7%
Options	—	15.6	—	—	15.6	1.0%
Common Collective Trusts (b)	—	12.6	—	19.0	31.6	2.0%
Subtotal – Equities	949.4	28.2	—	19.0	996.6	63.2%
Fixed Income:						
Common Collective Trust – Debt (b)	—	—	—	100.9	100.9	6.4%
United States Government and Agency Securities	—	58.4	—	—	58.4	3.7%
Corporate Debt	—	117.7	—	—	117.7	7.4%
Foreign Debt	—	20.7	—	—	20.7	1.3%
State and Local Government	—	4.2	—	—	4.2	0.3%
Other – Asset Backed	—	8.4	—	—	8.4	0.5%
Subtotal – Fixed Income	—	209.4	—	100.9	310.3	19.6%
Trust Owned Life Insurance:						
International Equities (b)	—	—	—	28.3	28.3	1.8%
United States Bonds (b)	—	—	—	184.3	184.3	11.7%
Subtotal – Trust Owned Life Insurance	—	—	—	212.6	212.6	13.5%
Cash and Cash Equivalents	44.9	7.2	—	—	52.1	3.3%
Other – Pending Transactions and Accrued Income (a)	—	—	—	5.8	5.8	0.4%
Total	\$ 994.3	\$ 244.8	\$ —	\$ 338.3	\$ 1,577.4	100.0%

- (a) Amounts in “Other” column primarily represent accrued interest, dividend receivables and transactions pending settlement.
- (b) Amounts in “Other” column represent investments for which fair value is measured using net asset value per share in accordance with ASU 2015-07, Disclosure for Investments in Certain Entities That Calculate Net Asset Value per Share (or Its Equivalent), which was retrospectively applied to prior periods.

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NOTES TO FINANCIAL STATEMENTS (Continued)			

Determination of Pension Expense

The determination of pension expense or income is based on a market-related valuation of assets which reduces year-to-year volatility. This market-related valuation recognizes investment gains or losses over a five-year period from the year in which they occur. Investment gains or losses for this purpose are the difference between the expected return calculated using the market-related value of assets and the actual return.

The accumulated benefit obligation for the pension plans is as follows:

	December 31,	
	<u>2016</u>	<u>2015</u>
	(in thousands)	
Qualified Pension Plan	\$ 177,235	\$ 174,946
Nonqualified Pension Plan	13	5
Total Accumulated Benefit Obligation	<u>\$ 177,248</u>	<u>\$ 174,951</u>

For the underfunded pension plans that had an accumulated benefit obligation in excess of plan assets, the projected benefit obligation, accumulated benefit obligation and fair value of plan assets of these plans were as follows:

	Underfunded Pension Plans	
	December 31,	
	<u>2016</u>	<u>2015</u>
	(in thousands)	
Projected Benefit Obligation	<u>\$ 180,736</u>	<u>\$ 178,076</u>
Accumulated Benefit Obligation	\$ 177,248	\$ 174,951
Fair Value of Plan Assets	174,047	173,368
Underfunded Accumulated Benefit Obligation	<u>\$ (3,201)</u>	<u>\$ (1,583)</u>

Estimated Future Benefit Payments and Contributions

KPCo expects contributions and payments for the pension plans of \$1.8 million during 2017. The estimated contributions to the pension trust are at least the minimum amount required by the Employee Retirement Income Security Act and additional discretionary contributions may also be made to maintain the funded status of the plan.

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NOTES TO FINANCIAL STATEMENTS (Continued)			

The table below reflects the total benefits expected to be paid from the plan or from KPCo's assets. The payments include the participants' contributions to the plan for their share of the cost. Future benefit payments are dependent on the number of employees retiring, whether the retiring employees elect to receive pension benefits as annuities or as lump sum distributions, future integration of the benefit plans with changes to Medicare and other legislation, future levels of interest rates and variances in actuarial results. The estimated payments for pension benefits and OPEB are as follows:

	Estimated Payments	
	Pension Plans	Other Postretirement Benefit Plans
	(in thousands)	
2017	\$ 10,127	\$ 5,126
2018	10,530	5,106
2019	11,241	5,101
2020	11,137	5,164
2021	11,964	5,268
Years 2022 to 2026, in Total	61,649	26,493

Components of Net Periodic Benefit Cost

The following table provides the components of net periodic benefit cost (credit):

	Pension Plans		Other Postretirement Benefit Plans	
	Years Ended December 31,			
	2016	2015	2016	2015
	(in thousands)			
Service Cost	\$ 2,461	\$ 2,680	\$ 283	\$ 343
Interest Cost	7,489	7,326	2,150	1,952
Expected Return on Plan Assets	(10,133)	(9,981)	(3,954)	(4,059)
Amortization of Prior Service Cost (Credit)	52	53	(2,425)	(2,424)
Amortization of Net Actuarial Loss	2,943	3,784	1,151	622
Net Periodic Benefit Cost (Credit)	2,812	3,862	(2,795)	(3,566)
Capitalized Portion	(962)	(1,364)	956	1,259
Net Periodic Benefit Cost (Credit) Recognized in Expense	\$ 1,850	\$ 2,498	\$ (1,839)	\$ (2,307)

Name of Respondent Kentucky Power Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2016/Q4
NOTES TO FINANCIAL STATEMENTS (Continued)			

Estimated amounts expected to be amortized to net periodic benefit costs (credits), and the impact on the balance sheet during 2017, are shown in the following table:

<u>Components</u>	<u>Pension Plans</u>	<u>Other Postretirement Benefit Plans</u>
	(in thousands)	
Net Actuarial Loss	\$ 2,966	\$ 1,280
Prior Service Cost (Credit)	48	(2,425)
Total Estimated 2017 Amortization	\$ 3,014	\$ (1,145)
 <u>Expected to be Recorded as</u>		
Regulatory Asset	\$ 2,952	\$ (1,136)
Deferred Income Taxes	22	(3)
Net of Tax AOCI	40	(6)
Total	\$ 3,014	\$ (1,145)

American Electric Power System Retirement Savings Plan

KPCo participates in an AEP sponsored defined contribution retirement savings plan, the American Electric Power System Retirement Savings Plan, for substantially all employees. This qualified plan offers participants an opportunity to contribute a portion of their pay, includes features under Section 401(k) of the Internal Revenue Code and provides for matching contributions. The matching contributions to the plan are 100% of the first 1% of eligible employee contributions and 70% of the next 5% of contributions. The cost for matching contributions totaled \$2.3 million in 2016 and \$2.3 million in 2015.

8. BUSINESS SEGMENTS

KPCo has one reportable segment, an electricity generation, transmission and distribution business. KPCo's other activities are insignificant.

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NOTES TO FINANCIAL STATEMENTS (Continued)			

9. DERIVATIVES AND HEDGING

OBJECTIVES FOR UTILIZATION OF DERIVATIVE INSTRUMENTS

AEPSC is agent for and transacts on behalf of KPCo.

KPCo is exposed to certain market risks as a major power producer and participant in the electricity, natural gas, coal and emission allowance markets. These risks include commodity price risk, interest rate risk and credit risk. These risks represent the risk of loss that may impact KPCo due to changes in the underlying market prices or rates. Management utilizes derivative instruments to manage these risks.

STRATEGIES FOR UTILIZATION OF DERIVATIVE INSTRUMENTS TO ACHIEVE OBJECTIVES

Risk Management Strategies

The strategy surrounding the use of derivative instruments primarily focuses on managing risk exposures, future cash flows and creating value utilizing both economic and formal hedging strategies. The risk management strategies also include the use of derivative instruments for trading purposes which focus on seizing market opportunities to create value driven by expected changes in the market prices of the commodities. To accomplish these objectives, KPCo primarily employs risk management contracts including physical and financial forward purchase-and-sale contracts and, to a lesser extent, OTC swaps and options. Not all risk management contracts meet the definition of a derivative under the accounting guidance for “Derivatives and Hedging.” Derivative risk management contracts elected normal under the normal purchases and normal sales scope exception are not subject to the requirements of this accounting guidance.

KPCo utilizes power, capacity, natural gas, interest rate and, to a lesser extent, heating oil, gasoline and other commodity contracts to manage the risk associated with the energy business. KPCo utilizes interest rate derivative contracts in order to manage the interest rate exposure associated with its commodity portfolio. For disclosure purposes, such risks are grouped as “Commodity,” as these risks are related to energy risk management activities. KPCo also utilizes derivative contracts to manage interest rate risk associated with debt financing. The amount of risk taken is determined by the Commercial Operations and Finance groups in accordance with the established risk management policies as approved by the Finance Committee of the Board of Directors.

Name of Respondent Kentucky Power Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2016/Q4
NOTES TO FINANCIAL STATEMENTS (Continued)			

The following table represents the gross notional volume of KPCo’s outstanding derivative contracts:

Notional Volume of Derivative Instruments

<u>Primary Risk Exposure</u>	<u>Volume</u>		<u>Unit of Measure</u>
	<u>December 31, 2016</u>	<u>2015</u>	
	(in thousands)		
Commodity:			
Power	10,562	7,864	MWhs
Natural Gas	—	64	MMBtus
Heating Oil and Gasoline	339	341	Gallons
Interest Rate	\$ 22	\$ 500	USD

Cash Flow Hedging Strategies

KPCo utilizes cash flow hedges on certain derivative transactions for the purchase and sale of power (“Commodity”) in order to manage the variable price risk related to forecasted purchases and sales. Management monitors the potential impacts of commodity price changes and, where appropriate, enters into derivative transactions to protect profit margins for a portion of future electricity sales and purchases. KPCo does not hedge all commodity price risk.

KPCo utilizes a variety of interest rate derivative transactions in order to manage interest rate risk exposure. KPCo also utilizes interest rate derivative contracts to manage interest rate exposure related to future borrowings of fixed-rate debt. KPCo does not hedge all interest rate exposure.

ACCOUNTING FOR DERIVATIVE INSTRUMENTS AND THE IMPACT ON KPCo’s FINANCIAL STATEMENTS

The accounting guidance for “Derivatives and Hedging” requires recognition of all qualifying derivative instruments as either assets or liabilities on the balance sheets at fair value. The fair values of derivative instruments accounted for using MTM accounting or hedge accounting are based on exchange prices and broker quotes. If a quoted market price is not available, the estimate of fair value is based on the best information available including valuation models that estimate future energy prices based on existing market and broker quotes, supply and demand market data and assumptions. In order to determine the relevant fair values of the derivative instruments, KPCo applies valuation adjustments for discounting, liquidity and credit quality.

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Kentucky Power Company			
NOTES TO FINANCIAL STATEMENTS (Continued)			

Credit risk is the risk that a counterparty will fail to perform on the contract or fail to pay amounts due. Liquidity risk represents the risk that imperfections in the market will cause the price to vary from estimated fair value based upon prevailing market supply and demand conditions. Since energy markets are imperfect and volatile, there are inherent risks related to the underlying assumptions in models used to fair value risk management contracts. Unforeseen events may cause reasonable price curves to differ from actual price curves throughout a contract’s term and at the time a contract settles. Consequently, there could be significant adverse or favorable effects on future net income and cash flows if market prices are not consistent with management’s estimates of current market consensus for forward prices in the current period. This is particularly true for longer term contracts. Cash flows may vary based on market conditions, margin requirements and the timing of settlement of risk management contracts.

According to the accounting guidance for “Derivatives and Hedging,” KPCo reflects the fair values of derivative instruments subject to netting agreements with the same counterparty net of related cash collateral. For certain risk management contracts, KPCo is required to post or receive cash collateral based on third party contractual agreements and risk profiles. For the December 31, 2016 and 2015 balance sheets, KPCo netted \$119 thousand and \$0, respectively, of cash collateral received from third parties against short-term and long-term risk management assets and \$134 thousand and \$656 thousand, respectively, of cash collateral paid to third parties against short-term and long-term risk management liabilities.

The following tables represent the gross fair value of KPCo’s derivative activity on the balance sheets:

Fair Value of Derivative Instruments
December 31, 2016

Balance Sheet Location	Risk Management Contracts-Commodity (a)	Gross Amounts Offset in the Statement of Financial Position (b)	Net Amounts of Assets/Liabilities Presented in the Statement of Financial Position (c)
(in thousands)			
Derivative Instrument Assets	\$ 5,057	\$ (4,600)	\$ 457
Long-Term Portion of Derivative Instrument Assets	359	(359)	—
Derivative Instrument Liabilities	4,981	(4,615)	366
Long-Term Portion of Derivative Instrument Liabilities	675	(362)	313

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NOTES TO FINANCIAL STATEMENTS (Continued)			

**Fair Value of Derivative Instruments
December 31, 2015**

Balance Sheet Location	Risk Management Contracts-Commodity (a)	Gross Amounts Offset in the Statement of Financial Position (b)	Net Amounts of Assets/Liabilities Presented in the Statement of Financial Position (c)
(in thousands)			
Derivative Instrument Assets	\$ 5,077	\$ (2,022)	\$ 3,055
Long-Term Portion of Derivative Instrument Assets	59	(47)	12
Derivative Instrument Liabilities	3,690	(2,677)	1,013
Long-Term Portion of Derivative Instrument Liabilities	69	(58)	11

- (a) Derivative instruments within these categories are reported gross. These instruments are subject to master netting agreements and are presented on the balance sheets on a net basis in accordance with the accounting guidance for "Derivatives and Hedging."
- (b) Amounts include counterparty netting of risk management and hedging contracts and associated cash collateral in accordance with the accounting guidance for "Derivatives and Hedging."
- (c) There are no derivative contracts subject to a master netting arrangement or similar agreement which are not offset in the statement of financial position.

The table below presents KPCo's activity of derivative risk management contracts:

**Amount of Gain (Loss) Recognized on
Risk Management Contracts**

Location of Gain (Loss)	Years Ended December 31,	
	2016	2015
(in thousands)		
Operating Revenues	\$ 855	\$ 3,467
Operation Expenses	2,764	3,848
Maintenance Expenses	(90)	(151)
Regulatory Assets (a)	150	1,671
Regulatory Liabilities (a)	967	(2,922)
Total Gain on Risk Management Contracts	\$ 4,646	\$ 5,913

- (a) Represents realized and unrealized gains and losses subject to regulatory accounting treatment.

Certain qualifying derivative instruments have been designated as normal purchase or normal sale contracts, as provided in the accounting guidance for "Derivatives and Hedging." Derivative contracts that have been designated as normal purchases or normal sales under that accounting guidance are not subject to MTM accounting treatment and are recognized on the statements of income on an accrual basis.

Name of Respondent Kentucky Power Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2016/Q4
NOTES TO FINANCIAL STATEMENTS (Continued)			

The accounting for the changes in the fair value of a derivative instrument depends on whether it qualifies for and has been designated as part of a hedging relationship and further, on the type of hedging relationship. Depending on the exposure, management designates a hedging instrument as a fair value hedge or a cash flow hedge.

For contracts that have not been designated as part of a hedging relationship, the accounting for changes in fair value depends on whether the derivative instrument is held for trading purposes. Unrealized and realized gains and losses on derivative instruments held for trading purposes are included in revenues on a net basis on KPCo's statements of income. Unrealized and realized gains and losses on derivative instruments not held for trading purposes are included in revenues or expenses on KPCo's statements of income depending on the relevant facts and circumstances. Certain derivatives that economically hedge future commodity risk are recorded in the same expense line item on the statements of income as that of the associated risk. However, unrealized and some realized gains and losses for both trading and non-trading derivative instruments are recorded as regulatory assets (for losses) or regulatory liabilities (for gains) in accordance with the accounting guidance for "Regulated Operations."

In connection with OPCo's June 2012 - May 2015 ESP, the PUCO ordered OPCo to conduct energy and capacity auctions for its entire SSO load for delivery beginning in June 2015. These auctions resulted in a range of products, including 12-month, 24-month, and 36-month periods. The delivery period for each contract is scheduled to start on the first day of June of each year, immediately following the auction. Certain affiliated entities, including KPCo, participated in the auction process and were awarded tranches of OPCo's SSO load. Certain underlying contracts are derivatives subject to the accounting guidance for "Derivatives and Hedging" and are accounted for using MTM accounting, unless the contract has been designated as a normal purchase or normal sale.

Accounting for Cash Flow Hedging Strategies

For cash flow hedges (i.e. hedging the exposure to variability in expected future cash flows that is attributable to a particular risk), KPCo initially reports the effective portion of the gain or loss on the derivative instrument as a component of Accumulated Other Comprehensive Income on the balance sheets until the period the hedged item affects Net Income. KPCo would recognize any hedge ineffectiveness as a regulatory asset (for losses) or a regulatory liability (for gains) if applicable.

Realized gains and losses on derivative contracts for the purchase and sale of power designated as cash flow hedges are included in Operating Revenues or Operation Expenses on KPCo's statements of income or in regulatory assets or regulatory liabilities on KPCo's balance sheets, depending on the specific nature of the risk being hedged. During 2016 and 2015, KPCo did not apply cash flow hedging to outstanding power derivatives.

KPCo reclassifies gains and losses on interest rate derivative hedges related to debt financings from Accumulated Other Comprehensive Income on its balance sheets into Interest on Long-term Debt on its statements of income in those periods in which hedged interest payments occur. During 2016 and 2015, KPCo did not apply cash flow hedging to outstanding interest rate derivatives.

During 2016 and 2015, hedge ineffectiveness was immaterial or nonexistent for all cash flow hedge strategies disclosed above.

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Kentucky Power Company			
NOTES TO FINANCIAL STATEMENTS (Continued)			

For details on effective cash flow hedges included in Accumulated Other Comprehensive Income on KPCo's balance sheets and the reasons for changes in cash flow hedges, see Note 3.

Cash flow hedges included in Accumulated Other Comprehensive Income on KPCo's balance sheets were:

Impact of Cash Flow Hedges on the Balance Sheets

	Interest Rate	
	December 31, 2016	December 31, 2015
	(in thousands)	
AOCI Loss Net of Tax	\$ (41)	\$ (101)
Portion Expected to be Reclassified to Net Income During the Next Twelve Months	(40)	(60)

The actual amounts that KPCo reclassifies from Accumulated Other Comprehensive Income to Net Income can differ from the estimate above due to market price changes. As of December 31, 2016, KPCo is not hedging (with contracts subject to the accounting guidance for "Derivatives and Hedging") its exposure to variability in future cash flows related to forecasted transactions.

Credit Risk

Management limits credit risk in KPCo's wholesale marketing and trading activities by assessing the creditworthiness of potential counterparties before entering into transactions with them and continuing to evaluate their creditworthiness on an ongoing basis. Management uses Moody's, Standard and Poor's and current market-based qualitative and quantitative data as well as financial statements to assess the financial health of counterparties on an ongoing basis.

Master agreements are typically used to facilitate the netting of cash flows associated with a single counterparty and may include collateral requirements. Collateral requirements in the form of cash, letters of credit and parental/affiliate guarantees may be obtained as security from counterparties in order to mitigate credit risk. A counterparty is required to post cash or letters of credit in the event an exposure exceeds the established threshold. The threshold represents an unsecured credit limit which may be supported by a parental/affiliate guaranty, as determined in accordance with AEP's credit policy. In addition, master agreements allow for termination and liquidation of all positions in the event of a failure or inability to post collateral.

Name of Respondent Kentucky Power Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2016/Q4
NOTES TO FINANCIAL STATEMENTS (Continued)			

Collateral Triggering Events

Under the tariffs of the RTOs and Independent System Operators (ISOs) and a limited number of derivative and non-derivative contracts primarily related to competitive retail auction loads, KPCo is obligated to post an additional amount of collateral if certain credit ratings decline below a specified rating threshold. The amount of collateral required fluctuates based on market prices and total exposure. On an ongoing basis, AEP’s risk management organization assesses the appropriateness of these collateral triggering items in contracts. KPCo has not experienced a downgrade below a specified rating threshold that would require the posting of additional collateral. There is no exposure relating to derivative contracts, however, there is exposure relating to RTOs, ISOs and non-derivative contracts. The following table represents KPCo’s exposure if credit ratings were to decline below a specified rating threshold:

	December 31,	
	2016	2015
	(in thousands)	
Amount of Collateral KPCo Would Have Been Required to Post Attributable to RTOs and ISOs	\$ 195	\$ 1,003
Amount of Collateral Attributable to Other Contracts	1,657	23

In addition, a majority of KPCo’s non-exchange traded commodity contracts contain cross-default provisions that, if triggered, would permit the counterparty to declare a default and require settlement of the outstanding payable. These cross-default provisions could be triggered if there was a non-performance event by Parent or the obligor under outstanding debt or a third party obligation that is \$50 million or greater. On an ongoing basis, AEP’s risk management organization assesses the appropriateness of these cross-default provisions in the contracts. The following table represents: (a) the fair value of these derivative liabilities subject to cross-default provisions prior to consideration of contractual netting arrangements, (b) the amount this exposure has been reduced by cash collateral posted and (c) if a cross-default provision would have been triggered, the settlement amount that would be required after considering contractual netting arrangements:

	December 31,	
	2016	2015
	(in thousands)	
Liabilities for Contracts with Cross Default Provisions Prior to Contractual Netting Arrangements	\$ 25	\$ 750
Additional Settlement Liability if Cross Default Provision is Triggered	—	750

Name of Respondent Kentucky Power Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2016/Q4
NOTES TO FINANCIAL STATEMENTS (Continued)			

10. FAIR VALUE MEASUREMENTS

Fair Value Measurements of Long-term Debt

The fair values of Long-term Debt are based on quoted market prices, without credit enhancements, for the same or similar issues and the current interest rates offered for instruments with similar maturities classified as Level 2 measurement inputs. These instruments are not marked-to-market. The estimates presented are not necessarily indicative of the amounts that could be realized in a current market exchange.

The book values and fair values of KPCo’s Long-term Debt are summarized in the following table:

	December 31,			
	2016		2015	
	<u>Book Value</u>	<u>Fair Value</u>	<u>Book Value</u>	<u>Fair Value</u>
	(in thousands)			
Long-term Debt	\$ 869,889	\$ 965,423	\$ 869,722	\$ 963,639

Fair Value Measurements of Financial Assets and Liabilities

For a discussion of fair value accounting and the classification of assets and liabilities within the fair value hierarchy, see the “Fair Value Measurements of Assets and Liabilities” section of Note 1.

The following tables set forth, by level within the fair value hierarchy, KPCo’s financial assets and liabilities that were accounted for at fair value on a recurring basis. As required by the accounting guidance for “Fair Value Measurements and Disclosures,” financial assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. Management’s assessment of the significance of a particular input to the fair value measurement requires judgment and may affect the valuation of fair value assets and liabilities and their placement within the fair value hierarchy levels. There have not been any significant changes in management’s valuation techniques.

**Assets and Liabilities Measured at Fair Value on a Recurring Basis
December 31, 2016**

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Other</u>	<u>Total</u>
	(in thousands)				
Assets:					
<u>Derivative Instrument Assets</u>					
Risk Management Commodity Contracts (a) (b)	\$ —	\$ 4,395	\$ 616	\$ (4,554)	\$ 457
Liabilities:					
<u>Derivative Instrument Liabilities</u>					
Risk Management Commodity Contracts (a) (b)	\$ —	\$ 4,517	\$ 418	\$ (4,569)	\$ 366

Name of Respondent Kentucky Power Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2016/Q4
NOTES TO FINANCIAL STATEMENTS (Continued)			

**Assets and Liabilities Measured at Fair Value on a Recurring Basis
December 31, 2015**

Assets:	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Other</u>	<u>Total</u>
	(in thousands)				
Derivative Instrument Assets					
Risk Management Commodity Contracts (a) (b)	\$ 36	\$ 2,692	\$ 2,338	\$ (2,012)	\$ 3,054
Liabilities:					
Derivative Instrument Liabilities					
Risk Management Commodity Contracts (a) (b)	\$ 43	\$ 3,545	\$ 92	\$ (2,667)	\$ 1,013

- (a) Amounts in "Other" column primarily represent counterparty netting of risk management and hedging contracts and associated cash collateral under the accounting guidance for "Derivatives and Hedging."
(b) Substantially comprised of power contracts.

There were no transfers between Level 1 and Level 2 during the years ended December 31, 2016 and 2015.

The following tables set forth a reconciliation of changes in the fair value of net trading derivatives classified as Level 3 in the fair value hierarchy:

<u>Year Ended December 31, 2016</u>	<u>Net Risk Management Assets (Liabilities) (a)</u> (in thousands)
Balance as of December 31, 2015	\$ 2,246
Realized Gain (Loss) Included in Net Income (or Changes in Net Assets) (b) (c)	1,387
Settlements	(3,658)
Transfers out of Level 3 (d)	22
Changes in Fair Value Allocated to Regulated Jurisdictions (e)	201
Balance as of December 31, 2016	<u>\$ 198</u>

Name of Respondent Kentucky Power Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2016/Q4
NOTES TO FINANCIAL STATEMENTS (Continued)			

Year Ended December 31, 2015	Net Risk Management Assets (Liabilities) (a) (in thousands)
Balance as of December 31, 2014	\$ 3,927
Realized Gain (Loss) Included in Net Income (or Changes in Net Assets) (b) (c)	766
Settlements	(4,313)
Transfers out of Level 3 (d)	240
Changes in Fair Value Allocated to Regulated Jurisdictions (e)	1,626
Balance as of December 31, 2015	<u>\$ 2,246</u>

- (a) Includes both affiliated and nonaffiliated transactions.
- (b) Included in revenues on KPCo's statements of income.
- (c) Represents the change in fair value between the beginning of the reporting period and the settlement of the risk management commodity contract.
- (d) Transfers are recognized based on their value at the beginning of the reporting period that the transfer occurred.
- (e) Relates to the net gains (losses) of those contracts that are not reflected on KPCo's statements of income. These net gains (losses) are recorded as regulatory liabilities/assets.

The following tables quantify the significant unobservable inputs used in developing the fair value of Level 3 positions as of December 31, 2016 and 2015:

**Significant Unobservable Inputs
December 31, 2016**

	Fair Value		Valuation Technique	Significant Unobservable Input (a)	Input/Range		Weighted Average
	Assets	Liabilities			Low	High	
	(in thousands)						
Energy Contracts	\$ 94	\$ 81	Discounted Cash Flow	Forward Market Price	\$ 19.68	\$ 48.55	\$ 36.34
FTRs	<u>522</u>	<u>337</u>	Discounted Cash Flow	Forward Market Price	0.01	8.91	0.96
Total	<u>\$ 616</u>	<u>\$ 418</u>					

**Significant Unobservable Inputs
December 31, 2015**

	Fair Value		Valuation Technique	Significant Unobservable Input (a)	Input/Range		Weighted Average
	Assets	Liabilities			Low	High	
	(in thousands)						
Energy Contracts	\$ 1,580	\$ 37	Discounted Cash Flow	Forward Market Price	\$ 12.61	\$ 47.24	\$ 32.38
FTRs	<u>758</u>	<u>55</u>	Discounted Cash Flow	Forward Market Price	(6.96)	8.43	1.34
Total	<u>\$ 2,338</u>	<u>\$ 92</u>					

- (a) Represents market prices in dollars per MWh.

Name of Respondent Kentucky Power Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2016/Q4
NOTES TO FINANCIAL STATEMENTS (Continued)			

The following table provides sensitivity of fair value measurements to increases (decreases) in significant unobservable inputs related to Energy Contracts and FTRs as of December 31, 2016 and 2015:

Sensitivity of Fair Value Measurements

<u>Significant Unobservable Input</u>	<u>Position</u>	<u>Change in Input</u>	<u>Impact on Fair Value Measurement</u>
Forward Market Price	Buy	Increase (Decrease)	Higher (Lower)
Forward Market Price	Sell	Increase (Decrease)	Lower (Higher)

11. INCOME TAXES

The details of KPCo's income taxes as reported are as follows:

	Years Ended December 31,	
	2016	2015
	(in thousands)	
Charged (Credited) to Operating Expenses, Net:		
Current	\$ 5,801	\$ (62,792)
Deferred	19,772	62,839
Deferred Investment Tax Credits	(3)	(26)
Total	<u>25,570</u>	<u>21</u>
Charged (Credited) to Non-Operating Income, Net:		
Current	(777)	(882)
Deferred	(1,200)	12,799
Total	<u>(1,977)</u>	<u>11,917</u>
Income Tax Expense	<u>\$ 23,593</u>	<u>\$ 11,938</u>

Name of Respondent	This Report is:	Date of Report	Year/Period of Report
Kentucky Power Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) / /	2016/Q4
NOTES TO FINANCIAL STATEMENTS (Continued)			

The following is a reconciliation of the difference between the amount of federal income taxes computed by multiplying book income before income taxes by the federal statutory tax rate and the amount of income taxes reported:

	Years Ended December 31,	
	2016	2015
	(in thousands)	
Net Income	\$ 50,210	\$ 27,891
Income Tax Expense	23,593	11,938
Pretax Income	\$ 73,803	\$ 39,829
Income Taxes on Pretax Income at Statutory Rate (35%)	\$ 25,831	\$ 13,940
Increase (Decrease) in Income Taxes Resulting from the Following Items:		
Depreciation	1,300	1,361
AFUDC	(537)	(638)
Removal Costs	(1,681)	(1,832)
Investment Tax Credits, Net	(3)	(26)
State and Local Income Taxes, Net	(1,536)	(4,601)
Tax Adjustments	97	3,407
Other	122	327
Income Tax Expense	\$ 23,593	\$ 11,938
Effective Income Tax Rate	32.0 %	30.0 %

The following table shows elements of KPCo's net deferred tax liability and significant temporary differences:

	December 31,	
	2016	2015
	(in thousands)	
Deferred Tax Assets	\$ 58,627	\$ 62,995
Deferred Tax Liabilities	(726,071)	(699,540)
Net Deferred Tax Liabilities	\$ (667,444)	\$ (636,545)
Property Related Temporary Differences	\$ (425,887)	\$ (410,174)
Amounts Due from Customers for Future Federal Income Taxes	(29,389)	(27,631)
Deferred State Income Taxes	(95,772)	(90,541)
Deferred Income Taxes on Other Comprehensive Loss	729	886
Regulatory Assets	(124,041)	(115,803)
All Other, Net	6,916	6,718
Net Deferred Tax Liabilities	\$ (667,444)	\$ (636,545)

Name of Respondent Kentucky Power Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2016/Q4
NOTES TO FINANCIAL STATEMENTS (Continued)			

AEP System Tax Allocation Agreement

KPCo joins in the filing of a consolidated federal income tax return with its affiliates in the AEP System. The allocation of the AEP System’s current consolidated federal income tax to the AEP System companies allocates the benefit of current tax losses to the AEP System companies giving rise to such losses in determining their current tax expense. The consolidated net operating loss of the AEP System is allocated to each company in the consolidated group with taxable losses. The tax benefit of the Parent is allocated to its subsidiaries with taxable income. With the exception of the allocation of the consolidated AEP System net operating loss and the loss of the Parent, the method of allocation reflects a separate return result for each company in the consolidated group.

Federal and State Income Tax Audit Status

KPCo and other AEP subsidiaries are no longer subject to U.S. federal examination for years before 2011. The IRS examination of years 2011, 2012 and 2013 started in April 2014. AEP and subsidiaries received a Revenue Agents Report in April 2016, completing the 2011 through 2013 audit cycle indicating an agreed upon audit. The 2011 through 2013 audit was submitted to the Congressional Joint Committee on Taxation for approval. The Joint Committee referred the audit back to the IRS exam team for further consideration. Although the outcome of tax audits is uncertain, in management’s opinion, adequate provisions for federal income taxes have been made for potential liabilities resulting from such matters. In addition, KPCo accrues interest on these uncertain tax positions. Management is not aware of any issues for open tax years that upon final resolution are expected to materially impact net income.

KPCo and other AEP subsidiaries file income tax returns in various state and local jurisdictions. These taxing authorities routinely examine the tax returns. KPCo and other AEP subsidiaries are currently under examination in several state and local jurisdictions. However, it is possible that previously filed tax returns have positions that may be challenged by these tax authorities. Management believes that adequate provisions for income taxes have been made for potential liabilities resulting from such challenges and that the ultimate resolution of these audits will not materially impact net income. KPCo is no longer subject to state or local income tax examinations by tax authorities for years before 2009.

Net Income Tax Operating Loss Carryforward

KPCo has Kentucky state net income tax operating loss carryforwards of \$89 million. As a result, KPCo recognized deferred state income tax benefits in 2016 and 2015 of \$5 million. Management anticipates future taxable income will be sufficient to realize the state net income tax operating loss tax benefits before the state carryforward expires for Kentucky in 2036.

Name of Respondent Kentucky Power Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2016/Q4
NOTES TO FINANCIAL STATEMENTS (Continued)			

Tax Credit Carryforward

As of December 31, 2016 and 2015, KPCo had unused federal income tax credits of \$14 thousand and \$203 thousand, respectively, not all of which have an expiration date. Included in the credit carryforward are federal general business tax credits of \$0 and \$189 thousand as of December 31, 2016 and 2015, respectively. The federal general business tax credits were fully utilized in 2016.

Uncertain Tax Positions

KPCo recognizes interest accruals related to uncertain tax positions in interest income or expense as applicable, and penalties in Penalties in accordance with the accounting guidance for “Income Taxes.”

The following table shows amounts reported for interest expense and interest income:

	Years Ended December 31,	
	2016	2015
	(in thousands)	
Interest Expense	\$ 7	\$ —
Interest Income	6	—

The following table shows balances for amounts accrued for payment of interest and penalties:

	December 31,	
	2016	2015
	(in thousands)	
Accrual for Payment of Interest and Penalties	\$ 17	\$ —

The total amount of unrecognized tax benefits (costs) that, if recognized, would affect the effective tax rate is \$0 for 2016 and 2015. Management believes there will be no significant net increase or decrease in unrecognized tax benefits within 12 months of the reporting date.

Federal Tax Legislation

The Protecting Americans from Tax Hikes Act of 2015 (PATH) included an extension of the 50% bonus depreciation for three years through 2017, phasing down to 40% in 2018 and 30% in 2019. PATH also provided for the extension of research and development, employment and several energy tax credits for 2015. PATH also includes provisions to extend the wind energy production tax credit through 2016 with a three-year phase-out (2017-2019), and to extend the 30% temporary solar investment tax credit for three years through 2019 and with a two-year phase-out (2020-2021). PATH also provided for a permanent extension of the Research and Development tax credit. The enacted provisions did not materially impact KPCo’s net income or financial condition but will have a favorable impact on future cash flows.

Name of Respondent Kentucky Power Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2016/Q4
NOTES TO FINANCIAL STATEMENTS (Continued)			

12. LEASES

Leases of property, plant and equipment are for remaining periods up to 10 years and require payments of related property taxes, maintenance and operating costs. The majority of the leases have purchase or renewal options and will be renewed or replaced by other leases.

Lease rentals for both operating and capital leases are generally charged to Operation Expenses and Maintenance Expenses in accordance with rate-making treatment for regulated operations. For capital leases, a capital lease asset and offsetting liability are recorded at the present value of the remaining lease payments for each reporting period. The components of rental costs are as follows:

<u>Lease Rental Costs</u>	Years Ended December 31,	
	2016	2015
	(in thousands)	
Net Lease Expense on Operating Leases	\$ 1,886	\$ 1,603
Amortization of Capital Leases	995	1,148
Interest on Capital Leases	114	171
Total Lease Rental Costs	\$ 2,995	\$ 2,922

The following table shows the property, plant and equipment under capital leases and related obligations recorded on KPCo's balance sheets.

	December 31,	
	2016	2015
	(in thousands)	
<u>Property, Plant and Equipment Under Capital Leases</u>		
Generation	\$ 2,146	\$ 2,338
Other Property, Plant and Equipment	3,400	2,920
Total Property, Plant and Equipment Under Capital Leases	5,546	5,258
Accumulated Amortization	2,858	2,354
Net Property, Plant and Equipment Under Capital Leases	\$ 2,688	\$ 2,904
<u>Obligations Under Capital Leases</u>		
Noncurrent Liability	\$ 1,749	\$ 2,008
Liability Due Within One Year	939	896
Total Obligations Under Capital Leases	\$ 2,688	\$ 2,904

Name of Respondent Kentucky Power Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2016/Q4
NOTES TO FINANCIAL STATEMENTS (Continued)			

Future minimum lease payments consisted of the following as of December 31, 2016:

<u>Future Minimum Lease Payments</u>	<u>Capital Leases</u>	<u>Noncancelable Operating Leases</u>
	(in thousands)	
2017	\$ 1,029	\$ 1,965
2018	701	1,715
2019	365	1,533
2020	288	1,350
2021	248	1,066
Later Years	307	2,139
Total Future Minimum Lease Payments	<u>2,938</u>	<u>\$ 9,768</u>
Less Estimated Interest Element	<u>250</u>	
Estimated Present Value of Future Minimum Lease Payments	<u>\$ 2,688</u>	

Master Lease Agreements

KPCo leases certain equipment under master lease agreements. Under the lease agreements, the lessor is guaranteed a residual value up to a stated percentage of either the unamortized balance or the equipment cost at the end of the lease term. If the actual fair value of the leased equipment is below the guaranteed residual value at the end of the lease term, KPCo is committed to pay the difference between the actual fair value and the residual value guarantee. Historically, at the end of the lease term the fair value has been in excess of the unamortized balance. As of December 31, 2016, the maximum potential loss for these lease agreements was \$1.6 million assuming the fair value of the equipment is zero at the end of the lease term.

Name of Respondent Kentucky Power Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2016/Q4
NOTES TO FINANCIAL STATEMENTS (Continued)			

13. FINANCING ACTIVITIES

Long-term Debt

The following table details long-term debt outstanding:

Type of Debt	Maturity	Weighted Average Interest rate as of December 31, 2016	Interest Rate Ranges as of December 31,		Outstanding as of December 31,	
			2016	2015	2016	2015
(in thousands)						
Senior Unsecured Notes	2017-2039	5.81%	4.18%-8.13%	4.18%-8.13%	\$ 730,000	\$ 730,000
Pollution Control Bonds (a)	2016-2036 (b)	0.73%	0.73%	0.02%	65,000	65,000
Other Long-term Debt	2018	2.39%	2.39%	1.83%-2.11%	75,000	75,000
Unamortized Discount, Net					(111)	(278)
Total Long-term Debt Outstanding					<u>\$ 869,889</u>	<u>\$ 869,722</u>

- (a) For KPCo's pollution control bond, the interest rate is subject to periodic adjustment and may be purchased on demand at periodic interest adjustment dates. Insurance policies support certain series.
- (b) KPCo's pollution control bond is subject to redemption earlier than the maturity date.

Long-term debt outstanding as of December 31, 2016 is payable as follows:

	2017	2018	2019	2020	2021	After 2021	Total
(in thousands)							
Principal Amount	\$ 390,000	\$ 75,000	\$ —	\$ —	\$ 40,000	\$ 365,000	\$ 870,000
Unamortized Discount, Net and Debt Issuance Costs							(111)
Total Long-term Debt Outstanding							<u>\$ 869,889</u>

Dividend Restrictions

KPCo pays dividends to Parent provided funds are legally available. Various financing arrangements and regulatory requirements may impose certain restrictions on the ability of KPCo to transfer funds to Parent in the form of dividends.

Federal Power Act

The Federal Power Act prohibits KPCo from participating "in the making or paying of any dividend of such public utility from any funds properly included in capital account." This restriction does not limit the ability of KPCo to pay dividends out of retained earnings.

Name of Respondent Kentucky Power Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2016/Q4
NOTES TO FINANCIAL STATEMENTS (Continued)			

Leverage Restrictions

Pursuant to the credit agreement leverage restriction, KPCo must maintain a percentage of debt to total capitalization at a level that does not exceed 67.5%. As of December 31, 2016 none of KPCo's retained earnings have restriction related to the payment of dividends to Parent.

Corporate Borrowing Program – AEP System

The AEP System uses a corporate borrowing program to meet the short-term borrowing needs of AEP's subsidiaries. The corporate borrowing program includes a Utility Money Pool, which funds AEP's utility subsidiaries. The AEP System Utility Money Pool operates in accordance with the terms and conditions of the AEP System Utility Money Pool agreement filed with the FERC. The amounts of outstanding borrowings from the Utility Money Pool as of December 31, 2016 and 2015 are included in Notes Payable to Associated Companies on KPCo's balance sheets. KPCo's Utility Money Pool activity and corresponding authorized borrowing limits are described in the following table:

Years Ended December 31,	Maximum Borrowings from the Utility Money Pool	Maximum Loans to the Utility Money Pool	Average Borrowings from the Utility Money Pool	Average Loans to the Utility Money Pool	Borrowings from the Utility Money Pool as of December 31,	Authorized Short-Term Borrowing Limit
2016	\$ 39,102	\$ 15,557	\$ 12,628	\$ 6,593	\$ 1,807	\$ 225,000
2015	52,477	25,768	19,242	10,409	18,692	225,000

Maximum, minimum and average interest rates for funds either borrowed from or loaned to the Utility Money Pool are summarized in the following table:

Years Ended December 31,	Maximum Interest Rate for Funds Borrowed from the Utility Money Pool	Minimum Interest Rate for Funds Borrowed from the Utility Money Pool	Maximum Interest Rate for Funds Loaned to the Utility Money Pool	Minimum Interest Rate for Funds Loaned to the Utility Money Pool	Average Interest Rate for Funds Borrowed from the Utility Money Pool	Average Interest Rate for Funds Loaned to the Utility Money Pool
2016	1.02%	0.69%	0.90%	0.75%	0.79%	0.87%
2015	0.87%	0.37%	0.54%	0.40%	0.48%	0.44%

Name of Respondent	This Report is:	Date of Report	Year/Period of Report
Kentucky Power Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) / /	2016/Q4
NOTES TO FINANCIAL STATEMENTS (Continued)			

Interest expense and interest income related to the Utility Money Pool are included in Interest on Debt to Associated Companies and Interest and Dividend Income, respectively, on KPCo's statements of income. For amounts borrowed from and advanced to the Utility Money Pool, KPCo incurred the following amounts of interest expense and earned the following amounts of interest income:

	Years Ended December 31,	
	2016	2015
	(in thousands)	
Interest Expense	\$ 89	\$ 80
Interest Income	8	10

Securitized Accounts Receivables – AEP Credit

Under a sale of receivables arrangement, KPCo sells, without recourse, certain of its customer accounts receivable and accrued unbilled revenue balances to AEP Credit and is charged a fee based on AEP Credit's financing costs, administrative costs and uncollectible accounts experience for KPCo's receivables. The costs of customer accounts receivable sold are reported in Other Deductions on KPCo's statements of income. KPCo manages and services its accounts receivable sold.

AEP Credit's receivables securitization agreement provides a commitment of \$750 million from bank conduits to purchase receivables. The agreement was increase in June 2014 from \$700 million and expires in June 2018.

KPCo's amounts of accounts receivable and accrued unbilled revenues under the sale of receivables agreement were \$49 million and \$38 million as of December 31, 2016 and 2015, respectively.

The fees paid by KPCo to AEP Credit for customer accounts receivable sold were \$3 million and \$3 million, respectively, for each of the years ended December 31, 2016 and 2015.

KPCo's proceeds on the sale of receivables to AEP Credit were \$583 million and \$528 million for the years ended December 31, 2016 and 2015, respectively.

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2016/Q4
Kentucky Power Company			
NOTES TO FINANCIAL STATEMENTS (Continued)			

14. RELATED PARTY TRANSACTIONS

For other related party transactions, also see “AEP System Tax Allocation Agreement” section of Note 11 in addition to “Corporate Borrowing Program – AEP System” and “Sale of Receivables – AEP Credit” sections of Note 13.

Interconnection Agreement

In accordance with management’s December 2010 announcement and October 2012 filing with the FERC, the Interconnection Agreement was terminated effective January 1, 2014. The AEP System Interim Allowance Agreement which provided for, among other things, the transfer of SO₂ emission allowances associated with transactions under the Interconnection Agreement was also terminated.

APCo, I&M, KPCo, OPCo and AEPSC were parties to the Interconnection Agreement which defined the sharing of costs and benefits associated with the respective generation plants. This sharing was based upon each AEP utility subsidiary’s MLR and was calculated monthly on the basis of each AEP utility subsidiary’s maximum peak demand in relation to the sum of the maximum peak demands of all four AEP utility subsidiaries during the preceding 12 months.

Effective January 1, 2014, the FERC approved the following agreements. See “Organization” section of Note 1.

- A PCA among APCo, I&M and KPCo with AEPSC as the agent to coordinate the participants’ respective power supply resources. Effective May 2015, the PCA was revised and approved by the FERC to include WPCo. Under the PCA, APCo, I&M, KPCo and WPCo are individually responsible for planning their respective capacity obligations. Further, the Restated and Amended PCA allows, but does not obligate, APCo, I&M, KPCo and WPCo to participate collectively under a common fixed resource requirement capacity plan in PJM and to participate in specified collective off-system sales and purchase activities.
- A Bridge Agreement among AGR, APCo, I&M, KPCo and OPCo with AEPSC as agent. The Bridge Agreement is an interim arrangement to: (a) address the treatment of purchases and sales made by AEPSC on behalf of member companies that extend beyond termination of the Interconnection Agreement and (b) address how member companies would fulfill their existing obligations under the PJM Reliability Assurance Agreement through the 2014/2015 PJM planning year. Under the Bridge Agreement, AGR committed to use its capacity to help meet the PJM capacity obligations of member companies through the PJM planning year that ended May 31, 2015.

Name of Respondent Kentucky Power Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2016/Q4
NOTES TO FINANCIAL STATEMENTS (Continued)			

AEPSC conducts power, capacity, coal, natural gas, interest rate and, to a lesser extent, heating oil, gasoline and other risk management activities on behalf of APCo, I&M, KPCo, PSO, SWEPCo and WPCo. Effective January 1, 2014 and revised in May 2015, power and natural gas risk management activities for APCo, I&M, KPCo and WPCo are allocated based on the four member companies' respective equity positions, while power and natural gas risk management activities for PSO and SWEPCo are allocated based on the Operating Agreement. Risk management activities primarily include power and natural gas physical transactions, financially-settled swaps and exchange-traded futures. AEPSC settles the majority of the physical forward contracts by entering into offsetting contracts.

Operating Agreement

PSO, SWEPCo and AEPSC are parties to the Operating Agreement which was approved by the FERC. The Operating Agreement requires PSO and SWEPCo to maintain adequate annual planning reserve margins and requires that capacity in excess of the required margins be made available for sale to other operating companies as capacity commitments. In January 2014, the FERC approved a modification of the Operating Agreement to address changes resulting from an anticipated March 2014 SPP power market change. Subsequently and in March 2014, SPP changed from an energy imbalance service market to a fully integrated power market. In alignment with the new SPP integrated power market and according to the modified Operating Agreement, PSO and SWEPCo operate as standalone entities and offer their respective generation into the SPP power market. SPP then economically dispatches resources. By offering their resources separately, PSO and SWEPCo no longer purchase or sell energy to each other to serve their respective internal load or off-system sales.

System Integration Agreement (SIA)

Under the SIA, AEPSC allocates physical and financial revenues and expenses from transactions with neighboring utilities, power marketers and other power and natural gas risk management activities based upon the location of such activity. Margins resulting from trading and marketing activities originating in PJM and MISO generally accrue to the benefit of APCo, I&M, KPCo and WPCo, while trading and marketing activities originating in SPP generally accrue to the benefit of PSO and SWEPCo. Margins resulting from other transactions are allocated among APCo, I&M, KPCo, PSO, SWEPCo and WPCo based upon the equity positions of these companies.

Name of Respondent	This Report is:	Date of Report	Year/Period of Report
Kentucky Power Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) / /	2016/Q4
NOTES TO FINANCIAL STATEMENTS (Continued)			

Affiliated Revenues and Purchases

The following table shows the revenues derived from direct sales to affiliates, net transmission agreement sales and other revenues:

<u>Related Party Revenues</u>	Years Ended December 31,	
	2016	2015
	(in thousands)	
Auction Sales to OPCo (a)	\$ 1,670	\$ 4,183
Transmission Agreement Sales	5,871	7,277
Other Revenues	745	354
Total Affiliated Revenues	\$ 8,286	\$ 11,814

(a) Refer to the Ohio Auctions section below for further information regarding this amount.

The following table shows the purchased power expenses incurred for purchases under the Interconnection Agreement and from affiliates:

<u>Related Party Purchases</u>	Years Ended December 31,	
	2016	2015
	(in thousands)	
Direct Purchases from AEGCo (a)	\$ 97,941	\$ 99,475
Total Affiliated Purchases	\$ 97,941	\$ 99,475

(a) Refer to the Unit Power Agreements section below for further information regarding this amount.

System Transmission Integration Agreement (STIA)

AEP's STIA provided for the integration and coordination of the planning, operation and maintenance of transmission facilities. Since the FERC approved the cancellation of the STIA effective June 1, 2014, the coordinated planning, operation and maintenance of transmission facilities are the responsibility of the RTOs and the STIA is no longer necessary. Similar to the SIA, the STIA functioned as an umbrella agreement in addition to the Transmission Agreement (TA) and the Transmission Coordination Agreement (TCA). The TA and TCA are both still active. The STIA contained two service schedules that governed:

- The allocation of transmission costs and revenues.
- The allocation of third-party transmission costs and revenues and AEP System dispatch costs.

Name of Respondent Kentucky Power Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2016/Q4
NOTES TO FINANCIAL STATEMENTS (Continued)			

APCo, I&M, KGPCo, KPCo, OPCo and WPCo are parties to the TA, effective November 2010, which defines how transmission costs through PJM OATT are allocated among the AEP East Companies, KGPCo and WPCo on a 12-month average coincident peak basis.

KPCo's net charges recorded as a result of the TA for the years ended December 31, 2016 and 2015 were \$20.4 million and \$13.3 million, respectively, and were recorded in Operation Expenses on KPCo's statements of income.

PSO, SWEPCo and AEPSC are parties to the TCA, dated January 1, 1997, by and among PSO, SWEPCo and AEPSC, in connection with the operation of the transmission assets of the two AEP utility subsidiaries. The TCA has been approved by the FERC and establishes a coordinating committee, which is charged with overseeing the coordinated planning of the transmission facilities of the parties to the agreement.

Ohio Auctions

In connection with OPCo's June 2012 - May 2015 ESP, the PUCO ordered OPCo to conduct energy and capacity auctions for its entire SSO load for delivery beginning in June 2015. Certain affiliated entities, including KPCo, participate in the auction process and have been awarded tranches of OPCo's SSO load. Refer to the Affiliated Revenues and Purchases section above for amounts related to these transactions. See Note 9 - Derivatives and Hedging for further information.

Unit Power Agreements (UPA)

A UPA between AEGCo and I&M (the I&M Power Agreement) provides for the sale by AEGCo to I&M of all the power (and the energy associated therewith) available to AEGCo at the Rockport Plant unless it is sold to another utility. Subsequently, I&M assigns 30% of the power to KPCo. I&M is obligated, whether or not power is available from AEGCo, to pay as a demand charge for the right to receive such power (and as an energy charge for any associated energy taken by I&M) net of amounts received by AEGCo from any other sources, sufficient to enable AEGCo to pay all its operating and other expenses, including a rate of return on the common equity of AEGCo as approved by the FERC. The I&M Power Agreement will continue in effect until the expiration of the lease term of Unit 2 of the Rockport Plant unless extended in specified circumstances.

Pursuant to an assignment between I&M and KPCo and a UPA between KPCo and AEGCo, AEGCo sells KPCo 30% of the power (and the energy associated therewith) available to AEGCo from both units of the Rockport Plant. KPCo pays to AEGCo in consideration for the right to receive such power the same amounts which I&M would have paid AEGCo under the terms of the I&M Power Agreement for such entitlement. Refer to the Affiliated Revenues and Purchases section above for amounts related to these transactions. The KPCo UPA ends in December 2022.

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Kentucky Power Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	/ /	2016/Q4
NOTES TO FINANCIAL STATEMENTS (Continued)			

I&M Barging, Urea Transloading and Other Services

I&M provides barging, urea transloading and other transportation services to affiliates. Urea is a chemical used to control NO_x emissions at certain generation plants in the AEP System. KPCo recorded expenses of \$5 million and \$5 million in 2016 and 2015, respectively, for urea transloading provided by I&M. These expenses were recorded as Operation Expenses.

Central Machine Shop

APCo operates a facility which repairs and rebuilds specialized components for the generation plants across the AEP System. APCo defers the cost of performing these services on the balance sheet, then transfers the cost to the affiliate for reimbursement. KPCo recorded its assigned portion of these billings as capital or maintenance expenses depending on the nature of the services received. These billings are recoverable from customers. KPCo's billed amounts were \$1.5 million and \$1.3 million for the years ended December 31, 2016 and 2015, respectively.

Sales and Purchases of Property

KPCo had affiliated sales and purchases of electric property individually amounting to \$100 thousand or more, sales and purchases of meters and transformers, and sales and purchases of transmission property. There were no gains or losses recorded on the transactions. The following table shows the sales and purchases, recorded in Utility Plant on the balance sheets at net book value, for the years ended December 31, 2016 and 2015:

	Years Ended December 31,	
	2016	2015
	(in thousands)	
Sales	\$ 395	\$ 1,337
Purchases	174	1,871

Intercompany Billings

KPCo performs certain utility services for other AEP subsidiaries when necessary or practical. The costs of these services are billed on a direct-charge basis, whenever possible, or on reasonable basis of proration for services that benefit multiple companies. The billings for services are made at cost and include no compensation for the use of equity capital.

AEPSC

AEPSC provides certain managerial and professional services to AEP's subsidiaries. The costs of the services are based on a direct charge or on a prorated basis and billed to the AEP subsidiary companies at AEPSC's cost. AEPSC and its billings are subject to regulation by the FERC. KPCo's total billings from AEPSC for the years ended December 31, 2016 and 2015 were \$60 million and \$60 million, respectively.

Name of Respondent Kentucky Power Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2016/Q4
NOTES TO FINANCIAL STATEMENTS (Continued)			

15. PROPERTY, PLANT AND EQUIPMENT

Depreciation

KPCo provides for depreciation of Utility Plant on a straight-line basis over the estimated useful lives of property, generally using composite rates by functional class. The following table provides total annual composite depreciation rates and depreciable lives for KPCo.

<u>Year</u>	<u>Steam</u>	<u>Transmission</u>	<u>Distribution</u>	<u>General</u>
		(in percentages)		
2016	3.0	2.7	3.5	8.1
2015	0.4	2.2	3.5	10.0

The composite depreciation rate generally includes a component for non-asset retirement obligation (non-ARO) removal costs, which is credited to accumulated depreciation. Actual removal costs incurred are charged to accumulated depreciation.

Asset Retirement Obligations

KPCo records ARO in accordance with the accounting guidance for “Asset Retirement and Environmental Obligations” for the retirement of ash disposal facilities and asbestos removal. KPCo has identified, but not recognized, ARO liabilities related to electric transmission and distribution assets, as a result of certain easements on property on which assets are owned. Generally, such easements are perpetual and require only the retirement and removal of assets upon the cessation of the property’s use. The retirement obligation is not estimable for such easements since KPCo plans to use its facilities indefinitely. The retirement obligation would only be recognized if and when KPCo abandons or ceases the use of specific easements, which is not expected.

KPCo recorded an increase in Asset Retirement Obligations in the second quarter of 2015, partially related to the final Coal Combustion Residual Rule, which was published in the Federal Register in April 2015. The Federal EPA now regulates the disposal and beneficial re-use of coal combustion residuals (CCR), including fly ash and bottom ash generated at coal-fired electric generating units and also FGD gypsum generated at some coal-fired plants. The Federal EPA regulates CCR as a non-hazardous solid waste and established minimum federal solid waste management standards. Noncash increases related to the CCR Rule are recorded as Utility Plant.

Name of Respondent Kentucky Power Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2016/Q4
NOTES TO FINANCIAL STATEMENTS (Continued)			

The following is a reconciliation of the 2016 and 2015 aggregate carrying amounts of ARO for KPCo:

Year	ARO as of January 1,	Accretion Expense	Liabilities Incurred	Liabilities Settled	Revisions in Cash Flow Estimates	ARO as of December 31,
(in thousands)						
2016	\$ 72,012	\$ 3,478	\$ 1,254	\$ (15,018)	\$ 1,268	\$ 62,994
2015	65,699	3,554	4,236	(5,564)	4,087 (a)	72,012

- (a) Amount includes an \$8.8 million reduction in the ARO liability due to the execution of a joint use agreement with a third party.

Jointly-owned Electric Facilities

KPCo has a 50% ownership share of Units 1 and 2 at the Mitchell Generating Station. In addition to KPCo, the Mitchell Generating Station is jointly-owned by WPCo. Using its own financing, each participating company is obligated to pay its share of the costs in the same proportion as its ownership interest. KPCo's proportionate share of the operating costs associated with this facility is included in its statements of income and the investment and accumulated depreciation are reflected in its balance sheets under Utility Plant as follows:

	Fuel Type	Percent of Ownership	Utility Plant in Service	Construction Work in Progress	Accumulated Depreciation
(in thousands)					
<u>KPCo's Share as of December 31, 2016</u>					
Mitchell Generating Station, Units 1 and 2 (a)	Coal	50.0 %	\$ 1,012,658	\$ 4,962	\$ 369,797
<u>KPCo's Share as of December 31, 2015</u>					
Mitchell Generating Station, Units 1 and 2 (a)	Coal	50.0 %	\$ 1,013,825	\$ 9,346	\$ 353,583

- (a) Operated by KPCo.

Name of Respondent Kentucky Power Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2016/Q4
STATEMENTS OF ACCUMULATED COMPREHENSIVE INCOME, COMPREHENSIVE INCOME, AND HEDGING ACTIVITIES					
1. Report in columns (b),(c),(d) and (e) the amounts of accumulated other comprehensive income items, on a net-of-tax basis, where appropriate. 2. Report in columns (f) and (g) the amounts of other categories of other cash flow hedges. 3. For each category of hedges that have been accounted for as "fair value hedges", report the accounts affected and the related amounts in a footnote. 4. Report data on a year-to-date basis.					
Line No.	Item (a)	Unrealized Gains and Losses on Available-for-Sale Securities (b)	Minimum Pension Liability adjustment (net amount) (c)	Foreign Currency Hedges (d)	Other Adjustments (e)
1	Balance of Account 219 at Beginning of Preceding Year				(7,174,479)
2	Preceding Qtr/Yr to Date Reclassifications from Acct 219 to Net Income				5,239,210
3	Preceding Quarter/Year to Date Changes in Fair Value				390,496
4	Total (lines 2 and 3)				5,629,706
5	Balance of Account 219 at End of Preceding Quarter/Year				(1,544,773)
6	Balance of Account 219 at Beginning of Current Year				(1,544,773)
7	Current Qtr/Yr to Date Reclassifications from Acct 219 to Net Income				17,315
8	Current Quarter/Year to Date Changes in Fair Value				213,279
9	Total (lines 7 and 8)				230,594
10	Balance of Account 219 at End of Current Quarter/Year				(1,314,179)

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STATEMENTS OF ACCUMULATED COMPREHENSIVE INCOME, COMPREHENSIVE INCOME, AND HEDGING ACTIVITIES					
Line No.	Other Cash Flow Hedges Interest Rate Swaps (f)	Other Cash Flow Hedges [Specify] (g)	Totals for each category of items recorded in Account 219 (h)	Net Income (Carried Forward from Page 117, Line 78) (i)	Total Comprehensive Income (j)
1	(161,124)		(7,335,603)		
2	60,422		5,299,632		
3			390,496		
4	60,422		5,690,128	27,891,127	33,581,255
5	(100,702)		(1,645,475)		
6	(100,702)		(1,645,475)		
7	60,421		77,736		
8			213,279		
9	60,421		291,015	50,210,335	50,501,350
10	(40,281)		(1,354,460)		

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SUMMARY OF UTILITY PLANT AND ACCUMULATED PROVISIONS FOR DEPRECIATION, AMORTIZATION AND DEPLETION				
Report in Column (c) the amount for electric function, in column (d) the amount for gas function, in column (e), (f), and (g) report other (specify) and in column (h) common function.				
Line No.	Classification (a)	Total Company for the Current Year/Quarter Ended (b)	Electric (c)	
1	Utility Plant			
2	In Service			
3	Plant in Service (Classified)	2,500,681,861	2,500,681,861	
4	Property Under Capital Leases	2,688,067	2,688,067	
5	Plant Purchased or Sold			
6	Completed Construction not Classified	92,092,165	92,092,165	
7	Experimental Plant Unclassified			
8	Total (3 thru 7)	2,595,462,093	2,595,462,093	
9	Leased to Others			
10	Held for Future Use	6,303,504	6,303,504	
11	Construction Work in Progress	27,379,769	27,379,769	
12	Acquisition Adjustments			
13	Total Utility Plant (8 thru 12)	2,629,145,366	2,629,145,366	
14	Accum Prov for Depr, Amort, & Depl	855,212,999	855,212,999	
15	Net Utility Plant (13 less 14)	1,773,932,367	1,773,932,367	
16	Detail of Accum Prov for Depr, Amort & Depl			
17	In Service:			
18	Depreciation	845,034,559	845,034,559	
19	Amort & Depl of Producing Nat Gas Land/Land Right			
20	Amort of Underground Storage Land/Land Rights			
21	Amort of Other Utility Plant	11,280,895	11,280,895	
22	Total In Service (18 thru 21)	856,315,454	856,315,454	
23	Leased to Others			
24	Depreciation			
25	Amortization and Depletion			
26	Total Leased to Others (24 & 25)			
27	Held for Future Use			
28	Depreciation	-1,102,455	-1,102,455	
29	Amortization			
30	Total Held for Future Use (28 & 29)	-1,102,455	-1,102,455	
31	Abandonment of Leases (Natural Gas)			
32	Amort of Plant Acquisition Adj			
33	Total Accum Prov (equals 14) (22,26,30,31,32)	855,212,999	855,212,999	

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SUMMARY OF UTILITY PLANT AND ACCUMULATED PROVISIONS FOR DEPRECIATION, AMORTIZATION AND DEPLETION					
Gas (d)	Other (Specify) (e)	Other (Specify) (f)	Other (Specify) (g)	Common (h)	Line No.
					1
					2
					3
					4
					5
					6
					7
					8
					9
					10
					11
					12
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Name of Respondent Kentucky Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2016/Q4
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NUCLEAR FUEL MATERIALS (Account 120.1 through 120.6 and 157)

- Report below the costs incurred for nuclear fuel materials in process of fabrication, on hand, in reactor, and in cooling; owned by the respondent.
- If the nuclear fuel stock is obtained under leasing arrangements, attach a statement showing the amount of nuclear fuel leased, the quantity used and quantity on hand, and the costs incurred under such leasing arrangements.

Line No.	Description of item (a)	Balance Beginning of Year (b)	Changes during Year
			Additions (c)
1	Nuclear Fuel in process of Refinement, Conv, Enrichment & Fab (120.1)		
2	Fabrication		
3	Nuclear Materials		
4	Allowance for Funds Used during Construction		
5	(Other Overhead Construction Costs, provide details in footnote)		
6	SUBTOTAL (Total 2 thru 5)		
7	Nuclear Fuel Materials and Assemblies		
8	In Stock (120.2)		
9	In Reactor (120.3)		
10	SUBTOTAL (Total 8 & 9)		
11	Spent Nuclear Fuel (120.4)		
12	Nuclear Fuel Under Capital Leases (120.6)		
13	(Less) Accum Prov for Amortization of Nuclear Fuel Assem (120.5)		
14	TOTAL Nuclear Fuel Stock (Total 6, 10, 11, 12, less 13)		
15	Estimated net Salvage Value of Nuclear Materials in line 9		
16	Estimated net Salvage Value of Nuclear Materials in line 11		
17	Est Net Salvage Value of Nuclear Materials in Chemical Processing		
18	Nuclear Materials held for Sale (157)		
19	Uranium		
20	Plutonium		
21	Other (provide details in footnote):		
22	TOTAL Nuclear Materials held for Sale (Total 19, 20, and 21)		

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NUCLEAR FUEL MATERIALS (Account 120.1 through 120.6 and 157)					
Changes during Year		Balance End of Year (f)	Line No.		
Amortization (d)	Other Reductions (Explain in a footnote) (e)				
					1
					2
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Name of Respondent Kentucky Power Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2016/Q4
ELECTRIC PLANT IN SERVICE (Account 101, 102, 103 and 106)				
<p>1. Report below the original cost of electric plant in service according to the prescribed accounts.</p> <p>2. In addition to Account 101, Electric Plant in Service (Classified), this page and the next include Account 102, Electric Plant Purchased or Sold; Account 103, Experimental Electric Plant Unclassified; and Account 106, Completed Construction Not Classified-Electric.</p> <p>3. Include in column (c) or (d), as appropriate, corrections of additions and retirements for the current or preceding year.</p> <p>4. For revisions to the amount of initial asset retirement costs capitalized, included by primary plant account, increases in column (c) additions and reductions in column (e) adjustments.</p> <p>5. Enclose in parentheses credit adjustments of plant accounts to indicate the negative effect of such accounts.</p> <p>6. Classify Account 106 according to prescribed accounts, on an estimated basis if necessary, and include the entries in column (c). Also to be included in column (c) are entries for reversals of tentative distributions of prior year reported in column (b). Likewise, if the respondent has a significant amount of plant retirements which have not been classified to primary accounts at the end of the year, include in column (d) a tentative distribution of such retirements, on an estimated basis, with appropriate contra entry to the account for accumulated depreciation provision. Include also in column (d)</p>				
Line No.	Account (a)	Balance Beginning of Year (b)	Additions (c)	
1	1. INTANGIBLE PLANT			
2	(301) Organization			
3	(302) Franchises and Consents	52,919		
4	(303) Miscellaneous Intangible Plant	12,395,265	7,383,623	
5	TOTAL Intangible Plant (Enter Total of lines 2, 3, and 4)	12,448,184	7,383,623	
6	2. PRODUCTION PLANT			
7	A. Steam Production Plant			
8	(310) Land and Land Rights	4,857,884		
9	(311) Structures and Improvements	61,272,759	3,049,537	
10	(312) Boiler Plant Equipment	881,170,544	71,772,745	
11	(313) Engines and Engine-Driven Generators			
12	(314) Turbogenerator Units	115,191,187	628,565	
13	(315) Accessory Electric Equipment	28,440,386	555,919	
14	(316) Misc. Power Plant Equipment	10,765,741	675,434	
15	(317) Asset Retirement Costs for Steam Production	8,022,585	3,602,066	
16	TOTAL Steam Production Plant (Enter Total of lines 8 thru 15)	1,109,721,086	80,284,266	
17	B. Nuclear Production Plant			
18	(320) Land and Land Rights			
19	(321) Structures and Improvements			
20	(322) Reactor Plant Equipment			
21	(323) Turbogenerator Units			
22	(324) Accessory Electric Equipment			
23	(325) Misc. Power Plant Equipment			
24	(326) Asset Retirement Costs for Nuclear Production			
25	TOTAL Nuclear Production Plant (Enter Total of lines 18 thru 24)			
26	C. Hydraulic Production Plant			
27	(330) Land and Land Rights			
28	(331) Structures and Improvements			
29	(332) Reservoirs, Dams, and Waterways			
30	(333) Water Wheels, Turbines, and Generators			
31	(334) Accessory Electric Equipment			
32	(335) Misc. Power PLant Equipment			
33	(336) Roads, Railroads, and Bridges			
34	(337) Asset Retirement Costs for Hydraulic Production			
35	TOTAL Hydraulic Production Plant (Enter Total of lines 27 thru 34)			
36	D. Other Production Plant			
37	(340) Land and Land Rights			
38	(341) Structures and Improvements			
39	(342) Fuel Holders, Products, and Accessories			
40	(343) Prime Movers			
41	(344) Generators			
42	(345) Accessory Electric Equipment			
43	(346) Misc. Power Plant Equipment			
44	(347) Asset Retirement Costs for Other Production			
45	TOTAL Other Prod. Plant (Enter Total of lines 37 thru 44)			
46	TOTAL Prod. Plant (Enter Total of lines 16, 25, 35, and 45)	1,109,721,086	80,284,266	

Name of Respondent Kentucky Power Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2016/Q4
ELECTRIC PLANT IN SERVICE (Account 101, 102, 103 and 106) (Continued)				
Line No.	Account (a)	Balance Beginning of Year (b)	Additions (c)	
47	3. TRANSMISSION PLANT			
48	(350) Land and Land Rights	35,819,418	122,895	
49	(352) Structures and Improvements	6,693,157	5,462	
50	(353) Station Equipment	193,865,685	4,840,692	
51	(354) Towers and Fixtures	94,977,683	1,794,161	
52	(355) Poles and Fixtures	99,911,555	1,960,065	
53	(356) Overhead Conductors and Devices	137,232,579	-627,982	
54	(357) Underground Conduit	11,590		
55	(358) Underground Conductors and Devices	106,066		
56	(359) Roads and Trails			
57	(359.1) Asset Retirement Costs for Transmission Plant			
58	TOTAL Transmission Plant (Enter Total of lines 48 thru 57)	568,617,733	8,095,293	
59	4. DISTRIBUTION PLANT			
60	(360) Land and Land Rights	7,504,521	-8,356	
61	(361) Structures and Improvements	4,383,059	123,616	
62	(362) Station Equipment	93,231,192	3,510,739	
63	(363) Storage Battery Equipment			
64	(364) Poles, Towers, and Fixtures	193,361,786	8,375,178	
65	(365) Overhead Conductors and Devices	207,103,408	13,166,771	
66	(366) Underground Conduit	6,981,634	200,447	
67	(367) Underground Conductors and Devices	10,758,838	358,688	
68	(368) Line Transformers	126,209,866	5,148,392	
69	(369) Services	57,957,235	2,169,013	
70	(370) Meters	24,931,379	1,210,840	
71	(371) Installations on Customer Premises	19,975,152	1,449,770	
72	(372) Leased Property on Customer Premises			
73	(373) Street Lighting and Signal Systems	3,605,765	368,953	
74	(374) Asset Retirement Costs for Distribution Plant			
75	TOTAL Distribution Plant (Enter Total of lines 60 thru 74)	756,003,835	36,074,051	
76	5. REGIONAL TRANSMISSION AND MARKET OPERATION PLANT			
77	(380) Land and Land Rights			
78	(381) Structures and Improvements			
79	(382) Computer Hardware			
80	(383) Computer Software			
81	(384) Communication Equipment			
82	(385) Miscellaneous Regional Transmission and Market Operation Plant			
83	(386) Asset Retirement Costs for Regional Transmission and Market Oper			
84	TOTAL Transmission and Market Operation Plant (Total lines 77 thru 83)			
85	6. GENERAL PLANT			
86	(389) Land and Land Rights	1,524,731		
87	(390) Structures and Improvements	21,803,536	266,717	
88	(391) Office Furniture and Equipment	1,683,333	140,904	
89	(392) Transportation Equipment	14,768		
90	(393) Stores Equipment	170,803	23,825	
91	(394) Tools, Shop and Garage Equipment	3,975,853	200,061	
92	(395) Laboratory Equipment	208,910	52,543	
93	(396) Power Operated Equipment	5,931		
94	(397) Communication Equipment	9,016,167	826,387	
95	(398) Miscellaneous Equipment	1,618,054	6,642	
96	SUBTOTAL (Enter Total of lines 86 thru 95)	40,022,086	1,517,079	
97	(399) Other Tangible Property			
98	(399.1) Asset Retirement Costs for General Plant	81,055		
99	TOTAL General Plant (Enter Total of lines 96, 97 and 98)	40,103,141	1,517,079	
100	TOTAL (Accounts 101 and 106)	2,486,893,979	133,354,312	
101	(102) Electric Plant Purchased (See Instr. 8)			
102	(Less) (102) Electric Plant Sold (See Instr. 8)			
103	(103) Experimental Plant Unclassified			
104	TOTAL Electric Plant in Service (Enter Total of lines 100 thru 103)	2,486,893,979	133,354,312	

Name of Respondent Kentucky Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of <u>2016/Q4</u>	
ELECTRIC PLANT IN SERVICE (Account 101, 102, 103 and 106) (Continued)				
<p>distributions of these tentative classifications in columns (c) and (d), including the reversals of the prior years tentative account distributions of these amounts. Careful observance of the above instructions and the texts of Accounts 101 and 106 will avoid serious omissions of the reported amount of respondent's plant actually in service at end of year.</p> <p>7. Show in column (f) reclassifications or transfers within utility plant accounts. Include also in column (f) the additions or reductions of primary account classifications arising from distribution of amounts initially recorded in Account 102, include in column (e) the amounts with respect to accumulated provision for depreciation, acquisition adjustments, etc., and show in column (f) only the offset to the debits or credits distributed in column (f) to primary account classifications.</p> <p>8. For Account 399, state the nature and use of plant included in this account and if substantial in amount submit a supplementary statement showing subaccount classification of such plant conforming to the requirement of these pages.</p> <p>9. For each amount comprising the reported balance and changes in Account 102, state the property purchased or sold, name of vendor or purchase, and date of transaction. If proposed journal entries have been filed with the Commission as required by the Uniform System of Accounts, give also date</p>				
Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)	Line No.
				1
				2
			52,919	3
305,921			19,472,967	4
305,921			19,525,886	5
				6
				7
			4,857,884	8
331,624			63,990,672	9
14,843,426			938,099,863	10
				11
365,177			115,454,575	12
62,139			28,934,166	13
12,865			11,428,310	14
			11,624,651	15
15,615,231			1,174,390,121	16
				17
				18
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15,615,231			1,174,390,121	46

Name of Respondent Kentucky Power Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2016/Q4
ELECTRIC PLANT IN SERVICE (Account 101, 102, 103 and 106) (Continued)					
Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)		Line No.
					47
		-707,723	35,234,590		48
42,724			6,655,895		49
1,599,042			197,107,335		50
			96,771,844		51
489,180		652,466	102,034,906		52
224,102		399,899	136,780,394		53
			11,590		54
			106,066		55
					56
					57
2,355,048		344,642	574,702,620		58
					59
			7,496,165		60
14,030			4,492,645		61
269,238			96,472,693		62
					63
1,685,487			200,051,477		64
2,310,553		-181,985	217,777,641		65
2,669			7,179,412		66
70,640			11,046,886		67
1,653,095		181,985	129,887,148		68
410,068			59,716,180		69
1,293,244			24,848,975		70
1,633,303			19,791,619		71
					72
80,264			3,894,454		73
					74
9,422,591			782,655,295		75
					76
					77
					78
					79
					80
					81
					82
					83
					84
					85
			1,524,731		86
48,904			22,021,349		87
			1,824,237		88
			14,768		89
			194,628		90
			4,175,914		91
			261,453		92
			5,931		93
71,212			9,771,342		94
			1,624,696		95
120,116			41,419,049		96
					97
			81,055		98
120,116			41,500,104		99
27,818,907		344,642	2,592,774,026		100
					101
					102
					103
27,818,907		344,642	2,592,774,026		104

Name of Respondent Kentucky Power Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2016/Q4
FOOTNOTE DATA			

Schedule Page: 204 Line No.: 49 Column: g

The investment and related accumulated depreciation in Generation Step-Up Units (GSUs) in plant accounts 352-353 included in KPCO's generation formula rates are identified by a query of the plant accounting system.

Name of Respondent Kentucky Power Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2016/Q4
ELECTRIC PLANT LEASED TO OTHERS (Account 104)					
Line No.	Name of Lessee (Designate associated companies with a double asterisk) (a)	Description of Property Leased (b)	Commission Authorization (c)	Expiration Date of Lease (d)	Balance at End of Year (e)
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45					
46					
47	TOTAL				

Name of Respondent Kentucky Power Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2016/Q4
ELECTRIC PLANT HELD FOR FUTURE USE (Account 105)					
1. Report separately each property held for future use at end of the year having an original cost of \$250,000 or more. Group other items of property held for future use.					
2. For property having an original cost of \$250,000 or more previously used in utility operations, now held for future use, give in column (a), in addition to other required information, the date that utility use of such property was discontinued, and the date the original cost was transferred to Account 105.					
Line No.	Description and Location Of Property (a)	Date Originally Included in This Account (b)	Date Expected to be used in Utility Service (c)	Balance at End of Year (d)	
1	Land and Rights:				
2	Carrs Site (8500)	8/17/82		5,675,900	
3					
4	Ramey Substation (4205)	10/1/09	2020	627,604	
5					
6					
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21	Other Property:				
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46					
47	Total			6,303,504	

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year/Period of Report
Kentucky Power Company		/ /	2016/Q4
FOOTNOTE DATA			

Schedule Page: 214 Line No.: 46 Column: d

The generation assets in Electric Plant Held for Future Use included in KPCo's generation formula rates are identified by a query of the plant accounting system.

Name of Respondent Kentucky Power Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of <u>2016/Q4</u>
CONSTRUCTION WORK IN PROGRESS - - ELECTRIC (Account 107)				
1. Report below descriptions and balances at end of year of projects in process of construction (107) 2. Show items relating to "research, development, and demonstration" projects last, under a caption Research, Development, and Demonstrating (see Account 107 of the Uniform System of Accounts) 3. Minor projects (5% of the Balance End of the Year for Account 107 or \$1,000,000, whichever is less) may be grouped.				
Line No.	Description of Project (a)	Construction work in progress - Electric (Account 107) (b)		
1	T/KP/NERC Physical Security	1,857,023		
2	T/KY/KY Transmisison Work	1,729,037		
3	T/KP/Distr Station CI	1,109,057		
4	KYPCo Trans Pre Eng Parent	1,304,706		
5	WS-CI-KEPCo-G PPB	6,074,346		
6	ET-CI-KEPCo-T ASSET IMP	1,782,172		
7	Ed-Ci-Kepeco-D Ast Imp	1,377,684		
8	KyPCo-D Third Party Work Blkt	-1,311,789		
9	Other Minor Projects under \$1,000,000	13,457,533		
10				
11				
12				
13				
14				
15				
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43	TOTAL	27,379,769		

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report
Kentucky Power Company		/ /	2016/Q4
FOOTNOTE DATA			

Schedule Page: 216 Line No.: 1 Column: b

The generation assets in Construction Work in Progress included in KPCo's generation formula rates are identified by a query of the plant accounting system.

Name of Respondent Kentucky Power Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2016/Q4
ACCUMULATED PROVISION FOR DEPRECIATION OF ELECTRIC UTILITY PLANT (Account 108)					
<p>1. Explain in a footnote any important adjustments during year.</p> <p>2. Explain in a footnote any difference between the amount for book cost of plant retired, Line 11, column (c), and that reported for electric plant in service, pages 204-207, column 9d), excluding retirements of non-depreciable property.</p> <p>3. The provisions of Account 108 in the Uniform System of accounts require that retirements of depreciable plant be recorded when such plant is removed from service. If the respondent has a significant amount of plant retired at year end which has not been recorded and/or classified to the various reserve functional classifications, make preliminary closing entries to tentatively functionalize the book cost of the plant retired. In addition, include all costs included in retirement work in progress at year end in the appropriate functional classifications.</p> <p>4. Show separately interest credits under a sinking fund or similar method of depreciation accounting.</p>					
Section A. Balances and Changes During Year					
Line No.	Item (a)	Total (c+d+e) (b)	Electric Plant in Service (c)	Electric Plant Held for Future Use (d)	Electric Plant Leased to Others (e)
1	Balance Beginning of Year	798,231,357	798,231,357		
2	Depreciation Provisions for Year, Charged to				
3	(403) Depreciation Expense	79,130,335	79,130,335		
4	(403.1) Depreciation Expense for Asset Retirement Costs	227,059	227,059		
5	(413) Exp. of Elec. Plt. Leas. to Others				
6	Transportation Expenses-Clearing				
7	Other Clearing Accounts				
8	Other Accounts (Specify, details in footnote):	-10,619	-10,619		
9					
10	TOTAL Deprec. Prov for Year (Enter Total of lines 3 thru 9)	79,346,775	79,346,775		
11	Net Charges for Plant Retired:				
12	Book Cost of Plant Retired	28,604,018	27,501,563	1,102,455	
13	Cost of Removal	7,675,640	7,675,640		
14	Salvage (Credit)	1,549,352	1,549,352		
15	TOTAL Net Chrgs. for Plant Ret. (Enter Total of lines 12 thru 14)	34,730,306	33,627,851	1,102,455	
16	Other Debit or Cr. Items (Describe, details in footnote):	1,084,278	1,084,278		
17					
18	Book Cost or Asset Retirement Costs Retired				
19	Balance End of Year (Enter Totals of lines 1, 10, 15, 16, and 18)	843,932,104	845,034,559	-1,102,455	
Section B. Balances at End of Year According to Functional Classification					
20	Steam Production	412,645,994	413,748,449	-1,102,455	
21	Nuclear Production				
22	Hydraulic Production-Conventional				
23	Hydraulic Production-Pumped Storage				
24	Other Production				
25	Transmission	193,091,844	193,091,844		
26	Distribution	226,689,503	226,689,503		
27	Regional Transmission and Market Operation				
28	General	11,504,763	11,504,763		
29	TOTAL (Enter Total of lines 20 thru 28)	843,932,104	845,034,559	-1,102,455	

Name of Respondent	This Report is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Kentucky Power Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	/ /	2016/Q4
FOOTNOTE DATA			

Schedule Page: 219 Line No.: 8 Column: c

Big Sandy Ash Pond deferred depreciation expense (ref: Case No. 2012-00578)	\$186,533
Environmental costs recovered per KPSC Order (ref: Case No. 2014-00396)	-510,434
Asbestos ARO depreciation expense in account 1080013	5,632
Commission approved to recover Big Sandy U1 non fuel operating costs during conversion to natural gas (ref: Case No. 2014-00396)	<u>307,650</u>
Total	\$-10,619

Schedule Page: 219 Line No.: 13 Column: c

Includes \$2,177,919 of removal cost in retirement work in progress (RWIP).

Schedule Page: 219 Line No.: 14 Column: c

Includes (\$717,955) of salvage in retirement work in progress (RWIP).

Schedule Page: 219 Line No.: 16 Column: c

Reserve adjustment for ASH #3 Mitchell	\$1,366,188
Asbestos ARO reserve in account 1080013	<u>-281,910</u>
Total	\$1,084,278

Name of Respondent Kentucky Power Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2016/Q4
INVESTMENTS IN SUBSIDIARY COMPANIES (Account 123.1)					
<p>1. Report below investments in Accounts 123.1, investments in Subsidiary Companies. 2. Provide a subheading for each company and List there under the information called for below. Sub - TOTAL by company and give a TOTAL in columns (e),(f),(g) and (h) (a) Investment in Securities - List and describe each security owned. For bonds give also principal amount, date of issue, maturity and interest rate. (b) Investment Advances - Report separately the amounts of loans or investment advances which are subject to repayment, but which are not subject to current settlement. With respect to each advance show whether the advance is a note or open account. List each note giving date of issuance, maturity date, and specifying whether note is a renewal. 3. Report separately the equity in undistributed subsidiary earnings since acquisition. The TOTAL in column (e) should equal the amount entered for Account 418.1.</p>					
Line No.	Description of Investment (a)	Date Acquired (b)	Date Of Maturity (c)	Amount of Investment at Beginning of Year (d)	
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42	Total Cost of Account 123.1 \$	0		TOTAL	

Name of Respondent Kentucky Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of <u>2016/Q4</u>	
INVESTMENTS IN SUBSIDIARY COMPANIES (Account 123.1) (Continued)				
<p>4. For any securities, notes, or accounts that were pledged designate such securities, notes, or accounts in a footnote, and state the name of pledgee and purpose of the pledge.</p> <p>5. If Commission approval was required for any advance made or security acquired, designate such fact in a footnote and give name of Commission, date of authorization, and case or docket number.</p> <p>6. Report column (f) interest and dividend revenues from investments, including such revenues from securities disposed of during the year.</p> <p>7. In column (h) report for each investment disposed of during the year, the gain or loss represented by the difference between cost of the investment (or the other amount at which carried in the books of account if difference from cost) and the selling price thereof, not including interest adjustment includible in column (f).</p> <p>8. Report on Line 42, column (a) the TOTAL cost of Account 123.1</p>				
Equity in Subsidiary Earnings of Year (e)	Revenues for Year (f)	Amount of Investment at End of Year (g)	Gain or Loss from Investment Disposed of (h)	Line No.
				1
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Name of Respondent Kentucky Power Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of <u>2016/Q4</u>
MATERIALS AND SUPPLIES					
<p>1. For Account 154, report the amount of plant materials and operating supplies under the primary functional classifications as indicated in column (a); estimates of amounts by function are acceptable. In column (d), designate the department or departments which use the class of material.</p> <p>2. Give an explanation of important inventory adjustments during the year (in a footnote) showing general classes of material and supplies and the various accounts (operating expenses, clearing accounts, plant, etc.) affected debited or credited. Show separately debit or credits to stores expense clearing, if applicable.</p>					
Line No.	Account (a)	Balance Beginning of Year (b)	Balance End of Year (c)	Department or Departments which Use Material (d)	
1	Fuel Stock (Account 151)	21,255,090	19,198,596	Electric	
2	Fuel Stock Expenses Undistributed (Account 152)	829,982	624,851	Electric	
3	Residuals and Extracted Products (Account 153)				
4	Plant Materials and Operating Supplies (Account 154)				
5	Assigned to - Construction (Estimated)	5,040,576	4,496,561	Electric	
6	Assigned to - Operations and Maintenance				
7	Production Plant (Estimated)	11,274,805	11,018,982	Electric	
8	Transmission Plant (Estimated)	54,994	334,793	Electric	
9	Distribution Plant (Estimated)	262,608	252,460	Electric	
10	Regional Transmission and Market Operation Plant (Estimated)				
11	Assigned to - Other (provide details in footnote)	43,510	21,998	Electric	
12	TOTAL Account 154 (Enter Total of lines 5 thru 11)	16,676,493	16,124,794		
13	Merchandise (Account 155)				
14	Other Materials and Supplies (Account 156)				
15	Nuclear Materials Held for Sale (Account 157) (Not applic to Gas Util)				
16	Stores Expense Undistributed (Account 163)				
17					
18					
19					
20	TOTAL Materials and Supplies (Per Balance Sheet)	38,761,565	35,948,241		

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report
Kentucky Power Company		/ /	2016/Q4
FOOTNOTE DATA			

Schedule Page: 227 Line No.: 11 Column: c
Assigned to - Other includes customer account, administrative and general expenses.

Name of Respondent Kentucky Power Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2016/Q4
Allowances (Accounts 158.1 and 158.2)					
<p>1. Report below the particulars (details) called for concerning allowances.</p> <p>2. Report all acquisitions of allowances at cost.</p> <p>3. Report allowances in accordance with a weighted average cost allocation method and other accounting as prescribed by General Instruction No. 21 in the Uniform System of Accounts.</p> <p>4. Report the allowances transactions by the period they are first eligible for use: the current year's allowances in columns (b)-(c), allowances for the three succeeding years in columns (d)-(i), starting with the following year, and allowances for the remaining succeeding years in columns (j)-(k).</p> <p>5. Report on line 4 the Environmental Protection Agency (EPA) issued allowances. Report withheld portions Lines 36-40.</p>					
Line No.	SO2 Allowances Inventory (Account 158.1) (a)	Current Year		2017	
		No. (b)	Amt. (c)	No. (d)	Amt. (e)
1	Balance-Beginning of Year	177,242.00	10,028,244	54,080.00	
2					
3	Acquired During Year:				
4	Issued (Less Withheld Allow)	1,625.00		13,968.00	
5	Returned by EPA				
6					
7					
8	Purchases/Transfers:				
9					
10					
11					
12					
13					
14					
15	Total				
16					
17	Relinquished During Year:				
18	Charges to Account 509	15,059.00	573,015		
19	Other:				
20					
21	Cost of Sales/Transfers:				
22	Consent Decree Surrender			39,988.00	
23	Southern Illinois Power C	2,000.00	2,427		
24					
25					
26					
27					
28	Total	2,000.00	2,427	39,988.00	
29	Balance-End of Year	161,808.00	9,452,802	28,060.00	
30					
31	Sales:				
32	Net Sales Proceeds(Assoc. Co.)		5,000		
33	Net Sales Proceeds (Other)		2,573		
34	Gains				
35	Losses				
	Allowances Withheld (Acct 158.2)				
36	Balance-Beginning of Year	362.00		362.00	
37	Add: Withheld by EPA				
38	Deduct: Returned by EPA				
39	Cost of Sales	362.00			
40	Balance-End of Year			362.00	
41					
42	Sales:				
43	Net Sales Proceeds (Assoc. Co.)				
44	Net Sales Proceeds (Other)		58		
45	Gains		58		
46	Losses				

Name of Respondent Kentucky Power Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) / /		Year/Period of Report End of 2016/Q4		
Allowances (Accounts 158.1 and 158.2) (Continued)								
6. Report on Lines 5 allowances returned by the EPA. Report on Line 39 the EPA's sales of the withheld allowances. Report on Lines 43-46 the net sales proceeds and gains/losses resulting from the EPA's sale or auction of the withheld allowances.								
7. Report on Lines 8-14 the names of vendors/transfers of allowances acquire and identify associated companies (See "associated company" under "Definitions" in the Uniform System of Accounts).								
8. Report on Lines 22 - 27 the name of purchasers/ transferees of allowances disposed of an identify associated companies.								
9. Report the net costs and benefits of hedging transactions on a separate line under purchases/transfers and sales/transfers.								
10. Report on Lines 32-35 and 43-46 the net sales proceeds and gains or losses from allowance sales.								
2018		2019		Future Years		Totals		Line No.
No. (f)	Amt. (g)	No. (h)	Amt. (i)	No. (j)	Amt. (k)	No. (l)	Amt. (m)	
54,080.00		54,080.00		1,388,096.00		1,727,578.00	10,028,244	1
								2
								3
13,968.00				54,271.00		83,832.00		4
								5
								6
								7
								8
								9
								10
								11
								12
								13
								14
								15
								16
								17
						15,059.00	573,015	18
								19
								20
								21
						39,988.00		22
						2,000.00	2,427	23
								24
								25
								26
								27
						41,988.00	2,427	28
68,048.00		54,080.00		1,442,367.00		1,754,363.00	9,452,802	29
								30
								31
							5,000	32
							2,573	33
								34
								35
								36
362.00		362.00		24,244.00		25,692.00		37
				723.00		723.00		38
				361.00		723.00		39
362.00		362.00		24,606.00		25,692.00		40
								41
								42
								43
						18		44
						18		45
								46

Name of Respondent Kentucky Power Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2016/Q4
Allowances (Accounts 158.1 and 158.2)					
<p>1. Report below the particulars (details) called for concerning allowances.</p> <p>2. Report all acquisitions of allowances at cost.</p> <p>3. Report allowances in accordance with a weighted average cost allocation method and other accounting as prescribed by General Instruction No. 21 in the Uniform System of Accounts.</p> <p>4. Report the allowances transactions by the period they are first eligible for use: the current year's allowances in columns (b)-(c), allowances for the three succeeding years in columns (d)-(i), starting with the following year, and allowances for the remaining succeeding years in columns (j)-(k).</p> <p>5. Report on line 4 the Environmental Protection Agency (EPA) issued allowances. Report withheld portions Lines 36-40.</p>					
Line No.	NOx Allowances Inventory (Account 158.1) (a)	Current Year		2017	
		No. (b)	Amt. (c)	No. (d)	Amt. (e)
1	Balance-Beginning of Year	17,967.00			
2					
3	Acquired During Year:				
4	Issued (Less Withheld Allow)	453.00		9,904.00	
5	Returned by EPA				
6					
7					
8	Purchases/Transfers:				
9					
10					
11					
12					
13					
14					
15	Total				
16					
17	Relinquished During Year:				
18	Charges to Account 509	6,725.00			
19	Other:				
20					
21	Cost of Sales/Transfers:				
22	Associated Electric Coop	3,000.00			
23	Duke Energy Kentucky, Inc	300.00			
24	Luminant Energy Co.	1,500.00			
25	Monongahela Power	1,000.00			
26	Prarie Power, Inc.	15.00			
27	Other	1,000.00			
28	Total	6,815.00			
29	Balance-End of Year	4,880.00		9,904.00	
30					
31	Sales:				
32	Net Sales Proceeds(Assoc. Co.)				
33	Net Sales Proceeds (Other)		393,225		
34	Gains		393,225		
35	Losses				
	Allowances Withheld (Acct 158.2)				
36	Balance-Beginning of Year				
37	Add: Withheld by EPA				
38	Deduct: Returned by EPA				
39	Cost of Sales				
40	Balance-End of Year				
41					
42	Sales:				
43	Net Sales Proceeds (Assoc. Co.)				
44	Net Sales Proceeds (Other)				
45	Gains				
46	Losses				

Name of Respondent Kentucky Power Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) / /		Year/Period of Report End of 2016/Q4		
Allowances (Accounts 158.1 and 158.2) (Continued)								
6. Report on Lines 5 allowances returned by the EPA. Report on Line 39 the EPA's sales of the withheld allowances. Report on Lines 43-46 the net sales proceeds and gains/losses resulting from the EPA's sale or auction of the withheld allowances.								
7. Report on Lines 8-14 the names of vendors/transfers of allowances acquire and identify associated companies (See "associated company" under "Definitions" in the Uniform System of Accounts).								
8. Report on Lines 22 - 27 the name of purchasers/ transferees of allowances disposed of an identify associated companies.								
9. Report the net costs and benefits of hedging transactions on a separate line under purchases/transfers and sales/transfers.								
10. Report on Lines 32-35 and 43-46 the net sales proceeds and gains or losses from allowance sales.								
2018		2019		Future Years		Totals		Line No.
No. (f)	Amt. (g)	No. (h)	Amt. (i)	No. (j)	Amt. (k)	No. (l)	Amt. (m)	
						17,967.00		1
								2
								3
	9,937.00					20,294.00		4
								5
								6
								7
								8
								9
								10
								11
								12
								13
								14
								15
								16
								17
						6,725.00		18
								19
								20
								21
						3,000.00		22
						300.00		23
						1,500.00		24
						1,000.00		25
						15.00		26
						1,000.00		27
						6,815.00		28
	9,937.00					24,721.00		29
								30
								31
								32
							393,225	33
							393,225	34
								35
								36
								37
								38
								39
								40
								41
								42
								43
								44
								45
								46

Name of Respondent Kentucky Power Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) / /		Year/Period of Report End of 2016/Q4	
EXTRAORDINARY PROPERTY LOSSES (Account 182.1)							
Line No.	Description of Extraordinary Loss [Include in the description the date of Commission Authorization to use Acc 182.1 and period of amortization (mo, yr to mo, yr).] (a)	Total Amount of Loss (b)	Losses Recognised During Year (c)	WRITTEN OFF DURING YEAR		Balance at End of Year (f)	
				Account Charged (d)	Amount (e)		
1							
2							
3							
4							
5							
6							
7							
8							
9							
10							
11							
12							
13							
14							
15							
16							
17							
18							
19							
20	TOTAL						

Name of Respondent Kentucky Power Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) / /		Year/Period of Report End of 2016/Q4	
UNRECOVERED PLANT AND REGULATORY STUDY COSTS (182.2)							
Line No.	Description of Unrecovered Plant and Regulatory Study Costs [Include in the description of costs, the date of Commission Authorization to use Acc 182.2 and period of amortization (mo, yr to mo, yr)] (a)	Total Amount of Charges (b)	Costs Recognised During Year (c)	WRITTEN OFF DURING YEAR		Balance at End of Year (f)	
				Account Charged (d)	Amount (e)		
21							
22							
23							
24							
25							
26							
27							
28							
29							
30							
31							
32							
33							
34							
35							
36							
37							
38							
39							
40							
41							
42							
43							
44							
45							
46							
47							
48							
49	TOTAL						

Name of Respondent Kentucky Power Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2016/Q4
Transmission Service and Generation Interconnection Study Costs					
1. Report the particulars (details) called for concerning the costs incurred and the reimbursements received for performing transmission service and generator interconnection studies. 2. List each study separately. 3. In column (a) provide the name of the study. 4. In column (b) report the cost incurred to perform the study at the end of period. 5. In column (c) report the account charged with the cost of the study. 6. In column (d) report the amounts received for reimbursement of the study costs at end of period. 7. In column (e) report the account credited with the reimbursement received for performing the study.					
Line No.	Description (a)	Costs Incurred During Period (b)	Account Charged (c)	Reimbursements Received During the Period (d)	Account Credited With Reimbursement (e)
1	Transmission Studies				
2	NONE				
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					
21	Generation Studies				
22	Big Sandy U1	20,000	107		
23					
24					
25					
26					
27					
28					
29					
30					
31					
32					
33					
34					
35					
36					
37					
38					
39					
40					

Name of Respondent Kentucky Power Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2016/Q4	
OTHER REGULATORY ASSETS (Account 182.3)						
<p>1. Report below the particulars (details) called for concerning other regulatory assets, including rate order docket number, if applicable. 2. Minor items (5% of the Balance in Account 182.3 at end of period, or amounts less than \$100,000 which ever is less), may be grouped by classes. 3. For Regulatory Assets being amortized, show period of amortization.</p>						
Line No.	Description and Purpose of Other Regulatory Assets (a)	Balance at Beginning of Current Quarter/Year (b)	Debits (c)	CREDITS		Balance at end of Current Quarter/Year (f)
				Written off During the Quarter/Year Account Charged (d)	Written off During the Period Amount (e)	
1	Deferred Storm Expense	4,377,336	381,440	593	381,440	4,377,336
2	Kentucky PSC Case No. 2016-00180					
3						
4	Deferred Storm Expenses	10,931,400		593	2,429,200	8,502,200
5	Kentucky PSC Case No. 2014-00396					
6	Amortz period: July 2015 - June 2020					
7						
8	SFAS 109 Deferred FIT	79,642,868	18,014,937	190,282-3	12,938,503	84,719,302
9						
10	SFAS 109 Deferred SIT	81,299,120	7,857,987	283	597,834	88,559,273
11						
12	Post In-Service AFUDC Hanging Rock/	565,416		406	33,408	532,008
13	Jefferson 765 KV Line					
14	Amortz period: Dec 1984 - Nov 2032					
15						
16	Depreciation Expense - Hanging Rock/	88,105		406	5,208	82,897
17	Jefferson 765 KV Line					
18	Amortz period: Dec 1984 - Nov 2032					
19						
20	Deferred DSM Expense	4,332,393	11,582,642	456,908	6,839,714	9,075,321
21						
22	RTO Deferred Equity Carrying Charge	(50,352)	12,588			-37,764
23						
24	BridgeCo Transmission Org Funding	158,382		407,421	35,099	123,283
25	Amortz period: Jan 2005 - Dec 2019					
26	FERC Docket AC04-101-000					
27						
28	Other PJM Integration	167,331		407,421	37,082	130,249
29	Amortz period: Jan 2005 - Dec 2019					
30	FERC Docket AC04-101-000					
31						
32	Carrying Charges - RTO Startup Costs	104,719	36,071	407,421	59,278	81,512
33	Amortz period: Jan 2005 - Dec 2019					
34	FERC Docket AC04-101-000					
35						
36	Alliance RTO Deferred Expense	82,896		407,421	18,371	64,525
37	Amortz period: Jan 2005 - Dec 2019					
38	FERC Docket AC04-101-000					
39						
40	SFAS 112 Post Employment Benefit	4,556,944	99,398	Various	1,368,077	3,288,265
41						
42	SFAS 158 Employers' Accounting for Defined	52,686,887	8,751,477	Various	3,894,477	57,543,887
43	Benefit Pension and Other Postretirement Plans					
44	TOTAL	518,260,211	117,566,589		78,471,696	557,355,104

Name of Respondent Kentucky Power Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2016/Q4	
OTHER REGULATORY ASSETS (Account 182.3)						
<p>1. Report below the particulars (details) called for concerning other regulatory assets, including rate order docket number, if applicable. 2. Minor items (5% of the Balance in Account 182.3 at end of period, or amounts less than \$100,000 which ever is less), may be grouped by classes. 3. For Regulatory Assets being amortized, show period of amortization.</p>						
Line No.	Description and Purpose of Other Regulatory Assets (a)	Balance at Beginning of Current Quarter/Year (b)	Debits (c)	CREDITS		Balance at end of Current Quarter/Year (f)
				Written off During the Quarter/Year Account Charged (d)	Written off During the Period Amount (e)	
1	Unrealized Loss on Forward Commitments	163,705	1,515,670	Various	3,045,359	-1,365,984
2						
3	Netting of Trading Activities related to					
4	Unrealized Gains/Losses on Forward Commitments					
5	between Regulated Assets/Liabilities		3,521,297	Various	2,141,406	1,379,891
6						
7	SFAS 106 Medicare Subsidy	1,949,580		926	216,620	1,732,960
8	Amortz period: Jan 2013 - Dec 2024					
9						
10	Under Recovery of PJM True-Up	107,473		Various	107,473	
11						
12	Cost of Removal-Big Sandy Coal	(62,152,299)	20,420,295			-41,732,004
13	Kentucky PSC Case No. 2014-00396					
14						
15	NBV - AROs Retired Plants	58,030,594	5,603,792	108	14,692,288	48,942,098
16	Kentucky PSC Case No. 2014-00396					
17						
18	M&S - Retiring Plants	4,484,987		154	581,694	3,903,293
19	Kentucky PSC Case No. 2014-00396					
20						
21	Unrecovered Plant - Big Sandy	255,341,849	1,854,095			257,195,944
22	Kentucky PSC Case No. 2014-00396					
23						
24	IGCC Pre-Construction Costs	1,304,629		506	53,250	1,251,379
25	Kentucky PSC Case No. 2014-00396					
26						
27	CCS FEED Study Costs	855,401		506	34,914	820,487
28	Kentucky PSC Case No. 2014-00396					
29						
30	Spent AROs - Big Sandy Coal	7,640,012	13,611,879	108	2,907,897	18,343,994
31	Kentucky PSC Case No. 2014-00396					
32						
33	Big Sandy Recovery Over/Under	(653,541)	204,935	407	2,635,318	-3,083,924
34	Kentucky PSC Case No. 2014-00396					
35						
36	Big Sandy Retirement Rider Unit 2 O&M	744,460	107,546	506	11,090	840,916
37	Kentucky PSC Case No. 2014-00396					
38						
39	Unrecovered Purchased Power-PPA	232,630	457,101	555	657,497	32,234
40	Kentucky PSC Case No. 2014-00396					
41						
42	Deferred Depreciation - Environmental	2,200,642	1,985,731	403	2,496,165	1,690,208
43	Kentucky PSC Case No. 2014-00396					
44	TOTAL	518,260,211	117,566,589		78,471,696	557,355,104

Name of Respondent Kentucky Power Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2016/Q4	
OTHER REGULATORY ASSETS (Account 182.3)						
<p>1. Report below the particulars (details) called for concerning other regulatory assets, including rate order docket number, if applicable.</p> <p>2. Minor items (5% of the Balance in Account 182.3 at end of period, or amounts less than \$100,000 which ever is less), may be grouped by classes.</p> <p>3. For Regulatory Assets being amortized, show period of amortization.</p>						
Line No.	Description and Purpose of Other Regulatory Assets (a)	Balance at Beginning of Current Quarter/Year (b)	Debits (c)	CREDITS		Balance at end of Current Quarter/Year (f)
				Written off During the Quarter/Year Account Charged (d)	Written off During the Period Amount (e)	
1						
2	Carrying Charge - Environmental	4,646,176	3,749,056	421,431	5,259,052	3,136,180
3	Kentucky PSC Case No. 2014-00396					
4						
5	CC - Unrec Equity - Environmental	(2,326,527)	2,635,178	1823	1,877,694	-1,569,043
6	Kentucky PSC Case No. 2014-00396					
7						
8	Deferred O&M - Environmental	1,533,474	1,862,144	Various	1,816,596	1,579,022
9	Kentucky PSC Case No. 2014-00396					
10						
11	Deferred Consumable Expense Environmental	267,460	835,657	502	294,369	808,748
12	Kentucky PSC Case No. 2014-00396					
13						
14	Deferred Property Tax - Environmental	43,511	36,588	408	48,860	31,239
15	Kentucky PSC Case No. 2014-00396					
16						
17	BS1OR Under Recovery	4,902,550	3,947,161	Various	4,951,875	3,897,836
18	Kentucky PSC Case No. 2014-00396					
19						
20	Unrecovered Fuel Cost		7,658,395	Various	5,735,325	1,923,070
21						
22	NERC Compliance and Cybersecurity Costs		73,676	421,403	22,225	51,451
23	Kentucky PSC Case No. 2014-00396					
24						
25	Capacity Charge Tariff		749,853	Various	247,038	502,815
26	Kentucky PSC Case No. 2014-00396, TFS 2016-00430					
27						
28						
29						
30						
31						
32						
33						
34						
35						
36						
37						
38						
39						
40						
41						
42						
43						
44	TOTAL	518,260,211	117,566,589		78,471,696	557,355,104

Name of Respondent Kentucky Power Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2016/Q4	
MISCELLANEOUS DEFERRED DEBITS (Account 186)						
1. Report below the particulars (details) called for concerning miscellaneous deferred debits. 2. For any deferred debit being amortized, show period of amortization in column (a) 3. Minor item (1% of the Balance at End of Year for Account 186 or amounts less than \$100,000, whichever is less) may be grouped by classes.						
Line No.	Description of Miscellaneous Deferred Debits (a)	Balance at Beginning of Year (b)	Debits (c)	CREDITS		Balance at End of Year (f)
				Account Charged (d)	Amount (e)	
1	Deferred Property Tax	17,131,121	16,474,283	408	16,827,059	16,778,345
2						
3	Agency Fees - Factored A/R	763,548	11,950,631	Various	11,717,800	996,379
4						
5	Unamortized Credit Line Fees	303,247	258,216	431	153,966	407,497
6	Amortized thru June 2021					
7						
8	Deferred Lease Assets	69,104	175,529	Various	202,524	42,109
9						
10	Miscellaneous Items	600	103,467	Various	85,236	18,831
11						
12						
13						
14						
15						
16						
17						
18						
19						
20						
21						
22						
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39						
40						
41						
42						
43						
44						
45						
46						
47	Misc. Work in Progress	95,308				55,122
48	Deferred Regulatory Comm. Expenses (See pages 350 - 351)					
49	TOTAL	18,362,928				18,298,283

Name of Respondent Kentucky Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2016/Q4
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ACCUMULATED DEFERRED INCOME TAXES (Account 190)

1. Report the information called for below concerning the respondent's accounting for deferred income taxes.
2. At Other (Specify), include deferrals relating to other income and deductions.

Line No.	Description and Location (a)	Balance of Beginning of Year (b)	Balance at End of Year (c)
1	Electric		
2	Provision Revenue Refunds	402,861	644,214
3	Accrued BK ARO Exp	25,204,320	22,047,989
4	Int Exp Capd for Tax	8,218,545	8,188,898
5	Pension	-16,503,324	-16,026,954
6	NOL State Deferred Tax Asset	4,844,539	5,310,754
7	Other	10,973,010	4,932,956
8	TOTAL Electric (Enter Total of lines 2 thru 7)	33,139,951	25,097,857
9	Gas		
10			
11			
12			
13			
14			
15	Other		
16	TOTAL Gas (Enter Total of lines 10 thru 15)		
17	Other (Specify)	29,854,573	33,528,476
18	TOTAL (Acct 190) (Total of lines 8, 16 and 17)	62,994,524	58,626,333

Notes

Page 234 Line 17	Beginning of Year	End of Year
Non Utility -Acct 190.2	274,963	1,546,403
SFAS 109	28,693,585	31,252,748
SFAS 133	54,225	21,690
SFAS 87	831,800	707,635
	-----	-----
	29,854,573	33,528,476
 Summary:		
1901001 Accum DFIT -Other		19,787,103
1902001 Accum DFIT-Other Income & Deductions		1,546,403
1901002 Accum DSIT		5,310,754
1903001 Accum DFIT- SFAS 109 Flow Thru		30,990,366
1904001 Accum DFIT - SFAS 109 Excess		262,382

Subtotal A/C 190		57,897,008
1900010/11 ADIT Federal - Pension OCI/NON UMWA		707,635
1900015 ADIT Federal Hdg CF Int Rate		21,690

Subtotal A/C 190		729,325
Total A/C 190		58,626,333

Name of Respondent Kentucky Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of <u>2016/Q4</u>
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CAPITAL STOCKS (Account 201 and 204)

1. Report below the particulars (details) called for concerning common and preferred stock at end of year, distinguishing separate series of any general class. Show separate totals for common and preferred stock. If information to meet the stock exchange reporting requirement outlined in column (a) is available from the SEC 10-K Report Form filing, a specific reference to report form (i.e., year and company title) may be reported in column (a) provided the fiscal years for both the 10-K report and this report are compatible.
 2. Entries in column (b) should represent the number of shares authorized by the articles of incorporation as amended to end of year.

Line No.	Class and Series of Stock and Name of Stock Series (a)	Number of shares Authorized by Charter (b)	Par or Stated Value per share (c)	Call Price at End of Year (d)
1	Common Stock	2,000,000	50.00	
2				
3	Total Common Stock	2,000,000		
4				
5				
6	Preferred Stock: None			
7				
8	Total Preferred Stock			
9				
10				
11				
12				
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42				

Name of Respondent Kentucky Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2016/Q4
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CAPITAL STOCKS (Account 201 and 204) (Continued)

3. Give particulars (details) concerning shares of any class and series of stock authorized to be issued by a regulatory commission which have not yet been issued.
4. The identification of each class of preferred stock should show the dividend rate and whether the dividends are cumulative or non-cumulative.
5. State in a footnote if any capital stock which has been nominally issued is nominally outstanding at end of year.
Give particulars (details) in column (a) of any nominally issued capital stock, reacquired stock, or stock in sinking and other funds which is pledged, stating name of pledgee and purposes of pledge.

OUTSTANDING PER BALANCE SHEET (Total amount outstanding without reduction for amounts held by respondent)		HELD BY RESPONDENT				Line No.
		AS REACQUIRED STOCK (Account 217)		IN SINKING AND OTHER FUNDS		
Shares (e)	Amount (f)	Shares (g)	Cost (h)	Shares (i)	Amount (j)	
1,009,000	50,450,000					1
						2
1,009,000	50,450,000					3
						4
						5
						6
						7
						8
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						42

Name of Respondent Kentucky Power Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2016/Q4
OTHER PAID-IN CAPITAL (Accounts 208-211, inc.)					
<p>Report below the balance at the end of the year and the information specified below for the respective other paid-in capital accounts. Provide a subheading for each account and show a total for the account, as well as total of all accounts for reconciliation with balance sheet, Page 112. Add more columns for any account if deemed necessary. Explain changes made in any account during the year and give the accounting entries effecting such change.</p> <p>(a) Donations Received from Stockholders (Account 208)-State amount and give brief explanation of the origin and purpose of each donation. (b) Reduction in Par or Stated value of Capital Stock (Account 209): State amount and give brief explanation of the capital change which gave rise to amounts reported under this caption including identification with the class and series of stock to which related. (c) Gain on Resale or Cancellation of Reacquired Capital Stock (Account 210): Report balance at beginning of year, credits, debits, and balance at end of year with a designation of the nature of each credit and debit identified by the class and series of stock to which related. (d) Miscellaneous Paid-in Capital (Account 211)-Classify amounts included in this account according to captions which, together with brief explanations, disclose the general nature of the transactions which gave rise to the reported amounts.</p>					
Line No.	Item (a)	Amount (b)			
1	Account 208 - Donations Received From Stockholders				
2	Contributions by Parent Company prior to 2016	524,497,892			
3	Noncash Capital Contribution Returned to Parent	-1,173,798			
4					
5					
6	Subtotal - Account 208	523,324,094			
7					
8	Account 209 - Reduction in Par or Stated Value of Capital Stock				
9					
10	Account 210 - Gain on Resale/Cancellation of Reacquired Capital Stock				
11					
12	Account 211 - Miscellaneous Paid-In-Capital	2,811,185			
13					
14					
15					
16					
17					
18					
19					
20					
21					
22					
23					
24					
25					
26					
27					
28					
29					
30					
31					
32					
33					
34					
35					
36					
37					
38					
39					
40	TOTAL	526,135,279			

Name of Respondent Kentucky Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of <u>2016/Q4</u>
CAPITAL STOCK EXPENSE (Account 214)			
<p>1. Report the balance at end of the year of discount on capital stock for each class and series of capital stock. 2. If any change occurred during the year in the balance in respect to any class or series of stock, attach a statement giving particulars (details) of the change. State the reason for any charge-off of capital stock expense and specify the account charged.</p>			
Line No.	Class and Series of Stock (a)	Balance at End of Year (b)	
1			
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21			
22 TOTAL			

Name of Respondent Kentucky Power Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2016/Q4
LONG-TERM DEBT (Account 221, 222, 223 and 224)				
<p>1. Report by balance sheet account the particulars (details) concerning long-term debt included in Accounts 221, Bonds, 222, Reacquired Bonds, 223, Advances from Associated Companies, and 224, Other long-Term Debt.</p> <p>2. In column (a), for new issues, give Commission authorization numbers and dates.</p> <p>3. For bonds assumed by the respondent, include in column (a) the name of the issuing company as well as a description of the bonds.</p> <p>4. For advances from Associated Companies, report separately advances on notes and advances on open accounts. Designate demand notes as such. Include in column (a) names of associated companies from which advances were received.</p> <p>5. For receivers, certificates, show in column (a) the name of the court -and date of court order under which such certificates were issued.</p> <p>6. In column (b) show the principal amount of bonds or other long-term debt originally issued.</p> <p>7. In column (c) show the expense, premium or discount with respect to the amount of bonds or other long-term debt originally issued.</p> <p>8. For column (c) the total expenses should be listed first for each issuance, then the amount of premium (in parentheses) or discount. Indicate the premium or discount with a notation, such as (P) or (D). The expenses, premium or discount should not be netted.</p> <p>9. Furnish in a footnote particulars (details) regarding the treatment of unamortized debt expense, premium or discount associated with issues redeemed during the year. Also, give in a footnote the date of the Commission's authorization of treatment other than as specified by the Uniform System of Accounts.</p>				
Line No.	Class and Series of Obligation, Coupon Rate (For new issue, give commission Authorization numbers and dates) (a)	Principal Amount Of Debt issued (b)	Total expense, Premium or Discount (c)	
1	ACCOUNT 221 - BONDS			
2	SUBTOTAL ACCOUNT 221 - BONDS			
3				
4	ACCOUNT 222 - REQUIRED BONDS			
5	SUBTOTAL ACCOUNT 222 - REQUIRED BONDS			
6				
7	ACCOUNT 223 - ADVANCES FROM ASSOCIATED COMPANIES			
8	SUBTOTAL ACCOUNT 223 - ADVANCES FROM ASSOCIATED COMPANIES			
9				
10	ACCOUNT 224 - OTHER LONG-TERM DEBT			
11	Senior Unsecured Notes - 5.625%, Series D	75,000,000	736,575	
12				
13	Senior Unsecured Notes - 6.000%, Series E	325,000,000	2,277,883	
14	KPSC Authority Docket No.2006-0034		1,667,250	D
15				
16	Amortization of Cash Flow Hedges on 6.000% SUN			
17				
18	Senior Unsecured Notes - 7.250%, State Commission Authority Case # 2008-00442	40,000,000	217,919	
19				
20	Senior Unsecured Notes - 8.030%, State Commission Authority Case # 2008-00442	30,000,000	148,032	
21				
22	Senior Unsecured Notes - 8.130%, State Commission Authority Case # 2008-00442	60,000,000	342,285	
23				
24	Senior Unsecured Notes - 4.180%, Series A	120,000,000	638,464	
25	State Commission Authority Case# 2014-00210			
26				
27	Senior Unsecured Notes - 4.33%, Series B	80,000,000	414,941	
28	State Commission Authority Case# 2014-00210			
29				
30	West Virginia Economic Development Authority Mitchell Project Series 2014A	65,000,000	675,501	
31	State Commision Authority Case# 2013-00410			
32				
33	TOTAL	870,000,000	7,628,124	

Name of Respondent Kentucky Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of <u>2016/Q4</u>
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LONG-TERM DEBT (Account 221, 222, 223 and 224)

1. Report by balance sheet account the particulars (details) concerning long-term debt included in Accounts 221, Bonds, 222, Reacquired Bonds, 223, Advances from Associated Companies, and 224, Other long-Term Debt.

2. In column (a), for new issues, give Commission authorization numbers and dates.

3. For bonds assumed by the respondent, include in column (a) the name of the issuing company as well as a description of the bonds.

4. For advances from Associated Companies, report separately advances on notes and advances on open accounts. Designate demand notes as such. Include in column (a) names of associated companies from which advances were received.

5. For receivers, certificates, show in column (a) the name of the court -and date of court order under which such certificates were issued.

6. In column (b) show the principal amount of bonds or other long-term debt originally issued.

7. In column (c) show the expense, premium or discount with respect to the amount of bonds or other long-term debt originally issued.

8. For column (c) the total expenses should be listed first for each issuance, then the amount of premium (in parentheses) or discount. Indicate the premium or discount with a notation, such as (P) or (D). The expenses, premium or discount should not be netted.

9. Furnish in a footnote particulars (details) regarding the treatment of unamortized debt expense, premium or discount associated with issues redeemed during the year. Also, give in a footnote the date of the Commission's authorization of treatment other than as specified by the Uniform System of Accounts.

Line No.	Class and Series of Obligation, Coupon Rate (For new issue, give commission Authorization numbers and dates) (a)	Principal Amount Of Debt issued (b)	Total expense, Premium or Discount (c)
1	Local Bank Term Loan, State Commission Authority Case# 2014-00210	75,000,000	509,274
2			
3	SUBTOTAL ACCOUNT 224 - OTHER LONG-TERM DEBT	870,000,000	7,628,124
4			
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30			
31			
32			
33	TOTAL	870,000,000	7,628,124

Name of Respondent Kentucky Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2016/Q4
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LONG-TERM DEBT (Account 221, 222, 223 and 224) (Continued)

10. Identify separate undisposed amounts applicable to issues which were redeemed in prior years.
11. Explain any debits and credits other than debited to Account 428, Amortization and Expense, or credited to Account 429, Premium on Debt - Credit.
12. In a footnote, give explanatory (details) for Accounts 223 and 224 of net changes during the year. With respect to long-term advances, show for each company: (a) principal advanced during year, (b) interest added to principal amount, and (c) principle repaid during year. Give Commission authorization numbers and dates.
13. If the respondent has pledged any of its long-term debt securities give particulars (details) in a footnote including name of pledgee and purpose of the pledge.
14. If the respondent has any long-term debt securities which have been nominally issued and are nominally outstanding at end of year, describe such securities in a footnote.
15. If interest expense was incurred during the year on any obligations retired or reacquired before end of year, include such interest expense in column (i). Explain in a footnote any difference between the total of column (i) and the total of Account 427, interest on Long-Term Debt and Account 430, Interest on Debt to Associated Companies.
16. Give particulars (details) concerning any long-term debt authorized by a regulatory commission but not yet issued.

Nominal Date of Issue (d)	Date of Maturity (e)	AMORTIZATION PERIOD		Outstanding (Total amount outstanding without reduction for amounts held by respondent) (h)	Interest for Year Amount (i)	Line No.
		Date From (f)	Date To (g)			
						1
						2
						3
						4
						5
						6
						7
						8
						9
						10
06/13/2003	12/01/2032	06/13/2003	12/01/2032	75,000,000	4,218,750	11
						12
09/11/2007	09/15/2017	09/11/2007	09/15/2017	325,000,000	19,500,000	13
						14
						15
		09/11/2007	09/15/2017		92,956	16
						17
06/18/2009	06/18/2021	06/18/2009	06/18/2021	40,000,000	2,900,000	18
						19
06/18/2009	06/18/2029	06/18/2009	06/18/2029	30,000,000	2,409,000	20
						21
06/18/2009	06/18/2039	06/18/2009	06/18/2039	60,000,000	4,878,000	22
						23
9/30/2014	9/30/2026	9/30/2014	9/30/2026	120,000,000	5,016,000	24
						25
						26
12/30/2014	12/30/2026	12/30/2014	12/30/2026	80,000,000	3,464,000	27
						28
						29
6/26/2014	4/1/2036	6/26/2014	6/26/2017	65,000,000	278,488	30
						31
						32
				870,000,000	44,423,930	33

Name of Respondent Kentucky Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of <u>2016/Q4</u>
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LONG-TERM DEBT (Account 221, 222, 223 and 224) (Continued)

10. Identify separate undisposed amounts applicable to issues which were redeemed in prior years.
11. Explain any debits and credits other than debited to Account 428, Amortization and Expense, or credited to Account 429, Premium on Debt - Credit.
12. In a footnote, give explanatory (details) for Accounts 223 and 224 of net changes during the year. With respect to long-term advances, show for each company: (a) principal advanced during year, (b) interest added to principal amount, and (c) principle repaid during year. Give Commission authorization numbers and dates.
13. If the respondent has pledged any of its long-term debt securities give particulars (details) in a footnote including name of pledgee and purpose of the pledge.
14. If the respondent has any long-term debt securities which have been nominally issued and are nominally outstanding at end of year, describe such securities in a footnote.
15. If interest expense was incurred during the year on any obligations retired or reacquired before end of year, include such interest expense in column (i). Explain in a footnote any difference between the total of column (i) and the total of Account 427, interest on Long-Term Debt and Account 430, Interest on Debt to Associated Companies.
16. Give particulars (details) concerning any long-term debt authorized by a regulatory commission but not yet issued.

Nominal Date of Issue (d)	Date of Maturity (e)	AMORTIZATION PERIOD		Outstanding (Total amount outstanding without reduction for amounts held by respondent) (h)	Interest for Year Amount (i)	Line No.
		Date From (f)	Date To (g)			
11/5/2014	11/5/2018	11/5/2014	11/5/2018	75,000,000	1,666,736	1
						2
				870,000,000	44,423,930	3
						4
						5
						6
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						8
						9
						10
						11
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						31
						32
				870,000,000	44,423,930	33

Name of Respondent Kentucky Power Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2016/Q4
FOOTNOTE DATA			

Schedule Page: 256 Line No.: 30 Column: a

Issuance: West Virginia Economic Development Authority, Mitchell Project Series 2014A
 Principal Amount: \$65,000,000
 Date of Issuance: 06/26/2014
 Date of Maturity: 04/01/2036
 Puttable Date: Bonds are subject to mandatory tender for purchase on 06/26/2017.

Schedule Page: 256.1 Line No.: 1 Column: a

The \$75 million multiple draw term loan was issued on November 5, 2014. The interest rate is variable and the maturity date is November 5, 2018.
 The initial draw took place on November 5, 2014 for \$25 million.
 The second draw took place on March 31, 2015 for \$25 million.
 The Third draw took place on October 15, 2015 for \$25 million.

Name of Respondent Kentucky Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of <u>2016/Q4</u>
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RECONCILIATION OF REPORTED NET INCOME WITH TAXABLE INCOME FOR FEDERAL INCOME TAXES

1. Report the reconciliation of reported net income for the year with taxable income used in computing Federal income tax accruals and show computation of such tax accruals. Include in the reconciliation, as far as practicable, the same detail as furnished on Schedule M-1 of the tax return for the year. Submit a reconciliation even though there is no taxable income for the year. Indicate clearly the nature of each reconciling amount.
2. If the utility is a member of a group which files a consolidated Federal tax return, reconcile reported net income with taxable net income as if a separate return were to be filed, indicating, however, intercompany amounts to be eliminated in such a consolidated return. State names of group member, tax assigned to each group member, and basis of allocation, assignment, or sharing of the consolidated tax among the group members.
3. A substitute page, designed to meet a particular need of a company, may be used as long as the data is consistent and meets the requirements of the above instructions. For electronic reporting purposes complete Line 27 and provide the substitute Page in the context of a footnote.

Line No.	Particulars (Details) (a)	Amount (b)
1	Net Income for the Year (Page 117)	50,210,335
2		
3		
4	Taxable Income Not Reported on Books	
5		
6		
7		
8		
9	Deductions Recorded on Books Not Deducted for Return	
10		
11		
12		
13		
14	Income Recorded on Books Not Included in Return	
15		
16		
17		
18		
19	Deductions on Return Not Charged Against Book Income	
20		
21		
22		
23		
24		
25		
26		
27	Federal Tax Net Income	3,121,272
28	Show Computation of Tax:	
29		
30		
31		
32		
33		
34		
35		
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44		

Name of Respondent	This Report is:	Date of Report	Year/Period of Report
Kentucky Power Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) / /	2016/Q4
FOOTNOTE DATA			

Schedule Page: 261 Line No.: 28 Column: b

Net Income for the Year (Per Page 117)	50,210
Federal Income Tax Expense	25,957
State Income Tax Expense	(2,364)
	73,803
Excess Tax vs Book Depreciation	(52,025)
Accrued Book ARO Expense	(11,585)
AFUDC and Other Capitalization Differences	(88)
Book Unit of Property Adjustment	11,952
Removal Cost	(27,688)
Pollution Control Equipment	7,848
Property Tax	1,774
Provision for Revenue Refunds	690
Deferred Fuel	(3,709)
Self Insurance / Worker's Comp	192
Accrued Book Pension Expense	1,115
Misc Book Accruals, Reserves & Deferrals	1,923
Deferred Storm Damage	2,429
Demand Side Management Expense	(4,743)
Book Deferred Revenue	(432)
SFAS 106 - Post Retirement Benefit Expense	(2,299)
Tax Accruals & Deferrals	(781)
Mark-to-Market	1,098
Emission Allowances	567
Tax Loss Big Sandy Retirement	(1,615)
	-
	-
	-
	-
Other	3,295
Taxable Income Before State Tax Deduction	1,721
State and Local Income Tax	(1,400)
Federal Taxable Income	3,121
	35%
Federal Income Tax at Statutory Rate	1,092
Adjustment Due to System Consolidation (a)	-
Tax Provision Adjustments	(99)
Tax Credit CFWD	(189)
Estimated Tax Currently Payable (b)	804
Adjustments of Prior Year's Accruals	4,088
Estimated Current Federal Income Taxes	4,892

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2016/Q4
FOOTNOTE DATA			

(a) Represents the allocation of the estimated current year net operating tax loss of American Electric Power Company, Inc.

(b) The Company joins in the filing of a consolidated Federal income tax return with its affiliated companies in the AEP system. The allocation of the AEP System's consolidated Federal income tax to the System companies allocates the benefit of current tax losses to the System companies giving rise to them in determining their current tax expense. The tax loss of the System parent company, American Electric Power Company, Inc., is allocated to its subsidiaries with taxable income. With the exception of the loss of the parent company, the method of allocation approximates a separate return result for each company in the consolidating group.

INSTRUCTION 2.

* The tax computation above represents an estimate of the Company's allocated portion of the System consolidated Federal income tax. The computation of actual 2016 System Federal income taxes will not be available until the consolidated Federal income tax return is completed and filed by September 2017. The actual allocation of the System consolidated Federal income tax to the members of the consolidated group will not be available until after the consolidated federal income tax return is filed

Name of Respondent Kentucky Power Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2016/Q4	
TAXES ACCRUED, PREPAID AND CHARGED DURING YEAR						
<p>1. Give particulars (details) of the combined prepaid and accrued tax accounts and show the total taxes charged to operations and other accounts during the year. Do not include gasoline and other sales taxes which have been charged to the accounts to which the taxed material was charged. If the actual, or estimated amounts of such taxes are know, show the amounts in a footnote and designate whether estimated or actual amounts.</p> <p>2. Include on this page, taxes paid during the year and charged direct to final accounts, (not charged to prepaid or accrued taxes.) Enter the amounts in both columns (d) and (e). The balancing of this page is not affected by the inclusion of these taxes.</p> <p>3. Include in column (d) taxes charged during the year, taxes charged to operations and other accounts through (a) accruals credited to taxes accrued, (b) amounts credited to proportions of prepaid taxes chargeable to current year, and (c) taxes paid and charged direct to operations or accounts other than accrued and prepaid tax accounts.</p> <p>4. List the aggregate of each kind of tax in such manner that the total tax for each State and subdivision can readily be ascertained.</p>						
Line No.	Kind of Tax (See instruction 5) (a)	BALANCE AT BEGINNING OF YEAR		Taxes Charged During Year (d)	Taxes Paid During Year (e)	Adjustments (f)
		Taxes Accrued (Account 236) (b)	Prepaid Taxes (Include in Account 165) (c)			
1	FEDERAL TAXES:					
2	INCOME TAX	-46,153,318		4,991,141	-43,140,501	-127
3	FIN 48			-98,715		
4						
5	FICA - 2016	684,437		4,026,068	4,054,246	
6	Unemployment - 2016	10,208		25,212	23,690	
7						
8	Federal Excise Tax - 2015			900	900	
9	Federal Excise Tax - 2016			5,413	5,413	
10						
11	STATE INC. TAX - FIN 48			-1,763,493	-1,757,905	
12						
13	STATE OF ILLINOIS:					
14	Income					
15	2012			22,590	22,590	
16	2015	-30,147		124,783	94,636	
17	2016			62,816	75,472	
18						
19	STATE OF KENTUCKY:					
20	Income					
21	2015	-426,422		175	-426,247	
22	2016				426,247	
23						
24	License Fee 2016			955	955	
25						
26	Unemployment - KY 2016	11,340		38,518	43,210	
27						
28	PUBLIC SER COMM'S-2015		566,101	566,102	1	
29	PUBLIC SER COMM'S-2016			563,400	1,126,800	
30						
31	USE TAX - 2015	119,000	43,426	-2,103	73,471	
32	USE TAX - 2016			1,262,240	1,206,597	
33						
34						
35	SALES TAX - 2015		297,141		-297,141	
36	SALES TAX - 2016				319,787	
37						
38	REAL & PERS PROP-2013			1,122	1,122	
39	REAL & PERS PROP-2014	8,285,808		-261,918	8,023,890	
40	REAL & PERS PROP-2015	12,464,368		-900,000	3,491,507	
41	TOTAL	-20,945,253	906,668	30,020,358	-18,575,740	-127

Name of Respondent Kentucky Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2016/Q4
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TAXES ACCRUED, PREPAID AND CHARGED DURING YEAR

1. Give particulars (details) of the combined prepaid and accrued tax accounts and show the total taxes charged to operations and other accounts during the year. Do not include gasoline and other sales taxes which have been charged to the accounts to which the taxed material was charged. If the actual, or estimated amounts of such taxes are know, show the amounts in a footnote and designate whether estimated or actual amounts.
2. Include on this page, taxes paid during the year and charged direct to final accounts, (not charged to prepaid or accrued taxes.) Enter the amounts in both columns (d) and (e). The balancing of this page is not affected by the inclusion of these taxes.
3. Include in column (d) taxes charged during the year, taxes charged to operations and other accounts through (a) accruals credited to taxes accrued, (b) amounts credited to proportions of prepaid taxes chargeable to current year, and (c) taxes paid and charged direct to operations or accounts other than accrued and prepaid tax accounts.
4. List the aggregate of each kind of tax in such manner that the total tax for each State and subdivision can readily be ascertained.

Line No.	Kind of Tax (See instruction 5) (a)	BALANCE AT BEGINNING OF YEAR		Taxes Charged During Year (d)	Taxes Paid During Year (e)	Adjustments (f)
		Taxes Accrued (Account 236) (b)	Prepaid Taxes (Include in Account 165) (c)			
1	REAL & PERS PROP-2016			12,130,998		
2	PERS PROP LEASED-2015	45,900		198,927	244,827	
3	PERS PROP LEASED-2016			239,449		
4	REAL PROP LEASES-2015	12,916		-2,222	10,694	
5	REAL PROP LEASES-2016			25,500	12,679	
6						
7	STATE OF WEST VIRGINIA:					
8	Income 2009	-63,670			-63,670	
9	2015	-1,131,618		1,800,420	668,802	
10	2016			-131,811		
11						
12	WV USE - 2015	5,939		-127	5,812	
13	WV USE - 2016			40,770	32,574	
14						
15	State Bus & Occp Tax-2015	329,450			329,450	
16	State Bus & Occp Tax-2016			3,961,843	3,632,393	
17	WV Special Fuel Tax - 2015			16,384	16,384	
18	Real & Pers Prop Taxes	1,542,529			1,542,529	
19	Real & Pers Prop Taxes	3,258,521		-28,374	1,624,378	
20	Real & Pers Prop Taxes			3,096,212		
21	PERS PROP LEASED-2015	2,007		2,683	4,690	
22	PERS PROP LEASED-2016			5,100		
23						
24	WV License Fee - 2016			70	70	
25						
26	WV State Unemployment -	13,218		50,737	48,481	
27						
28	Wyoming License Fee 2016			52	52	
29						
30	STATE OF OHIO:					
31	State Unemployment 2016					
32						
33	OH CAT TAX - 2015	9,900		-8,487	1,413	
34	OH CAT TAX - 2016			35,826	26,826	
35	OH CAT TAX - Audit			-94,798	-94,798	
36	STATE OF MICHIGAN:					
37	Income					
38	2015	-6,977		13,677	6,700	
39	2016			2,089	5,000	
40						
41	TOTAL	-20,945,253	906,668	30,020,358	-18,575,740	-127

Name of Respondent Kentucky Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of <u>2016/Q4</u>
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TAXES ACCRUED, PREPAID AND CHARGED DURING YEAR

1. Give particulars (details) of the combined prepaid and accrued tax accounts and show the total taxes charged to operations and other accounts during the year. Do not include gasoline and other sales taxes which have been charged to the accounts to which the taxed material was charged. If the actual, or estimated amounts of such taxes are known, show the amounts in a footnote and designate whether estimated or actual amounts.
2. Include on this page, taxes paid during the year and charged direct to final accounts, (not charged to prepaid or accrued taxes.) Enter the amounts in both columns (d) and (e). The balancing of this page is not affected by the inclusion of these taxes.
3. Include in column (d) taxes charged during the year, taxes charged to operations and other accounts through (a) accruals credited to taxes accrued, (b) amounts credited to proportions of prepaid taxes chargeable to current year, and (c) taxes paid and charged direct to operations or accounts other than accrued and prepaid tax accounts.
4. List the aggregate of each kind of tax in such manner that the total tax for each State and subdivision can readily be ascertained.

Line No.	Kind of Tax (See instruction 5) (a)	BALANCE AT BEGINNING OF YEAR		Taxes Charged During Year (d)	Taxes Paid During Year (e)	Adjustments (f)
		Taxes Accrued (Account 236) (b)	Prepaid Taxes (Include in Account 165) (c)			
1	OTHER:					
2	REAL/PERS PROP-LA-2016			234	234	
3						
4	PA Gross Receipts - Audit	71,358				
5						
6						
7						
8						
9						
10						
11						
12						
13						
14						
15						
16						
17						
18						
19						
20						
21						
22						
23						
24						
25						
26						
27						
28						
29						
30						
31						
32						
33						
34						
35						
36						
37						
38						
39						
40						
41	TOTAL	-20,945,253	906,668	30,020,358	-18,575,740	-127

Name of Respondent Kentucky Power Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2016/Q4	
TAXES ACCRUED, PREPAID AND CHARGED DURING YEAR (Continued)						
<p>5. If any tax (exclude Federal and State income taxes)- covers more than one year, show the required information separately for each tax year, identifying the year in column (a).</p> <p>6. Enter all adjustments of the accrued and prepaid tax accounts in column (f) and explain each adjustment in a foot- note. Designate debit adjustments by parentheses.</p> <p>7. Do not include on this page entries with respect to deferred income taxes or taxes collected through payroll deductions or otherwise pending transmittal of such taxes to the taxing authority.</p> <p>8. Report in columns (i) through (l) how the taxes were distributed. Report in column (l) only the amounts charged to Accounts 408.1 and 409.1 pertaining to electric operations. Report in column (l) the amounts charged to Accounts 408.1 and 109.1 pertaining to other utility departments and amounts charged to Accounts 408.2 and 409.2. Also shown in column (l) the taxes charged to utility plant or other balance sheet accounts.</p> <p>9. For any tax apportioned to more than one utility department or account, state in a footnote the basis (necessity) of apportioning such tax.</p>						
BALANCE AT END OF YEAR		DISTRIBUTION OF TAXES CHARGED				Line No.
(Taxes accrued Account 236) (g)	Prepaid Taxes (Incl. in Account 165) (h)	Electric (Account 408.1, 409.1) (i)	Extraordinary Items (Account 409.3) (j)	Adjustments to Ret. Earnings (Account 439) (k)	Other (l)	
						1
1,978,197		5,802,897			-811,756	2
-98,715		-98,715				3
						4
656,259		2,024,251			2,001,817	5
11,730		13,768			11,444	6
						7
		900				8
		5,413				9
						10
-5,588		-1,763,493				11
						12
						13
						14
		22,590				15
		126,016			-1,233	16
-12,656		61,838			978	17
						18
						19
						20
		6,051			-5,876	21
-426,247		-32,035			32,035	22
						23
		955				24
						25
6,648		23,779			14,739	26
						27
		566,102				28
	563,400	563,400				29
						30
		791			-2,894	31
101,935	46,292	9,786			1,252,454	32
						33
						34
						35
	319,787					36
						37
		1,122				38
		-261,918				39
8,072,861		11,032,463			-11,932,463	40
27,673,529	929,479	27,100,475			2,919,883	41

Name of Respondent Kentucky Power Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2016/Q4	
TAXES ACCRUED, PREPAID AND CHARGED DURING YEAR (Continued)						
<p>5. If any tax (exclude Federal and State income taxes)- covers more then one year, show the required information separately for each tax year, identifying the year in column (a).</p> <p>6. Enter all adjustments of the accrued and prepaid tax accounts in column (f) and explain each adjustment in a foot- note. Designate debit adjustments by parentheses.</p> <p>7. Do not include on this page entries with respect to deferred income taxes or taxes collected through payroll deductions or otherwise pending transmittal of such taxes to the taxing authority.</p> <p>8. Report in columns (i) through (l) how the taxes were distributed. Report in column (l) only the amounts charged to Accounts 408.1 and 409.1 pertaining to electric operations. Report in column (l) the amounts charged to Accounts 408.1 and 109.1 pertaining to other utility departments and amounts charged to Accounts 408.2 and 409.2. Also shown in column (l) the taxes charged to utility plant or other balance sheet accounts.</p> <p>9. For any tax apportioned to more than one utility department or account, state in a footnote the basis (necessity) of apportioning such tax.</p>						
BALANCE AT END OF YEAR		DISTRIBUTION OF TAXES CHARGED				Line No.
(Taxes accrued Account 236) (g)	Prepaid Taxes (Incl. in Account 165) (h)	Electric (Account 408.1, 409.1) (i)	Extraordinary Items (Account 409.3) (j)	Adjustments to Ret. Earnings (Account 439) (k)	Other (l)	
12,130,998					12,130,998	1
		198,927				2
239,449		239,449				3
		-2,223				4
12,821		25,500				5
						6
						7
						8
		1,394,093			406,327	9
-131,811		265,619			-397,430	10
						11
					-127	12
8,196					40,770	13
						14
						15
329,450		3,961,843				16
					16,384	17
		1,243,037			-1,243,037	18
1,605,769		1,678,884			-1,707,258	19
3,096,212					3,096,212	20
		3,688			-1,005	21
5,100		5,100				22
						23
		70				24
						25
15,474		16,131			34,606	26
						27
		52				28
						29
						30
						31
						32
		-8,487				33
9,000		35,826				34
		-78,776			-16,022	35
						36
						37
		13,729			-52	38
-2,911		2,052				39
						40
27,673,529	929,479	27,100,475			2,919,883	41

Name of Respondent Kentucky Power Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2016/Q4	
TAXES ACCRUED, PREPAID AND CHARGED DURING YEAR (Continued)						
<p>5. If any tax (exclude Federal and State income taxes)- covers more than one year, show the required information separately for each tax year, identifying the year in column (a).</p> <p>6. Enter all adjustments of the accrued and prepaid tax accounts in column (f) and explain each adjustment in a foot- note. Designate debit adjustments by parentheses.</p> <p>7. Do not include on this page entries with respect to deferred income taxes or taxes collected through payroll deductions or otherwise pending transmittal of such taxes to the taxing authority.</p> <p>8. Report in columns (i) through (l) how the taxes were distributed. Report in column (l) only the amounts charged to Accounts 408.1 and 409.1 pertaining to electric operations. Report in column (l) the amounts charged to Accounts 408.1 and 109.1 pertaining to other utility departments and amounts charged to Accounts 408.2 and 409.2. Also shown in column (l) the taxes charged to utility plant or other balance sheet accounts.</p> <p>9. For any tax apportioned to more than one utility department or account, state in a footnote the basis (necessity) of apportioning such tax.</p>						
BALANCE AT END OF YEAR		DISTRIBUTION OF TAXES CHARGED				Line No.
(Taxes accrued Account 236) (g)	Prepaid Taxes (Incl. in Account 165) (h)	Electric (Account 408.1, 409.1) (i)	Extraordinary Items (Account 409.3) (j)	Adjustments to Ret. Earnings (Account 439) (k)	Other (l)	
						1
					234	2
						3
71,358						4
						5
						6
						7
						8
						9
						10
						11
						12
						13
						14
						15
						16
						17
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						32
						33
						34
						35
						36
						37
						38
						39
						40
27,673,529	929,479	27,100,475			2,919,883	41

Name of Respondent Kentucky Power Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2016/Q4
FOOTNOTE DATA			

Schedule Page: 262 Line No.: 2 Column: f

FUEL TAX CREDIT (127)

Schedule Page: 262 Line No.: 35 Column: a

Consist of a prepayment for sales tax only; a collect & remit tax. Beginning in 2009, included for purpose of reporting all prepaid tax activity.

Schedule Page: 262 Line No.: 36 Column: a

Consist of a prepayment for sales tax only; a collect & remit tax. Beginning in 2009, included for purpose of reporting all prepaid tax activity.

Name of Respondent Kentucky Power Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) / /		Year/Period of Report End of 2016/Q4	
ACCUMULATED DEFERRED INVESTMENT TAX CREDITS (Account 255)							
Report below information applicable to Account 255. Where appropriate, segregate the balances and transactions by utility and nonutility operations. Explain by footnote any correction adjustments to the account balance shown in column (g). Include in column (i) the average period over which the tax credits are amortized.							
Line No.	Account Subdivisions (a)	Balance at Beginning of Year (b)	Deferred for Year		Allocations to Current Year's Income		Adjustments (g)
			Account No. (c)	Amount (d)	Account No. (e)	Amount (f)	
1	Electric Utility						
2	3%						
3	4%						
4	7%						
5	10%	4,050			411.4	2,630	
6							
7							
8	TOTAL	4,050				2,630	
9	Other (List separately and show 3%, 4%, 7%, 10% and TOTAL)						
10							
11							
12							
13							
14							
15							
16							
17							
18							
19							
20							
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48							

Name of Respondent Kentucky Power Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2016/Q4
ACCUMULATED DEFERRED INVESTMENT TAX CREDITS (Account 255) (continued)					
Balance at End of Year (h)	Average Period of Allocation to Income (i)	ADJUSTMENT EXPLANATION			Line No.
					1
					2
					3
					4
1,420	Various				5
					6
					7
1,420					8
					9
					10
					11
					12
					13
					14
					15
					16
					17
					18
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					47
					48

Name of Respondent Kentucky Power Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2016/Q4	
OTHER DEFERRED CREDITS (Account 253)						
1. Report below the particulars (details) called for concerning other deferred credits.						
2. For any deferred credit being amortized, show the period of amortization.						
3. Minor items (5% of the Balance End of Year for Account 253 or amounts less than \$100,000, whichever is greater) may be grouped by classes.						
Line No.	Description and Other Deferred Credits (a)	Balance at Beginning of Year (b)	DEBITS		Credits (e)	Balance at End of Year (f)
			Contra Account (c)	Amount (d)		
1	TV Pole Attachments	91,781	454	567,101	558,596	83,276
2						
3	Customer Advance Receipts	4,459,000	142,143	4,459,000	1,620,542	1,620,542
4						
5	Deferred Gain:	143,127	124	8,352		134,775
6	Fiber Optic Agrmts-In Kind Svc					
7	Amortize through June 2026					
8						
9	Deferred Revenue	76,062	451	13,556		62,506
10	Fiber Optic Lines-Sold-Defd Rev					
11	Amortize through January 2025					
12						
13	IPP - System Upgrade Credits	286,822			9,959	296,781
14						
15	Miscellaneous	327	Various	702	14,598	14,223
16						
17	Federal Mitigation Deferral (NSR)	1,110,644				1,110,644
18						
19	Contract Settlement Reserve	308,548	Various	308,547	500,341	500,342
20						
21	Noble Energy Deferred Lease	1,438,547	421	431,564		1,006,983
22						
23	Contribution Aid of Construction	95,715	107,108	95,715	76,873	76,873
24						
25	Allowances		Various	415,459	416,443	984
26						
27						
28						
29						
30						
31						
32						
33						
34						
35						
36						
37						
38						
39						
40						
41						
42						
43						
44						
45						
46						
47	TOTAL	8,010,573		6,299,996	3,197,352	4,907,929

Name of Respondent Kentucky Power Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2016/Q4
ACCUMULATED DEFERRED INCOME TAXES - ACCELERATED AMORTIZATION PROPERTY (Account 281)					
1. Report the information called for below concerning the respondent's accounting for deferred income taxes rating to amortizable property.					
2. For other (Specify), include deferrals relating to other income and deductions.					
Line No.	Account (a)	Balance at Beginning of Year (b)	CHANGES DURING YEAR		
			Amounts Debited to Account 410.1 (c)	Amounts Credited to Account 411.1 (d)	
1	Accelerated Amortization (Account 281)				
2	Electric				
3	Defense Facilities				
4	Pollution Control Facilities	60,936,706	745,115	3,399,550	
5	Other (provide details in footnote):				
6					
7					
8	TOTAL Electric (Enter Total of lines 3 thru 7)	60,936,706	745,115	3,399,550	
9	Gas				
10	Defense Facilities				
11	Pollution Control Facilities				
12	Other (provide details in footnote):				
13					
14					
15	TOTAL Gas (Enter Total of lines 10 thru 14)				
16					
17	TOTAL (Acct 281) (Total of 8, 15 and 16)	60,936,706	745,115	3,399,550	
18	Classification of TOTAL				
19	Federal Income Tax	60,936,706	745,115	3,399,550	
20	State Income Tax				
21	Local Income Tax				
NOTES					

Name of Respondent Kentucky Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2016/Q4
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ACCUMULATED DEFERRED INCOME TAXES _ ACCELERATED AMORTIZATION PROPERTY (Account 281) (Continued)

3. Use footnotes as required.

CHANGES DURING YEAR		ADJUSTMENTS				Balance at End of Year (k)	Line No.
Amounts Debited to Account 410.2 (e)	Amounts Credited to Account 411.2 (f)	Debits		Credits			
		Account Credited (g)	Amount (h)	Account Debited (i)	Amount (j)		
							1
							2
							3
						58,282,271	4
							5
							6
							7
						58,282,271	8
							9
							10
							11
							12
							13
							14
							15
							16
						58,282,271	17
							18
						58,282,271	19
							20
							21

NOTES (Continued)

Name of Respondent Kentucky Power Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2016/Q4
ACCUMULATED DEFERRED INCOME TAXES - OTHER PROPERTY (Account 282)					
1. Report the information called for below concerning the respondent's accounting for deferred income taxes rating to property not subject to accelerated amortization					
2. For other (Specify), include deferrals relating to other income and deductions.					
Line No.	Account (a)	Balance at Beginning of Year (b)	CHANGES DURING YEAR		
			Amounts Debited to Account 410.1 (c)	Amounts Credited to Account 411.1 (d)	
1	Account 282				
2	Electric	328,669,576	61,289,482	49,473,563	
3	Gas				
4					
5	TOTAL (Enter Total of lines 2 thru 4)	328,669,576	61,289,482	49,473,563	
6	SFAS 109	51,310,702			
7					
8					
9	TOTAL Account 282 (Enter Total of lines 5 thru	379,980,278	61,289,482	49,473,563	
10	Classification of TOTAL				
11	Federal Income Tax	379,980,278	61,289,482	49,473,563	
12	State Income Tax				
13	Local Income Tax				
NOTES					

Name of Respondent Kentucky Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2016/Q4
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ACCUMULATED DEFERRED INCOME TAXES - OTHER PROPERTY (Account 282) (Continued)

3. Use footnotes as required.

CHANGES DURING YEAR		ADJUSTMENTS				Balance at End of Year (k)	Line No.
Amounts Debited to Account 410.2 (e)	Amounts Credited to Account 411.2 (f)	Debits		Credits			
		Account Credited (g)	Amount (h)	Account Debited (i)	Amount (j)		
							1
						340,485,495	2
							3
							4
						340,485,495	5
		Various	5,526,520	Various	8,789,939	54,574,121	6
							7
							8
			5,526,520		8,789,939	395,059,616	9
							10
			5,526,520		8,789,939	395,059,616	11
							12
							13

NOTES (Continued)

Name of Respondent Kentucky Power Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of <u>2016/Q4</u>
ACCUMULATED DEFERRED INCOME TAXES - OTHER (Account 283)					
1. Report the information called for below concerning the respondent's accounting for deferred income taxes relating to amounts recorded in Account 283.					
2. For other (Specify), include deferrals relating to other income and deductions.					
Line No.	Account (a)	Balance at Beginning of Year (b)	CHANGES DURING YEAR		
			Amounts Debited to Account 410.1 (c)	Amounts Credited to Account 411.1 (d)	
1	Account 283				
2	Electric				
3	Deferred Fuel Costs	4,263,509	2,040,476	5,630,911	
4	Reg Asset Retired Plant	90,632,877	13,685,067	6,123,992	
5	Capitalized Software - Book	3,778,264	385,849	211,490	
6	Emission Allowances	3,720,129		323,903	
7	Reg Asset - SFAS 112	1,594,931	26,014	470,051	
8	Other	16,862,087	13,116,971	13,851,260	
9	TOTAL Electric (Total of lines 3 thru 8)	120,851,797	29,254,377	26,611,607	
10	Gas				
11					
12					
13					
14					
15					
16					
17	TOTAL Gas (Total of lines 11 thru 16)				
18	Other	137,770,728			
19	TOTAL (Acct 283) (Enter Total of lines 9, 17 and 18)	258,622,525	29,254,377	26,611,607	
20	Classification of TOTAL				
21	Federal Income Tax	168,081,887	29,254,377	24,582,749	
22	State Income Tax	90,540,638		2,028,858	
23	Local Income Tax				
NOTES					

Name of Respondent Kentucky Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2016/Q4
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ACCUMULATED DEFERRED INCOME TAXES - OTHER (Account 283) (Continued)

3. Provide in the space below explanations for Page 276 and 277. Include amounts relating to insignificant items listed under Other.
 4. Use footnotes as required.

CHANGES DURING YEAR		ADJUSTMENTS				Balance at End of Year (k)	Line No.
Amounts Debited to Account 410.2 (e)	Amounts Credited to Account 411.2 (f)	Debits		Credits			
		Account Credited (g)	Amount (h)	Account Debited (i)	Amount (j)		
							1
							2
						673,074	3
						98,193,952	4
						3,952,623	5
				various	2	3,396,228	6
						1,150,894	7
2,982,981	2,989,954	various	112,738			16,008,087	8
2,982,981	2,989,954		112,738		2	123,374,858	9
							10
							11
							12
							13
							14
							15
							16
							17
4,406		various	5,335,552	various	16,913,509	149,353,091	18
2,987,387	2,989,954		5,448,290		16,913,511	272,727,949	19
							20
2,987,387	2,989,954		4,850,456		9,055,523	176,956,015	21
			597,834		7,857,988	95,771,934	22
							23

NOTES (Continued)

Name of Respondent Kentucky Power Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2016/Q4
FOOTNOTE DATA			

Schedule Page: 276 Line No.: 18 Column: a

Line 18 Other - Detail	Balance at Beginning of Year	Balance at End of Year
-----	-----	-----
Non-Utility	141,911	146,317
SFAS 109	137,628,817	149,206,774
SFAS 133	0	0
	-----	-----
Total	\$137,770,728 =====	\$149,353,091 =====

Name of Respondent Kentucky Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2016/Q4
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OTHER REGULATORY LIABILITIES (Account 254)

1. Report below the particulars (details) called for concerning other regulatory liabilities, including rate order docket number, if applicable.
2. Minor items (5% of the Balance in Account 254 at end of period, or amounts less than \$100,000 which ever is less), may be grouped by classes.
3. For Regulatory Liabilities being amortized, show period of amortization.

Line No.	Description and Purpose of Other Regulatory Liabilities (a)	Balance at Beginning of Current Quarter/Year (b)	DEBITS		Credits (e)	Balance at End of Current Quarter/Year (f)
			Account Credited (c)	Amount (d)		
1	Home Energy Assistance Program	53,123	Various	393,448	495,134	154,809
2						
3	SFAS 109 Deferred FIT	696,055	Various	62,598	116,971	750,428
4						
5	Unrealized Gain on Forward Commitments	1,549,643	Various	5,375,370	2,535,116	-1,290,611
6						
7	Green Pricing Option	754			42	796
8						
9	Over Recovered Fuel Cost	1,785,822	Various	2,865,115	1,079,293	
10						
11	Netting of Trading Activities related to					
12	Unrealized Gains/Losses on Forward Commitments					
13	between Regulated Assets/Liabilities		182.3	2,163,454	3,543,346	1,379,892
14						
15						
16						
17						
18						
19						
20						
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40						
41	TOTAL	4,085,397		10,859,985	7,769,902	995,314

Name of Respondent Kentucky Power Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2016/Q4
ELECTRIC OPERATING REVENUES (Account 400)				
<p>1. The following instructions generally apply to the annual version of these pages. Do not report quarterly data in columns (c), (e), (f), and (g). Unbilled revenues and MWH related to unbilled revenues need not be reported separately as required in the annual version of these pages.</p> <p>2. Report below operating revenues for each prescribed account, and manufactured gas revenues in total.</p> <p>3. Report number of customers, columns (f) and (g), on the basis of meters, in addition to the number of flat rate accounts; except that where separate meter readings are added for billing purposes, one customer should be counted for each group of meters added. The -average number of customers means the average of twelve figures at the close of each month.</p> <p>4. If increases or decreases from previous period (columns (c),(e), and (g)), are not derived from previously reported figures, explain any inconsistencies in a footnote.</p> <p>5. Disclose amounts of \$250,000 or greater in a footnote for accounts 451, 456, and 457.2.</p>				
Line No.	Title of Account (a)	Operating Revenues Year to Date Quarterly/Annual (b)	Operating Revenues Previous year (no Quarterly) (c)	
1	Sales of Electricity			
2	(440) Residential Sales	254,059,898	227,938,316	
3	(442) Commercial and Industrial Sales			
4	Small (or Comm.) (See Instr. 4)	156,542,122	141,395,643	
5	Large (or Ind.) (See Instr. 4)	160,233,948	165,925,395	
6	(444) Public Street and Highway Lighting	1,974,809	1,796,458	
7	(445) Other Sales to Public Authorities			
8	(446) Sales to Railroads and Railways			
9	(448) Interdepartmental Sales			
10	TOTAL Sales to Ultimate Consumers	572,810,777	537,055,812	
11	(447) Sales for Resale	51,246,008	96,827,042	
12	TOTAL Sales of Electricity	624,056,785	633,882,854	
13	(Less) (449.1) Provision for Rate Refunds	928,472		
14	TOTAL Revenues Net of Prov. for Refunds	623,128,313	633,882,854	
15	Other Operating Revenues			
16	(450) Forfeited Discounts	3,928,057	3,414,518	
17	(451) Miscellaneous Service Revenues	746,580	509,911	
18	(453) Sales of Water and Water Power			
19	(454) Rent from Electric Property	6,678,203	5,950,205	
20	(455) Interdepartmental Rents			
21	(456) Other Electric Revenues	10,514,915	4,663,172	
22	(456.1) Revenues from Transmission of Electricity of Others	17,008,927	21,756,538	
23	(457.1) Regional Control Service Revenues			
24	(457.2) Miscellaneous Revenues			
25				
26	TOTAL Other Operating Revenues	38,876,682	36,294,344	
27	TOTAL Electric Operating Revenues	662,004,995	670,177,198	

Name of Respondent Kentucky Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2016/Q4	
ELECTRIC OPERATING REVENUES (Account 400)				
<p>6. Commercial and industrial Sales, Account 442, may be classified according to the basis of classification (Small or Commercial, and Large or Industrial) regularly used by the respondent if such basis of classification is not generally greater than 1000 Kw of demand. (See Account 442 of the Uniform System of Accounts. Explain basis of classification in a footnote.)</p> <p>7. See pages 108-109, Important Changes During Period, for important new territory added and important rate increase or decreases.</p> <p>8. For Lines 2,4,5,and 6, see Page 304 for amounts relating to unbilled revenue by accounts.</p> <p>9. Include unmetered sales. Provide details of such Sales in a footnote.</p>				
MEGAWATT HOURS SOLD		AVG.NO. CUSTOMERS PER MONTH		Line No.
Year to Date Quarterly/Annual (d)	Amount Previous year (no Quarterly) (e)	Current Year (no Quarterly) (f)	Previous Year (no Quarterly) (g)	
				1
2,128,530	2,192,126	137,013	137,944	2
				3
1,315,497	1,322,718	30,293	30,458	4
2,408,194	2,693,461	1,191	1,258	5
10,476	10,496	351	360	6
				7
				8
				9
5,862,697	6,218,801	168,848	170,020	10
1,413,350	2,482,185	31	44	11
7,276,047	8,700,986	168,879	170,064	12
				13
7,276,047	8,700,986	168,879	170,064	14
<p>Line 12, column (b) includes \$ 7,121,368 of unbilled revenues.</p> <p>Line 12, column (d) includes 54,157 MWH relating to unbilled revenues</p>				

Name of Respondent Kentucky Power Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2016/Q4
FOOTNOTE DATA			

Schedule Page: 300 Line No.: 10 Column: b

Detail of Unmetered Sales:

	Revenue	MWH	Average Customers
Residential	6,118,801	26,194	39,125
Commercial	2,791,160	15,170	6,989
Industrial	142,989	850	242
Public Street Lighting	30,543	109	36
Total	9,083,493	42,323	46,392

Schedule Page: 300 Line No.: 10 Column: c

Detail of Unmetered Sales:

	Revenue	MWH	Average Customers
Residential	5,434,080	26,383	39,451
Commercial	2,477,744	15,188	7,071
Industrial	132,607	895	250
Public Street Lighting	27,993	113	37
Total	8,072,424	42,579	46,809

Schedule Page: 300 Line No.: 17 Column: b

Customer Service Revenue including connects, reconnects, disconnects, temporary services and other charges billed to customers.

Schedule Page: 300 Line No.: 17 Column: c

Customer Service Revenue including connects, reconnects, disconnects, temporary services and other charges billed to customers.

Schedule Page: 300 Line No.: 21 Column: b

<u>Description</u>	<u>YTD</u>
Oth Elect Rev - Demand Side Management Program	10,129,246
Other Electric Revenues - ABD	338,449
All Other (under \$250,000)	47,220
	<u>10,514,915</u>

Schedule Page: 300 Line No.: 21 Column: c

<u>Description</u>	<u>YTD</u>
Oth Elec Rev - Demand Side Management Program	4,348,399
Other Electric Revenues - ABD	229,446
All Other (under \$250,000)	85,327
	<u>4,663,172</u>

Name of Respondent Kentucky Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of <u>2016/Q4</u>
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REGIONAL TRANSMISSION SERVICE REVENUES (Account 457.1)

1. The respondent shall report below the revenue collected for each service (i.e., control area administration, market administration, etc.) performed pursuant to a Commission approved tariff. All amounts separately billed must be detailed below.

Line No.	Description of Service (a)	Balance at End of Quarter 1 (b)	Balance at End of Quarter 2 (c)	Balance at End of Quarter 3 (d)	Balance at End of Year (e)
1					
2					
3					
4					
5					
6					
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41					
42					
43					
44					
45					
46	TOTAL				

Name of Respondent Kentucky Power Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2016/Q4	
SALES OF ELECTRICITY BY RATE SCHEDULES						
<p>1. Report below for each rate schedule in effect during the year the MWh of electricity sold, revenue, average number of customer, average Kwh per customer, and average revenue per Kwh, excluding date for Sales for Resale which is reported on Pages 310-311.</p> <p>2. Provide a subheading and total for each prescribed operating revenue account in the sequence followed in "Electric Operating Revenues," Page 300-301. If the sales under any rate schedule are classified in more than one revenue account, List the rate schedule and sales data under each applicable revenue account subheading.</p> <p>3. Where the same customers are served under more than one rate schedule in the same revenue account classification (such as a general residential schedule and an off peak water heating schedule), the entries in column (d) for the special schedule should denote the duplication in number of reported customers.</p> <p>4. The average number of customers should be the number of bills rendered during the year divided by the number of billing periods during the year (12 if all billings are made monthly).</p> <p>5. For any rate schedule having a fuel adjustment clause state in a footnote the estimated additional revenue billed pursuant thereto.</p> <p>6. Report amount of unbilled revenue as of end of year for each applicable revenue account subheading.</p>						
Line No.	Number and Title of Rate schedule (a)	MWh Sold (b)	Revenue (c)	Average Number of Customers (d)	KWh of Sales Per Customer (e)	Revenue Per KWh Sold (f)
1	440 Residential Sales					
2	Residential Service	2,070,008	243,167,873	136,917	15,119	0.1175
3	Res Service Load Mgmt TOD	2,033	212,668	89	22,843	0.1046
4	Residential Service TOD	56	6,160	4	14,000	0.1100
5	Small General Service	21	2,992	3	7,000	0.1425
6	Kentucky Rider		267,770			
7	All Outdoor Lighting	26,194	6,118,801			0.2336
8	Subtotal Billed	2,098,312	249,776,264	137,013	15,315	0.1190
9	Unbilled Revenue	30,218	4,283,634			0.1418
10	Total Residential	2,128,530	254,059,898	137,013	15,535	0.1194
11						
12	442 Commercial Sales					
13	Small General Service	132,901	20,834,745	22,893	5,805	0.1568
14	Medium General Service	445,233	58,156,292	6,573	67,737	0.1306
15	Medium General Service TOD	3,563	417,498	76	46,882	0.1172
16	Large General Service	411,273	45,601,398	557	738,372	0.1109
17	Industrial General Service	177,710	13,133,410	21	8,462,381	0.0739
18	All Outdoor Lighting	15,170	2,791,160			0.1840
19	Public Schools	114,056	13,203,898	163	699,730	0.1158
20	Kentucky Rider		135,264			
21	Mark West HC	2,026	221,298	10	202,600	0.1092
22	Estimated Revenue	-210	-20,642			0.0983
23	Subtotal Billed	1,301,722	154,474,321	30,293	42,971	0.1187
24	Unbilled Revenue	13,775	2,067,801			0.1501
25	Total Commercial	1,315,497	156,542,122	30,293	43,426	0.1190
26						
27	442 Industrial Sales					
28	Industrial General Service	2,195,126	139,446,607	52	42,213,962	0.0635
29	Small General Service	4,324	657,182	717	6,031	0.1520
30	Medium General Service	21,757	2,804,573	302	72,043	0.1289
31	Large General Service	112,054	12,459,985	120	933,783	0.1112
32	Church Service	57,918	3,439,866			0.0594
33	Kentucky Rider		91,397			
34	All Outdoor Lighting	850	142,989			0.1682
35	Estimated Revenue	6,036	427,495			0.0708
36	Subtotal Billed	2,398,065	159,470,094	1,191	2,013,489	0.0665
37	Unbilled Revenue	10,129	763,854			0.0754
38	Total Industrial	2,408,194	160,233,948	1,191	2,021,993	0.0665
39						
40						
41	TOTAL Billed	5,808,540	565,689,409	168,848	34,401	0.0974
42	Total Unbilled Rev.(See Instr. 6)	54,157	7,121,368	0	0	0.1315
43	TOTAL	5,862,697	572,810,777	168,848	34,722	0.0977

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SALES OF ELECTRICITY BY RATE SCHEDULES						
<p>1. Report below for each rate schedule in effect during the year the MWh of electricity sold, revenue, average number of customer, average Kwh per customer, and average revenue per Kwh, excluding date for Sales for Resale which is reported on Pages 310-311.</p> <p>2. Provide a subheading and total for each prescribed operating revenue account in the sequence followed in "Electric Operating Revenues," Page 300-301. If the sales under any rate schedule are classified in more than one revenue account, List the rate schedule and sales data under each applicable revenue account subheading.</p> <p>3. Where the same customers are served under more than one rate schedule in the same revenue account classification (such as a general residential schedule and an off peak water heating schedule), the entries in column (d) for the special schedule should denote the duplication in number of reported customers.</p> <p>4. The average number of customers should be the number of bills rendered during the year divided by the number of billing periods during the year (12 if all billings are made monthly).</p> <p>5. For any rate schedule having a fuel adjustment clause state in a footnote the estimated additional revenue billed pursuant thereto.</p> <p>6. Report amount of unbilled revenue as of end of year for each applicable revenue account subheading.</p>						
Line No.	Number and Title of Rate schedule (a)	MWh Sold (b)	Revenue (c)	Average Number of Customers (d)	KWh of Sales Per Customer (e)	Revenue Per KWh Sold (f)
1						
2						
3						
4						
5	444 Public Street Lighting					
6	Small General Service	652	150,690	284	2,296	0.2311
7	Medium General Service	1,169	145,700	12	97,417	0.1246
8	Street Lighting	8,511	1,633,412	55	154,745	0.1919
9	Kentucky Rider		8,384			
10	All Outdoor Lighting	109	30,544			0.2802
11	Subtotal Billed	10,441	1,968,730	351	29,746	0.1886
12	Unbilled Revenue	35	6,079			0.1737
13	Total Public Street Lighting	10,476	1,974,809	351	29,846	0.1885
14						
15	Instruction 5. (See Footnote)					
16						
17						
18						
19						
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27						
28						
29						
30						
31						
32						
33						
34						
35						
36						
37						
38						
39						
40						
41	TOTAL Billed	5,808,540	565,689,409	168,848	34,401	0.0974
42	Total Unbilled Rev.(See Instr. 6)	54,157	7,121,368	0	0	0.1315
43	TOTAL	5,862,697	572,810,777	168,848	34,722	0.0977

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FOOTNOTE DATA			

Schedule Page: 304.1 Line No.: 15 Column: a

FUEL CLAUSE

440 RESIDENTIAL SALES

Residential Service	\$ 1,047,422
Residential Load Mgmt - TOD	665
Residential Service TOD	53
Small General Service	(33)
All Outdoor Lighting	24,649
Unbilled Revenue	621,879
TOTAL RESIDENTIAL	1,694,635

442 COMMERCIAL SALES

Public Schools	92,069
Mark West HC	1,519
Industrial General Service	152,175
Large General Service	316,784
Medium General Service	317,053
Medium General Service TOD	2,601
Small General Service	82,206
All Outdoor Lighting	14,298
Estimated Revenue	2,402
Unbilled Revenue	350,511
TOTAL COMMERCIAL	1,331,618

442 INDUSTRIAL SERVICE

Industrial General Company	1,525,003
Large General Service	105,386
Medium General Service	11,854
Small General Service	2,942
All Outdoor Lighting	748
Estimated Revenue	241,272
Church Service	165,314
Unbilled Revenue	226,357
TOTAL INDUSTRIAL	2,278,876

444 PUBLIC STREET LIGHTING

Small General Service	442
Medium General Service	927
Street Lighting	7,978
All Outdoor Lighting	103
Unbilled Revenue	741
TOTAL PUBLIC STREET LIGHTING	10,191

TOTAL FUEL CLAUSE \$ 5,315,320

Name of Respondent Kentucky Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2016/Q4
SALES FOR RESALE (Account 447)			

1. Report all sales for resale (i.e., sales to purchasers other than ultimate consumers) transacted on a settlement basis other than power exchanges during the year. Do not report exchanges of electricity (i.e., transactions involving a balancing of debits and credits for energy, capacity, etc.) and any settlements for imbalanced exchanges on this schedule. Power exchanges must be reported on the Purchased Power schedule (Page 326-327).

2. Enter the name of the purchaser in column (a). Do not abbreviate or truncate the name or use acronyms. Explain in a footnote any ownership interest or affiliation the respondent has with the purchaser.

3. In column (b), enter a Statistical Classification Code based on the original contractual terms and conditions of the service as follows:
 RQ - for requirements service. Requirements service is service which the supplier plans to provide on an ongoing basis (i.e., the supplier includes projected load for this service in its system resource planning). In addition, the reliability of requirements service must be the same as, or second only to, the supplier's service to its own ultimate consumers.
 LF - for long-term service. "Long-term" means five years or Longer and "firm" means that service cannot be interrupted for economic reasons and is intended to remain reliable even under adverse conditions (e.g., the supplier must attempt to buy emergency energy from third parties to maintain deliveries of LF service). This category should not be used for Long-term firm service which meets the definition of RQ service. For all transactions identified as LF, provide in a footnote the termination date of the contract defined as the earliest date that either buyer or setter can unilaterally get out of the contract.
 IF - for intermediate-term firm service. The same as LF service except that "intermediate-term" means longer than one year but Less than five years.
 SF - for short-term firm service. Use this category for all firm services where the duration of each period of commitment for service is one year or less.
 LU - for Long-term service from a designated generating unit. "Long-term" means five years or Longer. The availability and reliability of service, aside from transmission constraints, must match the availability and reliability of designated unit.
 IU - for intermediate-term service from a designated generating unit. The same as LU service except that "intermediate-term" means Longer than one year but Less than five years.

Line No.	Name of Company or Public Authority (Footnote Affiliations) (a)	Statistical Classification (b)	FERC Rate Schedule or Tariff Number (c)	Average Monthly Billing Demand (MW) (d)	Actual Demand (MW)	
					Average Monthly NCP Demand (e)	Average Monthly CP Demand (f)
1	WPPI ENERGY	OS	Note 1			
2						
3						
4						
5						
6						
7						
8						
9						
10						
11						
12						
13						
14						
	Subtotal RQ			0	0	0
	Subtotal non-RQ			0	0	0
	Total			0	0	0

Name of Respondent Kentucky Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2016/Q4
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SALES FOR RESALE (Account 447) (Continued)

OS - for other service. use this category only for those services which cannot be placed in the above-defined categories, such as all non-firm service regardless of the Length of the contract and service from designated units of Less than one year. Describe the nature of the service in a footnote.
 AD - for Out-of-period adjustment. Use this code for any accounting adjustments or "true-ups" for service provided in prior reporting years. Provide an explanation in a footnote for each adjustment.
 4. Group requirements RQ sales together and report them starting at line number one. After listing all RQ sales, enter "Subtotal - RQ" in column (a). The remaining sales may then be listed in any order. Enter "Subtotal-Non-RQ" in column (a) after this Listing. Enter "Total" in column (a) as the Last Line of the schedule. Report subtotals and total for columns (9) through (k)
 5. In Column (c), identify the FERC Rate Schedule or Tariff Number. On separate Lines, List all FERC rate schedules or tariffs under which service, as identified in column (b), is provided.
 6. For requirements RQ sales and any type of-service involving demand charges imposed on a monthly (or Longer) basis, enter the average monthly billing demand in column (d), the average monthly non-coincident peak (NCP) demand in column (e), and the average monthly coincident peak (CP) demand in column (f). For all other types of service, enter NA in columns (d), (e) and (f). Monthly NCP demand is the maximum metered hourly (60-minute integration) demand in a month. Monthly CP demand is the metered demand during the hour (60-minute integration) in which the supplier's system reaches its monthly peak. Demand reported in columns (e) and (f) must be in megawatts. Footnote any demand not stated on a megawatt basis and explain.
 7. Report in column (g) the megawatt hours shown on bills rendered to the purchaser.
 8. Report demand charges in column (h), energy charges in column (i), and the total of any other types of charges, including out-of-period adjustments, in column (j). Explain in a footnote all components of the amount shown in column (j). Report in column (k) the total charge shown on bills rendered to the purchaser.
 9. The data in column (g) through (k) must be subtotaled based on the RQ/Non-RQ grouping (see instruction 4), and then totaled on the Last -line of the schedule. The "Subtotal - RQ" amount in column (g) must be reported as Requirements Sales For Resale on Page 401, line 23. The "Subtotal - Non-RQ" amount in column (g) must be reported as Non-Requirements Sales For Resale on Page 401, line 24.
 10. Footnote entries as required and provide explanations following all required data.

MegaWatt Hours Sold (g)	REVENUE			Total (\$) (h+i+j) (k)	Line No.
	Demand Charges (\$) (h)	Energy Charges (\$) (i)	Other Charges (\$) (j)		
23,946	851,594	1,127,918		1,979,512	1
60,920	2,021,852	2,533,081		4,554,933	2
			-1,229,142	-1,229,142	3
		-928		-928	4
		-2,031		-2,031	5
3,578		145,787		145,787	6
7,717		478,983		478,983	7
		-138,398		-138,398	8
		-538		-538	9
		10		10	10
		-477,651		-477,651	11
1,732		111,544		111,544	12
5,233		325,347		325,347	13
3,478		218,313		218,313	14
84,866	2,873,446	3,660,999	-1,229,142	5,305,303	
1,328,484	2,159,534	43,781,171	0	45,940,705	
1,413,350	5,032,980	47,442,170	-1,229,142	51,246,008	

Name of Respondent Kentucky Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2016/Q4
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SALES FOR RESALE (Account 447) (Continued)

OS - for other service. use this category only for those services which cannot be placed in the above-defined categories, such as all non-firm service regardless of the Length of the contract and service from designated units of Less than one year. Describe the nature of the service in a footnote.
 AD - for Out-of-period adjustment. Use this code for any accounting adjustments or "true-ups" for service provided in prior reporting years. Provide an explanation in a footnote for each adjustment.
 4. Group requirements RQ sales together and report them starting at line number one. After listing all RQ sales, enter "Subtotal - RQ" in column (a). The remaining sales may then be listed in any order. Enter "Subtotal-Non-RQ" in column (a) after this Listing. Enter "Total" in column (a) as the Last Line of the schedule. Report subtotals and total for columns (9) through (k)
 5. In Column (c), identify the FERC Rate Schedule or Tariff Number. On separate Lines, List all FERC rate schedules or tariffs under which service, as identified in column (b), is provided.
 6. For requirements RQ sales and any type of-service involving demand charges imposed on a monthly (or Longer) basis, enter the average monthly billing demand in column (d), the average monthly non-coincident peak (NCP) demand in column (e), and the average monthly coincident peak (CP) demand in column (f). For all other types of service, enter NA in columns (d), (e) and (f). Monthly NCP demand is the maximum metered hourly (60-minute integration) demand in a month. Monthly CP demand is the metered demand during the hour (60-minute integration) in which the supplier's system reaches its monthly peak. Demand reported in columns (e) and (f) must be in megawatts. Footnote any demand not stated on a megawatt basis and explain.
 7. Report in column (g) the megawatt hours shown on bills rendered to the purchaser.
 8. Report demand charges in column (h), energy charges in column (i), and the total of any other types of charges, including out-of-period adjustments, in column (j). Explain in a footnote all components of the amount shown in column (j). Report in column (k) the total charge shown on bills rendered to the purchaser.
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 10. Footnote entries as required and provide explanations following all required data.

MegaWatt Hours Sold (g)	REVENUE			Total (\$) (h+i+j) (k)	Line No.
	Demand Charges (\$) (h)	Energy Charges (\$) (i)	Other Charges (\$) (j)		
827		52,328		52,328	1
8,103		512,587		512,587	2
10,471		668,841		668,841	3
2,002		126,802		126,802	4
834		50,863		50,863	5
30,467		2,036,043		2,036,043	6
100,089		3,173,395		3,173,395	7
		-168		-168	8
8,366		431,632		431,632	9
36,807		2,006,220		2,006,220	10
144,861		7,065,068		7,065,068	11
	50			50	12
		-21,634		-21,634	13
		-348,350		-348,350	14
84,866	2,873,446	3,660,999	-1,229,142	5,305,303	
1,328,484	2,159,534	43,781,171	0	45,940,705	
1,413,350	5,032,980	47,442,170	-1,229,142	51,246,008	

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SALES FOR RESALE (Account 447) (Continued)

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10. Footnote entries as required and provide explanations following all required data.

MegaWatt Hours Sold (g)	REVENUE			Total (\$) (h+i+j) (k)	Line No.
	Demand Charges (\$) (h)	Energy Charges (\$) (i)	Other Charges (\$) (j)		
-40,440		-1,407,398		-1,407,398	1
		-148,436		-148,436	2
		221,616		221,616	3
	5,878			5,878	4
30,276		1,669,787		1,669,787	5
977,790	2,098,309	27,017,572		29,115,881	6
		-50,577		-50,577	7
	55,297			55,297	8
		-928		-928	9
1,430		95,111		95,111	10
-7,009		-136,973		-136,973	11
		-105		-105	12
881		56,648		56,648	13
991		64,559		64,559	14
84,866	2,873,446	3,660,999	-1,229,142	5,305,303	
1,328,484	2,159,534	43,781,171	0	45,940,705	
1,413,350	5,032,980	47,442,170	-1,229,142	51,246,008	

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SALES FOR RESALE (Account 447) (Continued)

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 10. Footnote entries as required and provide explanations following all required data.

MegaWatt Hours Sold (g)	REVENUE			Total (\$) (h+i+j) (k)	Line No.
	Demand Charges (\$) (h)	Energy Charges (\$) (i)	Other Charges (\$) (j)		
		-13,770		-13,770	1
					2
					3
					4
					5
					6
					7
					8
					9
					10
					11
					12
					13
					14
84,866	2,873,446	3,660,999	-1,229,142	5,305,303	
1,328,484	2,159,534	43,781,171	0	45,940,705	
1,413,350	5,032,980	47,442,170	-1,229,142	51,246,008	

Name of Respondent Kentucky Power Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2016/Q4
FOOTNOTE DATA			

Schedule Page: 310 Line No.: 1 Column: k

Margins for Off System Sales (OSS) reported in KPCO's generation formula rates are included in the total revenue amount. The margins are specifically identified in the ledger as a subset of the accounts that make up these OSS revenues.

Schedule Page: 310 Line No.: 3 Column: j

Amount represents transmission services and related charges.

Schedule Page: 310 Line No.: 4 Column: c

FERC Electric Tariff, First Revised Volume No. 5

Schedule Page: 310.2 Line No.: 5 Column: a

An affiliated company.

Schedule Page: 310.2 Line No.: 5 Column: c

The PUCO (Public Utilities Commission Ohio) ordered OPCo to conduct energy and capacity auctions for its entire SSO load for delivery beginning June 2015. APCo, KPCo, I&M and WPCo participated in the auction process and were awarded tranches of OPCo's SSO load.

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ELECTRIC OPERATION AND MAINTENANCE EXPENSES				
If the amount for previous year is not derived from previously reported figures, explain in footnote.				
Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)	
1	1. POWER PRODUCTION EXPENSES			
2	A. Steam Power Generation			
3	Operation			
4	(500) Operation Supervision and Engineering	3,250,812	3,605,877	
5	(501) Fuel	114,435,169	158,233,198	
6	(502) Steam Expenses	5,789,966	8,364,443	
7	(503) Steam from Other Sources			
8	(Less) (504) Steam Transferred-Cr.			
9	(505) Electric Expenses	180,082	235,733	
10	(506) Miscellaneous Steam Power Expenses	9,802,107	5,886,357	
11	(507) Rents			
12	(509) Allowances	547,130	2,378,334	
13	TOTAL Operation (Enter Total of Lines 4 thru 12)	134,005,266	178,703,942	
14	Maintenance			
15	(510) Maintenance Supervision and Engineering	2,474,313	3,318,034	
16	(511) Maintenance of Structures	1,956,240	2,899,883	
17	(512) Maintenance of Boiler Plant	14,853,674	18,164,423	
18	(513) Maintenance of Electric Plant	4,874,112	6,333,300	
19	(514) Maintenance of Miscellaneous Steam Plant	1,805,152	1,643,296	
20	TOTAL Maintenance (Enter Total of Lines 15 thru 19)	25,963,491	32,358,936	
21	TOTAL Power Production Expenses-Steam Power (Entr Tot lines 13 & 20)	159,968,757	211,062,878	
22	B. Nuclear Power Generation			
23	Operation			
24	(517) Operation Supervision and Engineering			
25	(518) Fuel			
26	(519) Coolants and Water			
27	(520) Steam Expenses			
28	(521) Steam from Other Sources			
29	(Less) (522) Steam Transferred-Cr.			
30	(523) Electric Expenses			
31	(524) Miscellaneous Nuclear Power Expenses			
32	(525) Rents			
33	TOTAL Operation (Enter Total of lines 24 thru 32)			
34	Maintenance			
35	(528) Maintenance Supervision and Engineering			
36	(529) Maintenance of Structures			
37	(530) Maintenance of Reactor Plant Equipment			
38	(531) Maintenance of Electric Plant			
39	(532) Maintenance of Miscellaneous Nuclear Plant			
40	TOTAL Maintenance (Enter Total of lines 35 thru 39)			
41	TOTAL Power Production Expenses-Nuc. Power (Entr tot lines 33 & 40)			
42	C. Hydraulic Power Generation			
43	Operation			
44	(535) Operation Supervision and Engineering			
45	(536) Water for Power			
46	(537) Hydraulic Expenses			
47	(538) Electric Expenses			
48	(539) Miscellaneous Hydraulic Power Generation Expenses			
49	(540) Rents			
50	TOTAL Operation (Enter Total of Lines 44 thru 49)			
51	C. Hydraulic Power Generation (Continued)			
52	Maintenance			
53	(541) Maintenance Supervision and Engineering			
54	(542) Maintenance of Structures			
55	(543) Maintenance of Reservoirs, Dams, and Waterways			
56	(544) Maintenance of Electric Plant			
57	(545) Maintenance of Miscellaneous Hydraulic Plant			
58	TOTAL Maintenance (Enter Total of lines 53 thru 57)			
59	TOTAL Power Production Expenses-Hydraulic Power (tot of lines 50 & 58)			

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ELECTRIC OPERATION AND MAINTENANCE EXPENSES (Continued)				
If the amount for previous year is not derived from previously reported figures, explain in footnote.				
Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)	
60	D. Other Power Generation			
61	Operation			
62	(546) Operation Supervision and Engineering			
63	(547) Fuel			
64	(548) Generation Expenses			
65	(549) Miscellaneous Other Power Generation Expenses			
66	(550) Rents			
67	TOTAL Operation (Enter Total of lines 62 thru 66)			
68	Maintenance			
69	(551) Maintenance Supervision and Engineering			
70	(552) Maintenance of Structures			
71	(553) Maintenance of Generating and Electric Plant			
72	(554) Maintenance of Miscellaneous Other Power Generation Plant			
73	TOTAL Maintenance (Enter Total of lines 69 thru 72)			
74	TOTAL Power Production Expenses-Other Power (Enter Tot of 67 & 73)			
75	E. Other Power Supply Expenses			
76	(555) Purchased Power	149,674,900	155,502,301	
77	(556) System Control and Load Dispatching	515,588	478,465	
78	(557) Other Expenses	1,516,083	1,698,481	
79	TOTAL Other Power Supply Exp (Enter Total of lines 76 thru 78)	151,706,571	157,679,247	
80	TOTAL Power Production Expenses (Total of lines 21, 41, 59, 74 & 79)	311,675,328	368,742,125	
81	2. TRANSMISSION EXPENSES			
82	Operation			
83	(560) Operation Supervision and Engineering	1,371,905	1,137,188	
84				
85	(561.1) Load Dispatch-Reliability	8,547	5,632	
86	(561.2) Load Dispatch-Monitor and Operate Transmission System	778,887	820,159	
87	(561.3) Load Dispatch-Transmission Service and Scheduling			
88	(561.4) Scheduling, System Control and Dispatch Services	1,128,598	1,232,355	
89	(561.5) Reliability, Planning and Standards Development	116,663	139,836	
90	(561.6) Transmission Service Studies		110	
91	(561.7) Generation Interconnection Studies			
92	(561.8) Reliability, Planning and Standards Development Services	293,410	305,965	
93	(562) Station Expenses	229,138	464,602	
94	(563) Overhead Lines Expenses	117,014	163,797	
95	(564) Underground Lines Expenses		-7	
96	(565) Transmission of Electricity by Others	26,168,870	18,972,154	
97	(566) Miscellaneous Transmission Expenses	1,484,735	1,204,474	
98	(567) Rents	170,159	13,363	
99	TOTAL Operation (Enter Total of lines 83 thru 98)	31,867,926	24,459,628	
100	Maintenance			
101	(568) Maintenance Supervision and Engineering	27,397	27,593	
102	(569) Maintenance of Structures	21,759	4,918	
103	(569.1) Maintenance of Computer Hardware	1,651	589	
104	(569.2) Maintenance of Computer Software	107,394	79,679	
105	(569.3) Maintenance of Communication Equipment	6,347	1,896	
106	(569.4) Maintenance of Miscellaneous Regional Transmission Plant			
107	(570) Maintenance of Station Equipment	678,388	663,400	
108	(571) Maintenance of Overhead Lines	1,831,232	2,298,682	
109	(572) Maintenance of Underground Lines	42	206	
110	(573) Maintenance of Miscellaneous Transmission Plant	384,784	298,049	
111	TOTAL Maintenance (Total of lines 101 thru 110)	3,058,994	3,375,012	
112	TOTAL Transmission Expenses (Total of lines 99 and 111)	34,926,920	27,834,640	

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ELECTRIC OPERATION AND MAINTENANCE EXPENSES (Continued)				
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Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)	
113	3. REGIONAL MARKET EXPENSES			
114	Operation			
115	(575.1) Operation Supervision			
116	(575.2) Day-Ahead and Real-Time Market Facilitation			
117	(575.3) Transmission Rights Market Facilitation			
118	(575.4) Capacity Market Facilitation			
119	(575.5) Ancillary Services Market Facilitation			
120	(575.6) Market Monitoring and Compliance			
121	(575.7) Market Facilitation, Monitoring and Compliance Services	996,718	1,015,045	
122	(575.8) Rents			
123	Total Operation (Lines 115 thru 122)	996,718	1,015,045	
124	Maintenance			
125	(576.1) Maintenance of Structures and Improvements			
126	(576.2) Maintenance of Computer Hardware			
127	(576.3) Maintenance of Computer Software			
128	(576.4) Maintenance of Communication Equipment			
129	(576.5) Maintenance of Miscellaneous Market Operation Plant			
130	Total Maintenance (Lines 125 thru 129)			
131	TOTAL Regional Transmission and Market Op Exps (Total 123 and 130)	996,718	1,015,045	
132	4. DISTRIBUTION EXPENSES			
133	Operation			
134	(580) Operation Supervision and Engineering	555,751	642,645	
135	(581) Load Dispatching	3,134	3,544	
136	(582) Station Expenses	238,129	184,894	
137	(583) Overhead Line Expenses	1,121,334	397,866	
138	(584) Underground Line Expenses	115,357	101,171	
139	(585) Street Lighting and Signal System Expenses	181,462	190,231	
140	(586) Meter Expenses	910,321	811,607	
141	(587) Customer Installations Expenses	157,706	149,576	
142	(588) Miscellaneous Expenses	4,180,377	4,685,951	
143	(589) Rents	1,684,554	1,514,941	
144	TOTAL Operation (Enter Total of lines 134 thru 143)	9,148,125	8,682,426	
145	Maintenance			
146	(590) Maintenance Supervision and Engineering	2,472	702	
147	(591) Maintenance of Structures	29,653	9,088	
148	(592) Maintenance of Station Equipment	475,219	540,532	
149	(593) Maintenance of Overhead Lines	39,508,115	37,695,498	
150	(594) Maintenance of Underground Lines	94,505	112,365	
151	(595) Maintenance of Line Transformers	50,399	71,015	
152	(596) Maintenance of Street Lighting and Signal Systems	41,144	63,729	
153	(597) Maintenance of Meters	78,484	115,431	
154	(598) Maintenance of Miscellaneous Distribution Plant	60,914	79,935	
155	TOTAL Maintenance (Total of lines 146 thru 154)	40,340,905	38,688,295	
156	TOTAL Distribution Expenses (Total of lines 144 and 155)	49,489,030	47,370,721	
157	5. CUSTOMER ACCOUNTS EXPENSES			
158	Operation			
159	(901) Supervision	206,587	236,292	
160	(902) Meter Reading Expenses	386,804	539,951	
161	(903) Customer Records and Collection Expenses	5,227,697	5,081,975	
162	(904) Uncollectible Accounts	-131,730	249,840	
163	(905) Miscellaneous Customer Accounts Expenses	17,864	22,828	
164	TOTAL Customer Accounts Expenses (Total of lines 159 thru 163)	5,707,222	6,130,886	

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ELECTRIC OPERATION AND MAINTENANCE EXPENSES (Continued)				
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Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)	
165	6. CUSTOMER SERVICE AND INFORMATIONAL EXPENSES			
166	Operation			
167	(907) Supervision	110,126	99,216	
168	(908) Customer Assistance Expenses	6,244,318	3,592,792	
169	(909) Informational and Instructional Expenses	41,692	122,684	
170	(910) Miscellaneous Customer Service and Informational Expenses	147,511	93,912	
171	TOTAL Customer Service and Information Expenses (Total 167 thru 170)	6,543,647	3,908,604	
172	7. SALES EXPENSES			
173	Operation			
174	(911) Supervision	110	458	
175	(912) Demonstrating and Selling Expenses	60,056	46,255	
176	(913) Advertising Expenses	33,884		
177	(916) Miscellaneous Sales Expenses			
178	TOTAL Sales Expenses (Enter Total of lines 174 thru 177)	94,050	46,713	
179	8. ADMINISTRATIVE AND GENERAL EXPENSES			
180	Operation			
181	(920) Administrative and General Salaries	9,367,015	8,467,676	
182	(921) Office Supplies and Expenses	710,379	655,751	
183	(Less) (922) Administrative Expenses Transferred-Credit	1,441,385	1,262,010	
184	(923) Outside Services Employed	2,144,345	2,206,062	
185	(924) Property Insurance	733,002	597,561	
186	(925) Injuries and Damages	2,067,119	2,197,102	
187	(926) Employee Pensions and Benefits	3,761,903	4,197,814	
188	(927) Franchise Requirements	140,317	135,352	
189	(928) Regulatory Commission Expenses	497,536	2,034,798	
190	(929) (Less) Duplicate Charges-Cr.			
191	(930.1) General Advertising Expenses	138,785	106,815	
192	(930.2) Miscellaneous General Expenses	489,756	355,929	
193	(931) Rents	397,820	386,954	
194	TOTAL Operation (Enter Total of lines 181 thru 193)	19,006,592	20,079,804	
195	Maintenance			
196	(935) Maintenance of General Plant	2,704,114	2,534,847	
197	TOTAL Administrative & General Expenses (Total of lines 194 and 196)	21,710,706	22,614,651	
198	TOTAL Elec Op and Maint Expns (Total 80,112,131,156,164,171,178,197)	431,143,621	477,663,385	

Name of Respondent Kentucky Power Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2016/Q4
FOOTNOTE DATA			

Schedule Page: 320 Line No.: 5 Column: b

The portion of account 501 that is excluded from the fuel costs in KPCo's generation formula rate is identified by a query of the general ledger.

Schedule Page: 320 Line No.: 93 Column: b

Generation Step-Up Units' (GSUs) O&M expenses included in KPCo's generation formula rates are the ratio of GSU balances to all investment for plant accounts 352 & 353 multiplied by the balance in O&M accounts 562, 569 & 570.

Schedule Page: 320 Line No.: 185 Column: b

The insurance expenses for generation included in KPCO's generation formula rate are identified by a query of the general ledger.

Name of Respondent Kentucky Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2016/Q4
PURCHASED POWER (Account 555) (Including power exchanges)			

1. Report all power purchases made during the year. Also report exchanges of electricity (i.e., transactions involving a balancing of debits and credits for energy, capacity, etc.) and any settlements for imbalanced exchanges.

2. Enter the name of the seller or other party in an exchange transaction in column (a). Do not abbreviate or truncate the name or use acronyms. Explain in a footnote any ownership interest or affiliation the respondent has with the seller.

3. In column (b), enter a Statistical Classification Code based on the original contractual terms and conditions of the service as follows:

RQ - for requirements service. Requirements service is service which the supplier plans to provide on an ongoing basis (i.e., the supplier includes projects load for this service in its system resource planning). In addition, the reliability of requirement service must be the same as, or second only to, the supplier's service to its own ultimate consumers.

LF - for long-term firm service. "Long-term" means five years or longer and "firm" means that service cannot be interrupted for economic reasons and is intended to remain reliable even under adverse conditions (e.g., the supplier must attempt to buy emergency energy from third parties to maintain deliveries of LF service). This category should not be used for long-term firm service firm service which meets the definition of RQ service. For all transaction identified as LF, provide in a footnote the termination date of the contract defined as the earliest date that either buyer or seller can unilaterally get out of the contract.

IF - for intermediate-term firm service. The same as LF service expect that "intermediate-term" means longer than one year but less than five years.

SF - for short-term service. Use this category for all firm services, where the duration of each period of commitment for service is one year or less.

LU - for long-term service from a designated generating unit. "Long-term" means five years or longer. The availability and reliability of service, aside from transmission constraints, must match the availability and reliability of the designated unit.

IU - for intermediate-term service from a designated generating unit. The same as LU service expect that "intermediate-term" means longer than one year but less than five years.

EX - For exchanges of electricity. Use this category for transactions involving a balancing of debits and credits for energy, capacity, etc. and any settlements for imbalanced exchanges.

OS - for other service. Use this category only for those services which cannot be placed in the above-defined categories, such as all non-firm service regardless of the Length of the contract and service from designated units of Less than one year. Describe the nature of the service in a footnote for each adjustment.

Line No.	Name of Company or Public Authority (Footnote Affiliations) (a)	Statistical Classification (b)	FERC Rate Schedule or Tariff Number (c)	Average Monthly Billing Demand (MW) (d)	Actual Demand (MW)	
					Average Monthly NCP Demand (e)	Average Monthly CP Demand (f)
1	AEP GENERATING COMPANY	RQ	AEG 2			
2	CMS MARKETING SVCS AND TRADING	OS				
3	EDF TRADING NORTH AMERICA LLC	OS				
4	JP MORGAN VENTURES ENERGY CORP	OS				
5	KY ENVIRONMENTAL SURCHARGE RIDER	OS				
6	MIZUHO SECURITIES USA INC	OS				
7	PJM INTERCONNECTION	OS				
8	PJM OVER/UNDER RECOVERY	OS				
9	PURCHASED POWER ADJUSTMENT	OS				
10						
11						
12						
13						
14						
	Total					

Name of Respondent Kentucky Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2016/Q4
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PURCHASED POWER(Account 555) (Continued)
(Including power exchanges)

AD - for out-of-period adjustment. Use this code for any accounting adjustments or "true-ups" for service provided in prior reporting years. Provide an explanation in a footnote for each adjustment.

4. In column (c), identify the FERC Rate Schedule Number or Tariff, or, for non-FERC jurisdictional sellers, include an appropriate designation for the contract. On separate lines, list all FERC rate schedules, tariffs or contract designations under which service, as identified in column (b), is provided.
5. For requirements RQ purchases and any type of service involving demand charges imposed on a monthly (or longer) basis, enter the monthly average billing demand in column (d), the average monthly non-coincident peak (NCP) demand in column (e), and the average monthly coincident peak (CP) demand in column (f). For all other types of service, enter NA in columns (d), (e) and (f). Monthly NCP demand is the maximum metered hourly (60-minute integration) demand in a month. Monthly CP demand is the metered demand during the hour (60-minute integration) in which the supplier's system reaches its monthly peak. Demand reported in columns (e) and (f) must be in megawatts. Footnote any demand not stated on a megawatt basis and explain.
6. Report in column (g) the megawatthours shown on bills rendered to the respondent. Report in columns (h) and (i) the megawatthours of power exchanges received and delivered, used as the basis for settlement. Do not report net exchange.
7. Report demand charges in column (j), energy charges in column (k), and the total of any other types of charges, including out-of-period adjustments, in column (l). Explain in a footnote all components of the amount shown in column (l). Report in column (m) the total charge shown on bills received as settlement by the respondent. For power exchanges, report in column (m) the settlement amount for the net receipt of energy. If more energy was delivered than received, enter a negative amount. If the settlement amount (l) include credits or charges other than incremental generation expenses, or (2) excludes certain credits or charges covered by the agreement, provide an explanatory footnote.
8. The data in column (g) through (m) must be totaled on the last line of the schedule. The total amount in column (g) must be reported as Purchases on Page 401, line 10. The total amount in column (h) must be reported as Exchange Received on Page 401, line 12. The total amount in column (i) must be reported as Exchange Delivered on Page 401, line 13.
9. Footnote entries as required and provide explanations following all required data.

MegaWatt Hours Purchased (g)	POWER EXCHANGES		COST/SETTLEMENT OF POWER				Line No.
	MegaWatt Hours Received (h)	MegaWatt Hours Delivered (i)	Demand Charges (\$)(j)	Energy Charges (\$)(k)	Other Charges (\$)(l)	Total (j+k+l) of Settlement (\$)(m)	
1,733,681			52,167,415	45,773,198		97,940,613	1
			12,799			12,799	2
			-11,442			-11,442	3
			1,567			1,567	4
				-16,421		-16,421	5
				21,600		21,600	6
1,588,483			45,135	49,231,899		49,277,034	7
				2,248,754		2,248,754	8
				200,396		200,396	9
							10
							11
							12
							13
							14
3,322,164			52,215,474	97,459,426		149,674,900	

Name of Respondent Kentucky Power Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2016/Q4
FOOTNOTE DATA			

Schedule Page: 326 Line No.: 1 Column: a

Affiliated Company

Schedule Page: 326 Line No.: 5 Column: a

Over/under accounting for the KY environmental surcharge. KPSC Order Case No. 2014-00396

Schedule Page: 326 Line No.: 8 Column: a

KPSC Order Case No. 2014-00396. Commission approved recovery of Big Sandy U1 non fuel operating costs as a coal burning unit and costs associated with its conversion to natural gas. AEP gets a return of the capital investment once the gas unit goes into service.

Schedule Page: 326 Line No.: 9 Column: a

Deferral to track over/under of permitted Purchase Power costs in KYP (not included in the KYP FAC), in accordance with the Stipulation and Settlement Agreement approved in KYP Case No. 2012-00578.

Name of Respondent Kentucky Power Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2016/Q4
TRANSMISSION OF ELECTRICITY FOR OTHERS (Account 456.1) (Including transactions referred to as 'wheeling')					
<p>1. Report all transmission of electricity, i.e., wheeling, provided for other electric utilities, cooperatives, other public authorities, qualifying facilities, non-traditional utility suppliers and ultimate customers for the quarter.</p> <p>2. Use a separate line of data for each distinct type of transmission service involving the entities listed in column (a), (b) and (c).</p> <p>3. Report in column (a) the company or public authority that paid for the transmission service. Report in column (b) the company or public authority that the energy was received from and in column (c) the company or public authority that the energy was delivered to. Provide the full name of each company or public authority. Do not abbreviate or truncate name or use acronyms. Explain in a footnote any ownership interest in or affiliation the respondent has with the entities listed in columns (a), (b) or (c)</p> <p>4. In column (d) enter a Statistical Classification code based on the original contractual terms and conditions of the service as follows: FNO - Firm Network Service for Others, FNS - Firm Network Transmission Service for Self, LFP - "Long-Term Firm Point to Point Transmission Service, OLF - Other Long-Term Firm Transmission Service, SFP - Short-Term Firm Point to Point Transmission Reservation, NF - non-firm transmission service, OS - Other Transmission Service and AD - Out-of-Period Adjustments. Use this code for any accounting adjustments or "true-ups" for service provided in prior reporting periods. Provide an explanation in a footnote for each adjustment. See General Instruction for definitions of codes.</p>					
Line No.	Payment By (Company of Public Authority) (Footnote Affiliation) (a)	Energy Received From (Company of Public Authority) (Footnote Affiliation) (b)	Energy Delivered To (Company of Public Authority) (Footnote Affiliation) (c)	Statistical Classification (d)	
1	PJM Network Integ Trans Rev Whlsle	Various	Various	FNO	
2	PJM Network Integ Trans Serv	Various	Various	FNO	
3	PJM Trans Enhancement Rev	Various	Various	FNO	
4	PJM Trans Enhancement Rev - Affil	Various	Various	FNS	
5	PJM Trans Enhancement Rev Whlsle	Various	Various	FNO	
6	PJM Network Integ Rev - Affil	Various	Various	FNS	
7	PJM Point to Point Trans Serv	Various	Various	LFP	
8	PJM Trans Owner Admin Revenue	Various	Various	OLF	
9	PJM Trans Owner Serv Rev Whlsle	Various	Various	OLF	
10	PJM Expansion Cost Recovery	Various	Various	OS	
11	PJM Power Factor Credits Rev Whlsle	Various	Various	OS	
12	RTO Formation Costs Recovery	Various	Various	OS	
13	PJM Trans Owner Serv - Affil	Various	Various	OLF	
14	East Kentucky Power Cooperative	Various	Various	OLF	
15					
16					
17					
18					
19					
20					
21					
22					
23					
24					
25					
26					
27					
28					
29					
30					
31					
32					
33					
34					
TOTAL					

Name of Respondent Kentucky Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of <u>2016/Q4</u>			
TRANSMISSION OF ELECTRICITY FOR OTHERS (Account 456)(Continued) (Including transactions referred to as 'wheeling')						
<p>5. In column (e), identify the FERC Rate Schedule or Tariff Number, On separate lines, list all FERC rate schedules or contract designations under which service, as identified in column (d), is provided.</p> <p>6. Report receipt and delivery locations for all single contract path, "point to point" transmission service. In column (f), report the designation for the substation, or other appropriate identification for where energy was received as specified in the contract. In column (g) report the designation for the substation, or other appropriate identification for where energy was delivered as specified in the contract.</p> <p>7. Report in column (h) the number of megawatts of billing demand that is specified in the firm transmission service contract. Demand reported in column (h) must be in megawatts. Footnote any demand not stated on a megawatts basis and explain.</p> <p>8. Report in column (i) and (j) the total megawatthours received and delivered.</p>						
FERC Rate Schedule of Tariff Number (e)	Point of Receipt (Substation or Other Designation) (f)	Point of Delivery (Substation or Other Designation) (g)	Billing Demand (MW) (h)	TRANSFER OF ENERGY		Line No.
				MegaWatt Hours Received (i)	MegaWatt Hours Delivered (j)	
PJM OATT	Various	Various				1
PJM OATT	Various	Various				2
PJM OATT	Various	Various				3
PJM OATT	Various	Various				4
PJM OATT	Various	Various				5
PJM OATT	Various	Various				6
PJM OATT	Various	Various				7
PJM OATT	Various	Various				8
PJM OATT	Various	Various				9
PJM OATT	Various	Various				10
PJM OATT	Various	Various				11
PJM OATT	Various	Various				12
PJM OATT	Various	Various				13
See Footnote	Various	Various		36,902	36,902	14
						15
						16
						17
						18
						19
						20
						21
						22
						23
						24
						25
						26
						27
						28
						29
						30
						31
						32
						33
						34
			0	36,902	36,902	

Name of Respondent Kentucky Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2016/Q4	
TRANSMISSION OF ELECTRICITY FOR OTHERS (Account 456) (Continued) (Including transactions referred to as 'wheeling')				
<p>9. In column (k) through (n), report the revenue amounts as shown on bills or vouchers. In column (k), provide revenues from demand charges related to the billing demand reported in column (h). In column (l), provide revenues from energy charges related to the amount of energy transferred. In column (m), provide the total revenues from all other charges on bills or vouchers rendered, including out of period adjustments. Explain in a footnote all components of the amount shown in column (m). Report in column (n) the total charge shown on bills rendered to the entity Listed in column (a). If no monetary settlement was made, enter zero (11011) in column (n). Provide a footnote explaining the nature of the non-monetary settlement, including the amount and type of energy or service rendered.</p> <p>10. The total amounts in columns (i) and (j) must be reported as Transmission Received and Transmission Delivered for annual report purposes only on Page 401, Lines 16 and 17, respectively.</p> <p>11. Footnote entries and provide explanations following all required data.</p>				
REVENUE FROM TRANSMISSION OF ELECTRICITY FOR OTHERS				
Demand Charges (\$) (k)	Energy Charges (\$) (l)	(Other Charges) (\$) (m)	Total Revenues (\$) (k+l+m) (n)	Line No.
2,372,789			2,372,789	1
5,747,544			5,747,544	2
1,750,930			1,750,930	3
103,342			103,342	4
43,731			43,731	5
6,033,372			6,033,372	6
556,048			556,048	7
		137,240	137,240	8
		47,387	47,387	9
				10
		8,248	8,248	11
-44,488			-44,488	12
		197,431	197,431	13
		55,353	55,353	14
				15
				16
				17
				18
				19
				20
				21
				22
				23
				24
				25
				26
				27
				28
				29
				30
				31
				32
				33
				34
16,563,268	382,058	63,601	17,008,927	

Name of Respondent Kentucky Power Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2016/Q4
FOOTNOTE DATA			

Schedule Page: 328 Line No.: 1 Column: e
 Effective October 1, 2004, the administration of the transmission tariff was turned over to PJM. PJM does not provide any detail except for the total revenue by major classes listed. OATT (Open Access Transmission Tariff) 3rd Revised Volume No. 6.

Schedule Page: 328 Line No.: 11 Column: m
 Per Proforma ILDSA (Interconnection and Local Delivery Service Agreement) AEP Tariff 3rd Revised Volume No.6.

Schedule Page: 328 Line No.: 14 Column: e
 Compensation shall be at a rate of one and one-half (1.5) mills per kilowatt-hour for energy delivered pursuant to Appendix IV of PJM Service Agreement No. 1530, the Interconnection Agreement between AEPSC and East Kentucky Power Cooperative.

Schedule Page: 328 Line No.: 14 Column: m
 Compensation shall be at a rate of one and one-half (1.5) mills per kilowatt-hour for energy delivered pursuant to Appendix IV of PJM Service Agreement No. 1530, the Interconnection Agreement between AEPSC and East Kentucky Power Cooperative.

Name of Respondent Kentucky Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2016/Q4
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TRANSMISSION OF ELECTRICITY BY ISO/RTOs

1. Report in Column (a) the Transmission Owner receiving revenue for the transmission of electricity by the ISO/RTO.
2. Use a separate line of data for each distinct type of transmission service involving the entities listed in Column (a).
3. In Column (b) enter a Statistical Classification code based on the original contractual terms and conditions of the service as follows: FNO – Firm Network Service for Others, FNS – Firm Network Transmission Service for Self, LFP – Long-Term Firm Point-to-Point Transmission Service, OLF – Other Long-Term Firm Transmission Service, SFP – Short-Term Firm Point-to-Point Transmission Reservation, NF – Non-Firm Transmission Service, OS – Other Transmission Service and AD- Out-of-Period Adjustments. Use this code for any accounting adjustments or “true-ups” for service provided in prior reporting periods. Provide an explanation in a footnote for each adjustment. See General Instruction for definitions of codes.
4. In column (c) identify the FERC Rate Schedule or tariff Number, on separate lines, list all FERC rate schedules or contract designations under which service, as identified in column (b) was provided.
5. In column (d) report the revenue amounts as shown on bills or vouchers.
6. Report in column (e) the total revenues distributed to the entity listed in column (a).

Line No.	Payment Received by (Transmission Owner Name) (a)	Statistical Classification (b)	FERC Rate Schedule or Tariff Number (c)	Total Revenue by Rate Schedule or Tariff (d)	Total Revenue (e)
1					
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
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25					
26					
27					
28					
29					
30					
31					
32					
33					
34					
35					
36					
37					
38					
39					
40	TOTAL				

Name of Respondent Kentucky Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2016/Q4
TRANSMISSION OF ELECTRICITY BY OTHERS (Account 565) (Including transactions referred to as "wheeling")			

- Report all transmission, i.e. wheeling or electricity provided by other electric utilities, cooperatives, municipalities, other public authorities, qualifying facilities, and others for the quarter.
- In column (a) report each company or public authority that provided transmission service. Provide the full name of the company, abbreviate if necessary, but do not truncate name or use acronyms. Explain in a footnote any ownership interest in or affiliation with the transmission service provider. Use additional columns as necessary to report all companies or public authorities that provided transmission service for the quarter reported.
- In column (b) enter a Statistical Classification code based on the original contractual terms and conditions of the service as follows: FNS - Firm Network Transmission Service for Self, LFP - Long-Term Firm Point-to-Point Transmission Reservations. OLF - Other Long-Term Firm Transmission Service, SFP - Short-Term Firm Point-to-Point Transmission Reservations, NF - Non-Firm Transmission Service, and OS - Other Transmission Service. See General Instructions for definitions of statistical classifications.
- Report in column (c) and (d) the total megawatt hours received and delivered by the provider of the transmission service.
- Report in column (e), (f) and (g) expenses as shown on bills or vouchers rendered to the respondent. In column (e) report the demand charges and in column (f) energy charges related to the amount of energy transferred. On column (g) report the total of all other charges on bills or vouchers rendered to the respondent, including any out of period adjustments. Explain in a footnote all components of the amount shown in column (g). Report in column (h) the total charge shown on bills rendered to the respondent. If no monetary settlement was made, enter zero in column (h). Provide a footnote explaining the nature of the non-monetary settlement, including the amount and type of energy or service rendered.
- Enter "TOTAL" in column (a) as the last line.
- Footnote entries and provide explanations following all required data.

Line No.	Name of Company or Public Authority (Footnote Affiliations) (a)	Statistical Classification (b)	TRANSFER OF ENERGY		EXPENSES FOR TRANSMISSION OF ELECTRICITY BY OTHERS			
			Magawatt-hours Received (c)	Magawatt-hours Delivered (d)	Demand Charges (\$) (e)	Energy Charges (\$) (f)	Other Charges (\$) (g)	Total Cost of Transmission (\$) (h)
1	Concurrent Energy	LFP	83,253	83,253			124,880	124,880
2	East KY Power Coop							
3	PJM - Enhancements	OS					9,117,478	9,117,478
4	PJM - NITS	OS					16,926,449	16,926,449
5	PJM - Trans Owner	OS						
6	Other	OS					63	63
7								
8								
9								
10								
11								
12								
13								
14								
15								
16								
	TOTAL		83,253	83,253			26,168,870	26,168,870

Name of Respondent Kentucky Power Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2016/Q4
FOOTNOTE DATA			

Schedule Page: 332 Line No.: 3 Column: a
 Transmission Enhancement Charges and Credits (PJM OATT Schedule 12).

Schedule Page: 332 Line No.: 4 Column: a
 Network Integration Transmission Service Charges - NITS (PJM OATT Schedule H).

Schedule Page: 332 Line No.: 5 Column: a
 Transmission Owner Charges and Credits (PJM OATT Tariff Sixth Revised Volume No. 1).

Schedule Page: 332 Line No.: 6 Column: a
 Midwest Independent Transmission System Operator (MISO) Membership/Participant Dues.

Name of Respondent Kentucky Power Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2016/Q4
MISCELLANEOUS GENERAL EXPENSES (Account 930.2) (ELECTRIC)				
Line No.	Description (a)	Amount (b)		
1	Industry Association Dues	77,431		
2	Nuclear Power Research Expenses			
3	Other Experimental and General Research Expenses	870		
4	Pub & Dist Info to Stkhldrs...expn servicing outstanding Securities	15,530		
5	Oth Expn >=5,000 show purpose, recipient, amount. Group if < \$5,000			
6	Associated Business Development	233,748		
7	AEP Service Corporation Billings	44,829		
8	Intercompany Allocations	-3,685		
9	Corporate Money Pool Allocations	8,379		
10	Misc Marketing Expenses	33,996		
11	Miscellaneous	78,658		
12				
13				
14				
15				
16				
17				
18				
19				
20				
21				
22				
23				
24				
25				
26				
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40				
41				
42				
43				
44				
45				
46	TOTAL	489,756		

Name of Respondent Kentucky Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2016/Q4			
DEPRECIATION AND AMORTIZATION OF ELECTRIC PLANT (Account 403, 404, 405) (Except amortization of acquisition adjustments)						
<p>1. Report in section A for the year the amounts for : (b) Depreciation Expense (Account 403); (c) Depreciation Expense for Asset Retirement Costs (Account 403.1); (d) Amortization of Limited-Term Electric Plant (Account 404); and (e) Amortization of Other Electric Plant (Account 405).</p> <p>2. Report in Section 8 the rates used to compute amortization charges for electric plant (Accounts 404 and 405). State the basis used to compute charges and whether any changes have been made in the basis or rates used from the preceding report year.</p> <p>3. Report all available information called for in Section C every fifth year beginning with report year 1971, reporting annually only changes to columns (c) through (g) from the complete report of the preceding year.</p> <p>Unless composite depreciation accounting for total depreciable plant is followed, list numerically in column (a) each plant subaccount, account or functional classification, as appropriate, to which a rate is applied. Identify at the bottom of Section C the type of plant included in any sub-account used.</p> <p>In column (b) report all depreciable plant balances to which rates are applied showing subtotals by functional Classifications and showing composite total. Indicate at the bottom of section C the manner in which column balances are obtained. If average balances, state the method of averaging used.</p> <p>For columns (c), (d), and (e) report available information for each plant subaccount, account or functional classification Listed in column (a). If plant mortality studies are prepared to assist in estimating average service Lives, show in column (f) the type mortality curve selected as most appropriate for the account and in column (g), if available, the weighted average remaining life of surviving plant. If composite depreciation accounting is used, report available information called for in columns (b) through (g) on this basis.</p> <p>4. If provisions for depreciation were made during the year in addition to depreciation provided by application of reported rates, state at the bottom of section C the amounts and nature of the provisions and the plant items to which related.</p>						
A. Summary of Depreciation and Amortization Charges						
Line No.	Functional Classification (a)	Depreciation Expense (Account 403) (b)	Depreciation Expense for Asset Retirement Costs (Account 403.1) (c)	Amortization of Limited Term Electric Plant (Account 404) (d)	Amortization of Other Electric Plant (Acc 405) (e)	Total (f)
1	Intangible Plant			3,016,232		3,016,232
2	Steam Production Plant	35,182,500	227,059	-226,976		35,182,583
3	Nuclear Production Plant					
4	Hydraulic Production Plant-Conventional					
5	Hydraulic Production Plant-Pumped Storage					
6	Other Production Plant					
7	Transmission Plant	15,286,138				15,286,138
8	Distribution Plant	26,947,717				26,947,717
9	Regional Transmission and Market Operation					
10	General Plant	1,713,980		106,026		1,820,006
11	Common Plant-Electric					
12	TOTAL	79,130,335	227,059	2,895,282		82,252,676
B. Basis for Amortization Charges						
<p>Section A, Line 1, Column D represents amortization of franchises over the life of the franchise (\$346) and amortization of capitalized software development costs over a 5 year life (\$3,015,886).</p> <p>Section A, Line 2, Column D represents amortization of Selective Catalytic Reduction catalyst equipment over a useful life range defined as:</p> <p>SCR Catalyst Layer 1 (15 years) = \$126,819 SCR Catalyst Layer 2 (19 years) = \$100,157</p> <p>Total = \$226,976</p> <p>Section A, Line 10, Column D represents amortization of Leasehold improvements over the term of the lease for the respective building.</p>						

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DEPRECIATION AND AMORTIZATION OF ELECTRIC PLANT (Continued)							
C. Factors Used in Estimating Depreciation Charges							
Line No.	Account No. (a)	Depreciable Plant Base (In Thousands) (b)	Estimated Avg. Service Life (c)	Net Salvage (Percent) (d)	Applied Depr. rates (Percent) (e)	Mortality Curve Type (f)	Average Remaining Life (g)
12	STEAM -- COAL/LIGNITE						
13	311 - Big Sandy	11,799			3.78		
14	311 - Mitchell	52,164		5.00	2.66		
15	312 - Big Sandy	75,188			3.78		
16	312 - Mitchell	854,443		5.00	3.05		
17	312 - Mitchell SCR	8,255		5.00	12.50		
18	314 - Big Sandy	61,392			3.78		
19	314 - Mitchell	53,973		5.00	1.76		
20	315 - Big Sandy	3,860			3.78		
21	315 - Mitchell	25,057		5.00	1.56		
22	316 - Big Sandy	3,321			3.78		
23	316 - Mitchell	8,084		5.00	2.72		
24	TOTAL COAL/LIGNITE	1,157,536					
25							
26	TRANSMISSION						
27	350.1	30,741	75.00		1.44	R4	
28	352	6,574	60.00	10.00	2.08	S3	
29	352 - Big Sandy	10	60.00	10.00	2.08	S3	
30	352 - Mitchell	72	60.00	10.00	2.08	S3	
31	353	186,224	50.00	3.00	2.15	L0.5	
32	353 - Big Sandy	603	50.00	3.00	2.15	L0.5	
33	353 - Mitchell	9,513	50.00	3.00	2.15	L0.5	
34	354	96,772	51.00	10.00	2.61	S6	
35	355	101,973	43.00	61.00	3.95	L3	
36	356	136,645	50.00	27.00	2.91	S6	
37	357	12	37.00		2.99	R2	
38	358	106	44.00		2.62	R1	
39	TOTAL TRANSMISSION	569,245					
40							
41	DISTRIBUTION						
42	360.1	5,346	75.00		3.52	R4	
43	361	4,486	65.00		3.52	L0.5	
44	362	96,300	25.00	-25.00	3.52	L0	
45	364	199,607	28.00		3.52	L0	
46	365	216,935	26.00	-25.00	3.52	R1.5	
47	366	7,144	37.00		3.52	R2	
48	367	11,071	44.00		3.52	R1	
49	368	129,563	25.00	-15.00	3.52	R1.5	
50	369	59,483	18.00		3.52	R2	

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DEPRECIATION AND AMORTIZATION OF ELECTRIC PLANT (Continued)							
C. Factors Used in Estimating Depreciation Charges							
Line No.	Account No. (a)	Depreciable Plant Base (In Thousands) (b)	Estimated Avg. Service Life (c)	Net Salvage (Percent) (d)	Applied Depr. rates (Percent) (e)	Mortality Curve Type (f)	Average Remaining Life (g)
12	370	24,814	27.00		3.52	R0.5	
13	371	19,681	11.00	-30.00	3.52	L0	
14	373	3,777	15.00	-15.00	3.52	L0	
15	TOTAL DISTRIBUTION	778,207					
16							
17	GENERAL PLANT						
18	389.1	36	75.00		1.59	R4	
19	390	20,559	35.00		3.97	L2	
20	391	1,824	35.00		3.20	SQ	
21	392	15	30.00		3.52	SQ	
22	393	195	30.00		4.15	SQ	
23	394	4,062	30.00	9.00	4.20	SQ	
24	395	261	30.00		5.76	SQ	
25	396	6	25.00		5.43	SQ	
26	397	8,562	22.00	-3.00	5.66	SQ	
27	397.16	1,145	22.00	-3.00	5.66	SQ	
28	398	1,625	20.00	3.00	6.73	SQ	
29	TOTAL GENERAL	38,290					
30							
31	DEPRECIABLE SUM	2,543,278					
32							
33							
34							
35							
36							
37							
38							
39							
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FOOTNOTE DATA			

Schedule Page: 336 Line No.: 7 Column: b
 Generation Step-up Units' (GSU's) depreciation expenses included in KPCo's generation formula rates are a subset of transmission depreciation and identified by a query of the plant accounting system.

Schedule Page: 336.1 Line No.: 31 Column: b
 The depreciable plant base is the November 30, 2016 total company depreciable plant.

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REGULATORY COMMISSION EXPENSES					
1. Report particulars (details) of regulatory commission expenses incurred during the current year (or incurred in previous years, if being amortized) relating to format cases before a regulatory body, or cases in which such a body was a party.					
2. Report in columns (b) and (c), only the current year's expenses that are not deferred and the current year's amortization of amounts deferred in previous years.					
Line No.	Description (Furnish name of regulatory commission or body the docket or case number and a description of the case) (a)	Assessed by Regulatory Commission (b)	Expenses of Utility (c)	Total Expense for Current Year (b) + (c) (d)	Deferred in Account 182.3 at Beginning of Year (e)
1	Integrated Resource Plan Filing		219,555	219,555	
2					
3	2016 - Kentucky Power Rate Case		230,772	230,772	
4	KPSC - Case No. 2016-00180				
5					
6	Minor Items < \$25,000		47,209	47,209	
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					
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39					
40					
41					
42					
43					
44					
45					
46	TOTAL		497,536	497,536	

Name of Respondent Kentucky Power Company			This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2016/Q4	
REGULATORY COMMISSION EXPENSES (Continued)							
3. Show in column (k) any expenses incurred in prior years which are being amortized. List in column (a) the period of amortization.							
4. List in column (f), (g), and (h) expenses incurred during year which were charged currently to income, plant, or other accounts.							
5. Minor items (less than \$25,000) may be grouped.							
EXPENSES INCURRED DURING YEAR				AMORTIZED DURING YEAR			
CURRENTLY CHARGED TO			Deferred to Account 182.3 (i)	Contra Account (j)	Amount (k)	Deferred in Account 182.3 End of Year (l)	Line No.
Department (f)	Account No. (g)	Amount (h)					
	928	219,555					1
							2
	928	230,772					3
							4
							5
	928	47,209					6
							7
							8
							9
							10
							11
							12
							13
							14
							15
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							40
							41
							42
							43
							44
							45
		497,536					46

Name of Respondent Kentucky Power Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2016/Q4
RESEARCH, DEVELOPMENT, AND DEMONSTRATION ACTIVITIES				
<p>1. Describe and show below costs incurred and accounts charged during the year for technological research, development, and demonstration (R, D & D) project initiated, continued or concluded during the year. Report also support given to others during the year for jointly-sponsored projects. (Identify recipient regardless of affiliation.) For any R, D & D work carried with others, show separately the respondent's cost for the year and cost chargeable to others (See definition of research, development, and demonstration in Uniform System of Accounts).</p> <p>2. Indicate in column (a) the applicable classification, as shown below:</p> <p>Classifications:</p> <p>A. Electric R, D & D Performed Internally:</p> <p>(1) Generation</p> <p>a. hydroelectric i. Recreation fish and wildlife ii Other hydroelectric b. Fossil-fuel steam c. Internal combustion or gas turbine d. Nuclear e. Unconventional generation f. Siting and heat rejection (2) Transmission</p> <p>a. Overhead b. Underground (3) Distribution (4) Regional Transmission and Market Operation (5) Environment (other than equipment) (6) Other (Classify and include items in excess of \$50,000.) (7) Total Cost Incurred</p> <p>B. Electric, R, D & D Performed Externally: (1) Research Support to the electrical Research Council or the Electric Power Research Institute</p>				
Line No.	Classification (a)	Description (b)		
1	A(1)b: Generation: Fossil-Fuel Steam	4 items under \$50,000		
2				
3				
4	A(1)e: Generation: Unconventional	1 item under \$50,000		
5		2 items under \$50,000		
6				
7	A(2): Transmission	3 items under \$50,000		
8				
9	A(3): Distribution	1 item under \$50,000		
10				
11	A(5): Environment (other than equipment)	Industrial Advisory Committee - Southern Company		
12		2 item under \$50,000		
13				
14	A(6): Other	3 items under \$50,000		
15		2 items under \$50,000		
16		2 items under \$50,000		
17				
18	A(6)f: Other (Metering)	1 item under \$50,000		
19				
20	A(6)g: Other (program management)	1 item under \$50,000		
21		1 item under \$50,000		
22				
23	B: Electric R&D External	1 item under \$50,000		
24		3 items under \$50,000		
25		4 items under \$50,000		
26				
27	B(1): R&D support to the Research Council	EPRI Research Portfolio		
28	or the Electric Power Research	EPRI Research Portfolio		
29	Institute	EPRI Environmental Science		
30		12 items under \$50,000		
31		12 items under \$50,000		
32		5 items under \$50,000		
33				
34	B(4): Research Support to Others	4 items under \$50,000		
35				
36				
37				
38				

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RESEARCH, DEVELOPMENT, AND DEMONSTRATION ACTIVITIES (Continued)					
(2) Research Support to Edison Electric Institute (3) Research Support to Nuclear Power Groups (4) Research Support to Others (Classify) (5) Total Cost Incurred 3. Include in column (c) all R, D & D items performed internally and in column (d) those items performed outside the company costing \$50,000 or more, briefly describing the specific area of R, D & D (such as safety, corrosion control, pollution, automation, measurement, insulation, type of appliance, etc.). Group items under \$50,000 by classifications and indicate the number of items grouped. Under Other, (A (6) and B (4)) classify items by type of R, D & D activity. 4. Show in column (e) the account number charged with expenses during the year or the account to which amounts were capitalized during the year, listing Account 107, Construction Work in Progress, first. Show in column (f) the amounts related to the account charged in column (e) 5. Show in column (g) the total unamortized accumulating of costs of projects. This total must equal the balance in Account 188, Research, Development, and Demonstration Expenditures, Outstanding at the end of the year. 6. If costs have not been segregated for R, D & D activities or projects, submit estimates for columns (c), (d), and (f) with such amounts identified by "Est." 7. Report separately research and related testing facilities operated by the respondent.					
Costs Incurred Internally Current Year (c)	Costs Incurred Externally Current Year (d)	AMOUNTS CHARGED IN CURRENT YEAR		Unamortized Accumulation (g)	Line No.
		Account (e)	Amount (f)		
47,199		506	47,199		1
					2
					3
281		506	281		4
1,308		588	1,308		5
					6
7,897		566	7,897		7
					8
2,110		588	2,110		9
					10
51,787		506	51,787		11
308		506	308		12
					13
3,344		588	3,344		14
6,920		506	6,920		15
1,854		566	1,854		16
					17
246		588	246		18
					19
56		566	56		20
85		588	85		21
					22
	2,962	506	2,962		23
	4,072	566	4,072		24
	19,801	588	19,801		25
					26
	64,029	506	64,029		27
	52,442	566	52,442		28
	240,135	506	240,135		29
	11,109	506	11,109		30
	4,224	566	4,224		31
	12,593	588	12,593		32
					33
	2,325	506	2,325		34
					35
					36
					37
					38

Name of Respondent Kentucky Power Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2016/Q4
DISTRIBUTION OF SALARIES AND WAGES					
Report below the distribution of total salaries and wages for the year. Segregate amounts originally charged to clearing accounts to Utility Departments, Construction, Plant Removals, and Other Accounts, and enter such amounts in the appropriate lines and columns provided. In determining this segregation of salaries and wages originally charged to clearing accounts, a method of approximation giving substantially correct results may be used.					
Line No.	Classification (a)	Direct Payroll Distribution (b)	Allocation of Payroll charged for Clearing Accounts (c)	Total (d)	
1	Electric				
2	Operation				
3	Production	6,280,695			
4	Transmission	630			
5	Regional Market				
6	Distribution	3,412,916			
7	Customer Accounts	1,246,552			
8	Customer Service and Informational	597,632			
9	Sales				
10	Administrative and General	955,833			
11	TOTAL Operation (Enter Total of lines 3 thru 10)	12,494,258			
12	Maintenance				
13	Production	8,947,375			
14	Transmission	54,513			
15	Regional Market				
16	Distribution	4,822,521			
17	Administrative and General	667,709			
18	TOTAL Maintenance (Total of lines 13 thru 17)	14,492,118			
19	Total Operation and Maintenance				
20	Production (Enter Total of lines 3 and 13)	15,228,070			
21	Transmission (Enter Total of lines 4 and 14)	55,143			
22	Regional Market (Enter Total of Lines 5 and 15)				
23	Distribution (Enter Total of lines 6 and 16)	8,235,437			
24	Customer Accounts (Transcribe from line 7)	1,246,552			
25	Customer Service and Informational (Transcribe from line 8)	597,632			
26	Sales (Transcribe from line 9)				
27	Administrative and General (Enter Total of lines 10 and 17)	1,623,542			
28	TOTAL Oper. and Maint. (Total of lines 20 thru 27)	26,986,376	1,651,433		28,637,809
29	Gas				
30	Operation				
31	Production-Manufactured Gas				
32	Production-Nat. Gas (Including Expl. and Dev.)				
33	Other Gas Supply				
34	Storage, LNG Terminaling and Processing				
35	Transmission				
36	Distribution				
37	Customer Accounts				
38	Customer Service and Informational				
39	Sales				
40	Administrative and General				
41	TOTAL Operation (Enter Total of lines 31 thru 40)				
42	Maintenance				
43	Production-Manufactured Gas				
44	Production-Natural Gas (Including Exploration and Development)				
45	Other Gas Supply				
46	Storage, LNG Terminaling and Processing				
47	Transmission				

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DISTRIBUTION OF SALARIES AND WAGES (Continued)					
.					
Line No.	Classification (a)	Direct Payroll Distribution (b)	Allocation of Payroll charged for Clearing Accounts (c)	Total (d)	
48	Distribution				
49	Administrative and General				
50	TOTAL Maint. (Enter Total of lines 43 thru 49)				
51	Total Operation and Maintenance				
52	Production-Manufactured Gas (Enter Total of lines 31 and 43)				
53	Production-Natural Gas (Including Expl. and Dev.) (Total lines 32,				
54	Other Gas Supply (Enter Total of lines 33 and 45)				
55	Storage, LNG Terminaling and Processing (Total of lines 31 thru				
56	Transmission (Lines 35 and 47)				
57	Distribution (Lines 36 and 48)				
58	Customer Accounts (Line 37)				
59	Customer Service and Informational (Line 38)				
60	Sales (Line 39)				
61	Administrative and General (Lines 40 and 49)				
62	TOTAL Operation and Maint. (Total of lines 52 thru 61)				
63	Other Utility Departments				
64	Operation and Maintenance				
65	TOTAL All Utility Dept. (Total of lines 28, 62, and 64)	26,986,376	1,651,433		28,637,809
66	Utility Plant				
67	Construction (By Utility Departments)				
68	Electric Plant	9,819,804	600,924		10,420,728
69	Gas Plant				
70	Other (provide details in footnote):				
71	TOTAL Construction (Total of lines 68 thru 70)	9,819,804	600,924		10,420,728
72	Plant Removal (By Utility Departments)				
73	Electric Plant	2,662,071	162,906		2,824,977
74	Gas Plant				
75	Other (provide details in footnote):				
76	TOTAL Plant Removal (Total of lines 73 thru 75)	2,662,071	162,906		2,824,977
77	Other Accounts (Specify, provide details in footnote):				
78					
79	152 - Fuel Stock Undistributed	2,990,267			2,990,267
80	163 - Stores Expense Undistributed	1,567,490	-1,567,490		
81	184 - Clearing Accounts	847,773	-847,773		
82	185 - ODD Temporary Facilities	36,177			36,177
83	186 - Mlsc Deferred Debits	1,098,061			1,098,061
84	188 - Research & Development	-256			-256
85	426 - Political Activities	64,114			64,114
86					
87					
88					
89					
90					
91					
92					
93					
94					
95	TOTAL Other Accounts	6,603,626	-2,415,263		4,188,363
96	TOTAL SALARIES AND WAGES	46,071,877			46,071,877

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report
Kentucky Power Company		/ /	2016/Q4
FOOTNOTE DATA			

Schedule Page: 354 Line No.: 28 Column: b

The labor charges from AEP Service Corporation included in the development of the KPCo generation formula rate payroll allocator is derived from a query of the general ledger.

Name of Respondent Kentucky Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of <u>2016/Q4</u>
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COMMON UTILITY PLANT AND EXPENSES

1. Describe the property carried in the utility's accounts as common utility plant and show the book cost of such plant at end of year classified by accounts as provided by Plant Instruction 13, Common Utility Plant, of the Uniform System of Accounts. Also show the allocation of such plant costs to the respective departments using the common utility plant and explain the basis of allocation used, giving the allocation factors.
2. Furnish the accumulated provisions for depreciation and amortization at end of year, showing the amounts and classifications of such accumulated provisions, and amounts allocated to utility departments using the Common utility plant to which such accumulated provisions relate, including explanation of basis of allocation and factors used.
3. Give for the year the expenses of operation, maintenance, rents, depreciation, and amortization for common utility plant classified by accounts as provided by the Uniform System of Accounts. Show the allocation of such expenses to the departments using the common utility plant to which such expenses are related. Explain the basis of allocation used and give the factors of allocation.
4. Give date of approval by the Commission for use of the common utility plant classification and reference to order of the Commission or other authorization.

Name of Respondent Kentucky Power Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of <u>2016/Q4</u>
AMOUNTS INCLUDED IN ISO/RTO SETTLEMENT STATEMENTS					
1. The respondent shall report below the details called for concerning amounts it recorded in Account 555, Purchase Power, and Account 447, Sales for Resale, for items shown on ISO/RTO Settlement Statements. Transactions should be separately netted for each ISO/RTO administered energy market for purposes of determining whether an entity is a net seller or purchaser in a given hour. Net megawatt hours are to be used as the basis for determining whether a net purchase or sale has occurred. In each monthly reporting period, the hourly sale and purchase net amounts are to be aggregated and separately reported in Account 447, Sales for Resale, or Account 555, Purchased Power, respectively.					
Line No.	Description of Item(s) (a)	Balance at End of Quarter 1 (b)	Balance at End of Quarter 2 (c)	Balance at End of Quarter 3 (d)	Balance at End of Year (e)
1	Energy				
2	Net Purchases (Account 555)				47,548,189
3	Net Sales (Account 447)				(36,122,055)
4	Transmission Rights				(3,004,567)
5	Ancillary Services				2,998,297
6	Other Items (list separately)				
7	Congestion				2,670,777
8	Operating Reserves				650,153
9	Transmission Purchase Expense				1,187,625
10	Transmission Losses				7,783,415
11	Meter Corrections				(152,198)
12	Inadvertent				(71,027)
13	Capacity Credits				(2,098,309)
14	Miscellaneous				
15					
16					
17					
18					
19					
20					
21					
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42					
43					
44					
45					
46	TOTAL				21,390,300

Name of Respondent Kentucky Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of <u>2016/Q4</u>				
PURCHASES AND SALES OF ANCILLARY SERVICES							
<p>Report the amounts for each type of ancillary service shown in column (a) for the year as specified in Order No. 888 and defined in the respondents Open Access Transmission Tariff.</p> <p>In columns for usage, report usage-related billing determinant and the unit of measure.</p> <p>(1) On line 1 columns (b), (c), (d), (e), (f) and (g) report the amount of ancillary services purchased and sold during the year.</p> <p>(2) On line 2 columns (b) (c), (d), (e), (f), and (g) report the amount of reactive supply and voltage control services purchased and sold during the year.</p> <p>(3) On line 3 columns (b) (c), (d), (e), (f), and (g) report the amount of regulation and frequency response services purchased and sold during the year.</p> <p>(4) On line 4 columns (b), (c), (d), (e), (f), and (g) report the amount of energy imbalance services purchased and sold during the year.</p> <p>(5) On lines 5 and 6, columns (b), (c), (d), (e), (f), and (g) report the amount of operating reserve spinning and supplement services purchased and sold during the period.</p> <p>(6) On line 7 columns (b), (c), (d), (e), (f), and (g) report the total amount of all other types ancillary services purchased or sold during the year. Include in a footnote and specify the amount for each type of other ancillary service provided.</p>							
		Amount Purchased for the Year		Amount Sold for the Year			
		Usage - Related Billing Determinant			Usage - Related Billing Determinant		
Line No.	Type of Ancillary Service (a)	Number of Units (b)	Unit of Measure (c)	Dollars (d)	Number of Units (e)	Unit of Measure (f)	Dollars (g)
1	Scheduling, System Control and Dispatch						
2	Reactive Supply and Voltage						
3	Regulation and Frequency Response						
4	Energy Imbalance						
5	Operating Reserve - Spinning						
6	Operating Reserve - Supplement						
7	Other						
8	Total (Lines 1 thru 7)						

Name of Respondent	This Report is:	Date of Report	Year/Period of Report
Kentucky Power Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) / /	2016/Q4
FOOTNOTE DATA			

Schedule Page: 398 Line No.: 1 Column: b

The final grandfathered contracts (under the AEP OATT) expired 12/31/2010. Currently, services are provided under the SPP and PJM OATTs.

Name of Respondent Kentucky Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2016/Q4
MONTHLY TRANSMISSION SYSTEM PEAK LOAD			
<p>(1) Report the monthly peak load on the respondent's transmission system. If the respondent has two or more power systems which are not physically integrated, furnish the required information for each non-integrated system.</p> <p>(2) Report on Column (b) by month the transmission system's peak load.</p> <p>(3) Report on Columns (c) and (d) the specified information for each monthly transmission - system peak load reported on Column (b).</p> <p>(4) Report on Columns (e) through (j) by month the system' monthly maximum megawatt load by statistical classifications. See General Instruction for the definition of each statistical classification.</p>			

NAME OF SYSTEM:										
Line No.	Month	Monthly Peak MW - Total	Day of Monthly Peak	Hour of Monthly Peak	Firm Network Service for Self	Firm Network Service for Others	Long-Term Firm Point-to-point Reservations	Other Long-Term Firm Service	Short-Term Firm Point-to-point Reservation	Other Service
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)
1	January									
2	February									
3	March									
4	Total for Quarter 1									
5	April									
6	May									
7	June									
8	Total for Quarter 2									
9	July									
10	August									
11	September									
12	Total for Quarter 3									
13	October									
14	November									
15	December									
16	Total for Quarter 4									
17	Total Year to Date/Year									

Name of Respondent	This Report is:	Date of Report	Year/Period of Report
Kentucky Power Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) / /	2016/Q4
FOOTNOTE DATA			

Schedule Page: 400 Line No.: 13 Column: b

Kentucky Power Company's transmission service is administered through an RTO/ISO and requested information is not available on an individual operating company basis.

Name of Respondent Kentucky Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2016/Q4
MONTHLY ISO/RTO TRANSMISSION SYSTEM PEAK LOAD			
<p>(1) Report the monthly peak load on the respondent's transmission system. If the Respondent has two or more power systems which are not physically integrated, furnish the required information for each non-integrated system.</p> <p>(2) Report on Column (b) by month the transmission system's peak load.</p> <p>(3) Report on Column (c) and (d) the specified information for each monthly transmission - system peak load reported on Column (b).</p> <p>(4) Report on Columns (e) through (i) by month the system's transmission usage by classification. Amounts reported as Through and Out Service in Column (g) are to be excluded from those amounts reported in Columns (e) and (f).</p> <p>(5) Amounts reported in Column (j) for Total Usage is the sum of Columns (h) and (i).</p>			

NAME OF SYSTEM:

Line No.	Month	Monthly Peak MW - Total	Day of Monthly Peak	Hour of Monthly Peak	Imports into ISO/RTO	Exports from ISO/RTO	Through and Out Service	Network Service Usage	Point-to-Point Service Usage	Total Usage
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)
1	January									
2	February									
3	March									
4	Total for Quarter 1									
5	April									
6	May									
7	June									
8	Total for Quarter 2									
9	July									
10	August									
11	September									
12	Total for Quarter 3									
13	October									
14	November									
15	December									
16	Total for Quarter 4									
17	Total Year to Date/Year									

Name of Respondent Kentucky Power Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of <u>2016/Q4</u>
ELECTRIC ENERGY ACCOUNT					
Report below the information called for concerning the disposition of electric energy generated, purchased, exchanged and wheeled during the year.					
Line No.	Item (a)	MegaWatt Hours (b)	Line No.	Item (a)	MegaWatt Hours (b)
1	SOURCES OF ENERGY		21	DISPOSITION OF ENERGY	
2	Generation (Excluding Station Use):		22	Sales to Ultimate Consumers (Including Interdepartmental Sales)	5,862,697
3	Steam	4,372,069	23	Requirements Sales for Resale (See instruction 4, page 311.)	84,866
4	Nuclear		24	Non-Requirements Sales for Resale (See instruction 4, page 311.)	1,328,484
5	Hydro-Conventional		25	Energy Furnished Without Charge	
6	Hydro-Pumped Storage		26	Energy Used by the Company (Electric Dept Only, Excluding Station Use)	
7	Other		27	Total Energy Losses	418,186
8	Less Energy for Pumping		28	TOTAL (Enter Total of Lines 22 Through 27) (MUST EQUAL LINE 20)	7,694,233
9	Net Generation (Enter Total of lines 3 through 8)	4,372,069			
10	Purchases	3,322,164			
11	Power Exchanges:				
12	Received				
13	Delivered				
14	Net Exchanges (Line 12 minus line 13)				
15	Transmission For Other (Wheeling)				
16	Received	36,902			
17	Delivered	36,902			
18	Net Transmission for Other (Line 16 minus line 17)				
19	Transmission By Others Losses				
20	TOTAL (Enter Total of lines 9, 10, 14, 18 and 19)	7,694,233			

Name of Respondent Kentucky Power Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2016/Q4	
MONTHLY PEAKS AND OUTPUT						
1. Report the monthly peak load and energy output. If the respondent has two or more power which are not physically integrated, furnish the required information for each non- integrated system. 2. Report in column (b) by month the system's output in Megawatt hours for each month. 3. Report in column (c) by month the non-requirements sales for resale. Include in the monthly amounts any energy losses associated with the sales. 4. Report in column (d) by month the system's monthly maximum megawatt load (60 minute integration) associated with the system. 5. Report in column (e) and (f) the specified information for each monthly peak load reported in column (d).						
NAME OF SYSTEM:						
Line No.	Month (a)	Total Monthly Energy (b)	Monthly Non-Requirements Sales for Resale & Associated Losses (c)	MONTHLY PEAK		
				Megawatts (See Instr. 4) (d)	Day of Month (e)	Hour (f)
29	January	718,179	22,312	1,342	19	800
30	February	624,680	34,387	1,198	10	1900
31	March	544,032	38,672	1,018	3	800
32	April	486,352	27,089	894	10	900
33	May	509,806	48,324	892	31	1700
34	June	667,781	175,278	995	16	1700
35	July	771,903	237,364	1,037	25	1500
36	August	773,647	211,394	1,044	9	1700
37	September	533,308	45,365	983	8	1700
38	October	517,397	76,983	783	19	1700
39	November	787,038	299,932	1,030	22	800
40	December	760,110	153,670	1,160	16	800
41	TOTAL	7,694,233	1,370,770			

Name of Respondent Kentucky Power Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of <u>2016/Q4</u>	
STEAM-ELECTRIC GENERATING PLANT STATISTICS (Large Plants)						
1. Report data for plant in Service only. 2. Large plants are steam plants with installed capacity (name plate rating) of 25,000 Kw or more. Report in this page gas-turbine and internal combustion plants of 10,000 Kw or more, and nuclear plants. 3. Indicate by a footnote any plant leased or operated as a joint facility. 4. If net peak demand for 60 minutes is not available, give data which is available, specifying period. 5. If any employees attend more than one plant, report on line 11 the approximate average number of employees assignable to each plant. 6. If gas is used and purchased on a therm basis report the Btu content of the gas and the quantity of fuel burned converted to Mct. 7. Quantities of fuel burned (Line 38) and average cost per unit of fuel burned (Line 41) must be consistent with charges to expense accounts 501 and 547 (Line 42) as show on Line 20. 8. If more than one fuel is burned in a plant furnish only the composite heat rate for all fuels burned.						
Line No.	Item (a)	Plant Name: <i>Big Sandy</i> (b)		Plant Name: <i>Mitchell-KEPCo Share</i> (c)		
1	Kind of Plant (Internal Comb, Gas Turb, Nuclear)	STEAM		STEAM		
2	Type of Constr (Conventional, Outdoor, Boiler, etc)	CONVENTIONAL		OUTDOOR BOILER		
3	Year Originally Constructed	1963		1971		
4	Year Last Unit was Installed	2016		1971		
5	Total Installed Cap (Max Gen Name Plate Ratings-MW)	280.50		817.00		
6	Net Peak Demand on Plant - MW (60 minutes)	309		783		
7	Plant Hours Connected to Load	2823		7605		
8	Net Continuous Plant Capability (Megawatts)	0		0		
9	When Not Limited by Condenser Water	280		780		
10	When Limited by Condenser Water	280		780		
11	Average Number of Employees	40		122		
12	Net Generation, Exclusive of Plant Use - KWh	530196000		3841873000		
13	Cost of Plant: Land and Land Rights	1753939		3103945		
14	Structures and Improvements	11756127		52234544		
15	Equipment Costs	143979548		949937367		
16	Asset Retirement Costs	4241543		7383108		
17	Total Cost	161731157		1012658964		
18	Cost per KW of Installed Capacity (line 17/5) Including	576.5817		1239.4847		
19	Production Expenses: Oper, Supv, & Engr	468477		2782354		
20	Fuel	14025799		96700478		
21	Coolants and Water (Nuclear Plants Only)	0		0		
22	Steam Expenses	0		5789967		
23	Steam From Other Sources	0		0		
24	Steam Transferred (Cr)	0		0		
25	Electric Expenses	180082		0		
26	Misc Steam (or Nuclear) Power Expenses	4405697		5396391		
27	Rents	0		0		
28	Allowances	203569		343562		
29	Maintenance Supervision and Engineering	446639		2027674		
30	Maintenance of Structures	1153589		802651		
31	Maintenance of Boiler (or reactor) Plant	3400349		11453324		
32	Maintenance of Electric Plant	2059104		2815008		
33	Maintenance of Misc Steam (or Nuclear) Plant	888241		916910		
34	Total Production Expenses	27231546		129028319		
35	Expenses per Net KWh	0.0514		0.0336		
36	Fuel: Kind (Coal, Gas, Oil, or Nuclear)	Gas		Coal	Oil	
37	Unit (Coal-tons/Oil-barrel/Gas-mcf/Nuclear-indicate)	MCFs		Tons	Barrels	
38	Quantity (Units) of Fuel Burned	4251268	0	1579023	17218	0
39	Avg Heat Cont - Fuel Burned (btu/indicate if nuclear)	1236000	0	12371	134663	0
40	Avg Cost of Fuel/unit, as Delvd f.o.b. during year	4.271	0.000	60.605	64.998	0.000
41	Average Cost of Fuel per Unit Burned	4.208	0.000	62.593	66.979	0.000
42	Average Cost of Fuel Burned per Million BTU	3.405	0.000	2.529	11.842	0.000
43	Average Cost of Fuel Burned per KWh Net Gen	0.034	0.000	0.026	0.000	0.000
44	Average BTU per KWh Net Generation	10071.000	0.000	10192.000	0.000	0.000

Name of Respondent Kentucky Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of <u>2016/Q4</u>							
STEAM-ELECTRIC GENERATING PLANT STATISTICS (Large Plants) (Continued)										
9. Items under Cost of Plant are based on U. S. of A. Accounts. Production expenses do not include Purchased Power, System Control and Load Dispatching, and Other Expenses Classified as Other Power Supply Expenses. 10. For IC and GT plants, report Operating Expenses, Account Nos. 547 and 549 on Line 25 "Electric Expenses," and Maintenance Account Nos. 553 and 554 on Line 32, "Maintenance of Electric Plant." Indicate plants designed for peak load service. Designate automatically operated plants. 11. For a plant equipped with combinations of fossil fuel steam, nuclear steam, hydro, internal combustion or gas-turbine equipment, report each as a separate plant. However, if a gas-turbine unit functions in a combined cycle operation with a conventional steam unit, include the gas-turbine with the steam plant. 12. If a nuclear power generating plant, briefly explain by footnote (a) accounting method for cost of power generated including any excess costs attributed to research and development; (b) types of cost units used for the various components of fuel cost; and (c) any other informative data concerning plant type fuel used, fuel enrichment type and quantity for the report period and other physical and operating characteristics of plant.										
Plant Name: <i>Mitchell- Total</i> (d)	Plant Name: (e)	Plant Name: (f)	Line No.							
STEAM			1							
OUTDOOR BOILER			2							
1971			3							
1971			4							
1633.00	0.00		5							
1566	0	0	6							
7605	0	0	7							
0	0	0	8							
1560	0	0	9							
1560	0	0	10							
244	0	0	11							
7683746000	0	0	12							
6207890	0	0	13							
104306886	0	0	14							
1897776592	0	0	15							
13056746	0	0	16							
2021348114	0	0	17							
1237.8127	0	0	18							
4871810	0	0	19							
190151000	0	0	20							
0	0	0	21							
12054464	0	0	22							
0	0	0	23							
0	0	0	24							
0	0	0	25							
8774176	0	0	26							
0	0	0	27							
350478	0	0	28							
3819807	0	0	29							
1605161	0	0	30							
23818896	0	0	31							
5619229	0	0	32							
1834353	0	0	33							
252899374	0	0	34							
0.0329	0.0000	0.0000	35							
Coal	Oil									
Tons	Barrels									
3158046	34435	0	0	0	0	0	0	0	0	36
12371	134663	0	0	0	0	0	0	0	0	37
60.605	64.998	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	38
62.569	66.979	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	39
2.529	11.842	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	40
0.026	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	41
10192.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	42
										43
										44

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report
Kentucky Power Company		/ /	2016/Q4
FOOTNOTE DATA			

Schedule Page: 402 Line No.: -1 Column: b

In 2016, Big Sandy, Unit 1 was converted to natural gas.

Schedule Page: 402 Line No.: -1 Column: c

Plant Name: Mitchell - This plant is owned jointly by Respondent and Wheeling Power Company, also a subsidiary of American Electric Power, Inc.

Name of Respondent Kentucky Power Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of <u>2016/Q4</u>
HYDROELECTRIC GENERATING PLANT STATISTICS (Large Plants)					
<p>1. Large plants are hydro plants of 10,000 Kw or more of installed capacity (name plate ratings) 2. If any plant is leased, operated under a license from the Federal Energy Regulatory Commission, or operated as a joint facility, indicate such facts in a footnote. If licensed project, give project number. 3. If net peak demand for 60 minutes is not available, give that which is available specifying period. 4. If a group of employees attends more than one generating plant, report on line 11 the approximate average number of employees assignable to each plant.</p>					
Line No.	Item (a)	FERC Licensed Project No. Plant Name: (b)	0	FERC Licensed Project No. Plant Name: (c)	0
1	Kind of Plant (Run-of-River or Storage)				
2	Plant Construction type (Conventional or Outdoor)				
3	Year Originally Constructed				
4	Year Last Unit was Installed				
5	Total installed cap (Gen name plate Rating in MW)		0.00		0.00
6	Net Peak Demand on Plant-Megawatts (60 minutes)		0		0
7	Plant Hours Connect to Load		0		0
8	Net Plant Capability (in megawatts)				
9	(a) Under Most Favorable Oper Conditions		0		0
10	(b) Under the Most Adverse Oper Conditions		0		0
11	Average Number of Employees		0		0
12	Net Generation, Exclusive of Plant Use - Kwh		0		0
13	Cost of Plant				
14	Land and Land Rights		0		0
15	Structures and Improvements		0		0
16	Reservoirs, Dams, and Waterways		0		0
17	Equipment Costs		0		0
18	Roads, Railroads, and Bridges		0		0
19	Asset Retirement Costs		0		0
20	TOTAL cost (Total of 14 thru 19)		0		0
21	Cost per KW of Installed Capacity (line 20 / 5)		0.0000		0.0000
22	Production Expenses				
23	Operation Supervision and Engineering		0		0
24	Water for Power		0		0
25	Hydraulic Expenses		0		0
26	Electric Expenses		0		0
27	Misc Hydraulic Power Generation Expenses		0		0
28	Rents		0		0
29	Maintenance Supervision and Engineering		0		0
30	Maintenance of Structures		0		0
31	Maintenance of Reservoirs, Dams, and Waterways		0		0
32	Maintenance of Electric Plant		0		0
33	Maintenance of Misc Hydraulic Plant		0		0
34	Total Production Expenses (total 23 thru 33)		0		0
35	Expenses per net KWh		0.0000		0.0000

Name of Respondent Kentucky Power Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of <u>2016/Q4</u>
HYDROELECTRIC GENERATING PLANT STATISTICS (Large Plants) (Continued)					
5. The items under Cost of Plant represent accounts or combinations of accounts prescribed by the Uniform System of Accounts. Production Expenses do not include Purchased Power, System control and Load Dispatching, and Other Expenses classified as "Other Power Supply Expenses."					
6. Report as a separate plant any plant equipped with combinations of steam, hydro, internal combustion engine, or gas turbine equipment.					
FERC Licensed Project No. 0 Plant Name: (d)	FERC Licensed Project No. 0 Plant Name: (e)	FERC Licensed Project No. 0 Plant Name: (f)			Line No.
					1
					2
					3
					4
0.00	0.00	0.00			5
0	0	0			6
0	0	0			7
					8
0	0	0			9
0	0	0			10
0	0	0			11
0	0	0			12
					13
0	0	0			14
0	0	0			15
0	0	0			16
0	0	0			17
0	0	0			18
0	0	0			19
0	0	0			20
0.0000	0.0000	0.0000			21
					22
0	0	0			23
0	0	0			24
0	0	0			25
0	0	0			26
0	0	0			27
0	0	0			28
0	0	0			29
0	0	0			30
0	0	0			31
0	0	0			32
0	0	0			33
0	0	0			34
0.0000	0.0000	0.0000			35

Name of Respondent Kentucky Power Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of <u>2016/Q4</u>
PUMPED STORAGE GENERATING PLANT STATISTICS (Large Plants)				
<p>1. Large plants and pumped storage plants of 10,000 Kw or more of installed capacity (name plate ratings)</p> <p>2. If any plant is leased, operating under a license from the Federal Energy Regulatory Commission, or operated as a joint facility, indicate such facts in a footnote. Give project number.</p> <p>3. If net peak demand for 60 minutes is not available, give the which is available, specifying period.</p> <p>4. If a group of employees attends more than one generating plant, report on line 8 the approximate average number of employees assignable to each plant.</p> <p>5. The items under Cost of Plant represent accounts or combinations of accounts prescribed by the Uniform System of Accounts. Production Expenses do not include Purchased Power System Control and Load Dispatching, and Other Expenses classified as "Other Power Supply Expenses."</p>				
Line No.	Item (a)	FERC Licensed Project No. Plant Name: (b)		
1	Type of Plant Construction (Conventional or Outdoor)			
2	Year Originally Constructed			
3	Year Last Unit was Installed			
4	Total installed cap (Gen name plate Rating in MW)			
5	Net Peak Demand on Plant-Megawatts (60 minutes)			
6	Plant Hours Connect to Load While Generating			
7	Net Plant Capability (in megawatts)			
8	Average Number of Employees			
9	Generation, Exclusive of Plant Use - Kwh			
10	Energy Used for Pumping			
11	Net Output for Load (line 9 - line 10) - Kwh			
12	Cost of Plant			
13	Land and Land Rights			
14	Structures and Improvements			
15	Reservoirs, Dams, and Waterways			
16	Water Wheels, Turbines, and Generators			
17	Accessory Electric Equipment			
18	Miscellaneous Powerplant Equipment			
19	Roads, Railroads, and Bridges			
20	Asset Retirement Costs			
21	Total cost (total 13 thru 20)			
22	Cost per KW of installed cap (line 21 / 4)			
23	Production Expenses			
24	Operation Supervision and Engineering			
25	Water for Power			
26	Pumped Storage Expenses			
27	Electric Expenses			
28	Misc Pumped Storage Power generation Expenses			
29	Rents			
30	Maintenance Supervision and Engineering			
31	Maintenance of Structures			
32	Maintenance of Reservoirs, Dams, and Waterways			
33	Maintenance of Electric Plant			
34	Maintenance of Misc Pumped Storage Plant			
35	Production Exp Before Pumping Exp (24 thru 34)			
36	Pumping Expenses			
37	Total Production Exp (total 35 and 36)			
38	Expenses per KWh (line 37 / 9)			

Name of Respondent Kentucky Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of <u>2016/Q4</u>
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PUMPED STORAGE GENERATING PLANT STATISTICS (Large Plants) (Continued)

6. Pumping energy (Line 10) is that energy measured as input to the plant for pumping purposes.
 7. Include on Line 36 the cost of energy used in pumping into the storage reservoir. When this item cannot be accurately computed leave Lines 36, 37 and 38 blank and describe at the bottom of the schedule the company's principal sources of pumping power, the estimated amounts of energy from each station or other source that individually provides more than 10 percent of the total energy used for pumping, and production expenses per net MWH as reported herein for each source described. Group together stations and other resources which individually provide less than 10 percent of total pumping energy. If contracts are made with others to purchase power for pumping, give the supplier contract number, and date of contract.

FERC Licensed Project No. Plant Name: (c)	FERC Licensed Project No. Plant Name: (d)	FERC Licensed Project No. Plant Name: (e)	Line No.
			1
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Name of Respondent Kentucky Power Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2016/Q4	
GENERATING PLANT STATISTICS (Small Plants)						
1. Small generating plants are steam plants of, less than 25,000 Kw; internal combustion and gas turbine-plants, conventional hydro plants and pumped storage plants of less than 10,000 Kw installed capacity (name plate rating). 2. Designate any plant leased from others, operated under a license from the Federal Energy Regulatory Commission, or operated as a joint facility, and give a concise statement of the facts in a footnote. If licensed project, give project number in footnote.						
Line No.	Name of Plant (a)	Year Orig. Const. (b)	Installed Capacity Name Plate Rating (In MW) (c)	Net Peak Demand MW (60 min.) (d)	Net Generation Excluding Plant Use (e)	Cost of Plant (f)
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Name of Respondent Kentucky Power Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2016/Q4	
GENERATING PLANT STATISTICS (Small Plants) (Continued)						
3. List plants appropriately under subheadings for steam, hydro, nuclear, internal combustion and gas turbine plants. For nuclear, see instruction 11, Page 403. 4. If net peak demand for 60 minutes is not available, give the which is available, specifying period. 5. If any plant is equipped with combinations of steam, hydro internal combustion or gas turbine equipment, report each as a separate plant. However, if the exhaust heat from the gas turbine is utilized in a steam turbine regenerative feed water cycle, or for preheated combustion air in a boiler, report as one plant.						
Plant Cost (Incl Asset Retire. Costs) Per MW (g)	Operation Exc'l. Fuel (h)	Production Expenses		Kind of Fuel (k)	Fuel Costs (in cents per Million Btu) (l)	Line No.
		Fuel (i)	Maintenance (j)			
						1
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Name of Respondent Kentucky Power Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2016/Q4			
TRANSMISSION LINE STATISTICS								
<p>1. Report information concerning transmission lines, cost of lines, and expenses for year. List each transmission line having nominal voltage of 132 kilovolts or greater. Report transmission lines below these voltages in group totals only for each voltage.</p> <p>2. Transmission lines include all lines covered by the definition of transmission system plant as given in the Uniform System of Accounts. Do not report substation costs and expenses on this page.</p> <p>3. Report data by individual lines for all voltages if so required by a State commission.</p> <p>4. Exclude from this page any transmission lines for which plant costs are included in Account 121, Nonutility Property.</p> <p>5. Indicate whether the type of supporting structure reported in column (e) is: (1) single pole wood or steel; (2) H-frame wood, or steel poles; (3) tower; or (4) underground construction. If a transmission line has more than one type of supporting structure, indicate the mileage of each type of construction by the use of brackets and extra lines. Minor portions of a transmission line of a different type of construction need not be distinguished from the remainder of the line.</p> <p>6. Report in columns (f) and (g) the total pole miles of each transmission line. Show in column (f) the pole miles of line on structures the cost of which is reported for the line designated; conversely, show in column (g) the pole miles of line on structures the cost of which is reported for another line. Report pole miles of line on leased or partly owned structures in column (g). In a footnote, explain the basis of such occupancy and state whether expenses with respect to such structures are included in the expenses reported for the line designated.</p>								
Line No.	DESIGNATION		VOLTAGE (KV) (Indicate where other than 60 cycle, 3 phase)		Type of Supporting Structure (e)	LENGTH (Pole miles) (In the case of underground lines report circuit miles)		Number Of Circuits (h)
	From (a)	To (b)	Operating (c)	Designed (d)		On Structure of Line Designated (f)	On Structures of Another Line (g)	
1	0700 BIG SANDY, KY	AMOS WV	765.00	765.00	3	0.13		1
2	0701 BIG SANDY, KY	SARGENTS, OH	765.00	765.00	3	24.20		1
3	0701 BIG SANDY, KY	SARGENTS, OH	765.00	765.00	3	4.79		1
4	0702 BIG SANDY, KY	BROADFORD, VA	765.00	765.00	3	12.65		1
5	0702 BIG SANDY, KY	BROADFORD, VA	765.00	765.00	3	3.04		1
6	0702 BIG SANDY, KY	BROADFORD, VA	765.00	765.00	3	58.26		1
7	0703 HANGING ROCK, OH	JEFFERSON, IN	765.00	765.00	3	154.74		1
8	0300 BIG SANDY, KY	TRI-STATE, WV	345.00	345.00	3	8.36		1
9	0600 HAZARD, KY	PINEVILLE, KY	161.00	161.00	1	45.62		1
10	0600 HAZARD, KY	PINEVILLE, KY	161.00	161.00	3	0.72		1
11	0135 WOOTEN	ARNOLD DELVINTA (LGE)	161.00	161.00	1	1.09		1
12	0136 WOOTEN EXTENSION		161.00	161.00	3			1
13	0100 BIG SANDY, KY	BELLEFONTE	138.00	138.00	3	12.08		1
14	0100 BIG SANDY, KY	BELLEFONTE	138.00	138.00	3	14.77		1
15	0100 BIG SANDY, KY	BELLEFONTE	138.00	138.00	3	16.30		2
16	0101 BIG SANDY, KY	W HUNTINGTON, WV	138.00	138.00	3	0.33		1
17	0102 BELLEFONTE, KY	N PROCTORVILLE, OH	138.00	138.00	3	1.10	1.10	1
18	0103 HAZARD, KY	BEAVER CREEK, KY	138.00	138.00	3	5.91		1
19	0103 HAZARD, KY	BEAVER CREEK, KY	138.00	138.00	3	23.25		1
20	0105 CLINCH RIVER, VA	BEAVER CREEK, KY	138.00	138.00	3	2.30		1
21	0105 CLINCH RIVER, VA	BEAVER CREEK, KY	138.00	138.00	1	16.09	16.92	1
22	0107 LOGAN, WV	SPRIGG, KY	138.00	138.00	3	0.64		2
23	0110 BEAVER CREEK, KY	BIG SANDY, KY	138.00	138.00	3	32.43		1
24	0110 BEAVER CREEK, KY	BIG SANDY, KY	138.00	138.00	1	10.05		1
25	0110 BEAVER CREEK, KY	BIG SANDY, KY	138.00	138.00	1	16.41	0.33	1
26	0111 TRI STATE, WV	BELLEFONTE, KY	138.00	138.00	3	0.71	14.41	1
27	0111 TRI STATE, WV	BELLEFONTE, KY	138.00	138.00	1	0.38		1
28	0113 CHADWICK	KY ELECTRIC STEEL	138.00	138.00	1	7.90		1
29	0115 CHADWICK	COALTON	138.00	138.00	1	0.98		1
30	0133 CHADWICK		138.00	138.00				
31	0117 MILBROOK PARK, OH	FULLERTON	138.00	138.00	1	5.08	1.58	1
32	0116 BEAVER CREEK	SPICEWOOD	138.00	138.00	1	25.83		1
33	0116 BEAVER CREEK	SPICEWOOD	138.00	138.00	3	0.63		
34	0120 HATFIELD	SPRIGG	138.00	138.00	1	5.88		1
35	0121 HATFIELD	INEZ	138.00	138.00	1	14.67		1
36					TOTAL	1,278.57	40.50	56

Name of Respondent Kentucky Power Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2016/Q4			
TRANSMISSION LINE STATISTICS								
<p>1. Report information concerning transmission lines, cost of lines, and expenses for year. List each transmission line having nominal voltage of 132 kilovolts or greater. Report transmission lines below these voltages in group totals only for each voltage.</p> <p>2. Transmission lines include all lines covered by the definition of transmission system plant as given in the Uniform System of Accounts. Do not report substation costs and expenses on this page.</p> <p>3. Report data by individual lines for all voltages if so required by a State commission.</p> <p>4. Exclude from this page any transmission lines for which plant costs are included in Account 121, Nonutility Property.</p> <p>5. Indicate whether the type of supporting structure reported in column (e) is: (1) single pole wood or steel; (2) H-frame wood, or steel poles; (3) tower; or (4) underground construction. If a transmission line has more than one type of supporting structure, indicate the mileage of each type of construction by the use of brackets and extra lines. Minor portions of a transmission line of a different type of construction need not be distinguished from the remainder of the line.</p> <p>6. Report in columns (f) and (g) the total pole miles of each transmission line. Show in column (f) the pole miles of line on structures the cost of which is reported for the line designated; conversely, show in column (g) the pole miles of line on structures the cost of which is reported for another line. Report pole miles of line on leased or partly owned structures in column (g). In a footnote, explain the basis of such occupancy and state whether expenses with respect to such structures are included in the expenses reported for the line designated.</p>								
Line No.	DESIGNATION		VOLTAGE (KV) (Indicate where other than 60 cycle, 3 phase)		Type of Supporting Structure (e)	LENGTH (Pole miles) (In the case of underground lines report circuit miles)		Number Of Circuits (h)
	From (a)	To (b)	Operating (c)	Designed (d)		On Structure of Line Designated (f)	On Structures of Another Line (g)	
1	0122 INEZ	LOVELY	138.00	138.00	1	6.86		1
2	0126 INEZ	MARTIKI	138.00	138.00	1	0.33		1
3	0127 BIG SANDY	INEZ	138.00	138.00	3	23.00		1
4	0106 DORTON	FLEMING	138.00	138.00	1	6.81		1
5	0106 DORTON	FLEMING	138.00	138.00	3	0.83		
6	0108 BEAVER CREEK	SPRIGG #1	138.00	138.00	1	32.60		1
7	0124 BIG SANDY	SOUTH NEAL	138.00	138.00	1	0.01		1
8	0109 BEAVER CREEK	SPRIGG #3	138.00	138.00				
9	0125 BELLEFONTE	AK STEEL OXYGEN PLANT	138.00	138.00	3	0.22		2
10	0130 JOHNS CREEK	SPRIGG	138.00	138.00	3	13.00		
11	0131 BAKER	BIG SANDY EXT.	138.00	138.00	3	1.00		1
12	0128 INEZ	JOHNS CREEK	138.00	138.00	3	17.00		
13	0129 BEAVER CREEK	JOHNS CREEK	138.00	138.00	3	22.00		
14	0132 GRANGSTON LOOP		138.00	138.00	1	2.01		2
15	0137 HAYS BRANCH	MORGAN FORK	138.00	138.00	3	8.30		1
16	0138 SOFT SHELL	BEAVER CREEK	138.00	138.00	3	1.40		2
17	0138 SOFT SHELL	SPICEWOOD	138.00	138.00	3	1.40		2
18	0139 MORGAN FORK	BETSY LANE	138.00	138.00	3	0.10		1
19	0139 MORGAN FORK	BEAVER CREEK	138.00	138.00	3	0.10		1
20	0140 BONNYMAN	SOFT SHELL	138.00	138.00	3	0.88		2
21	0140 BONNYMAN	SOFT SHELL	138.00	138.00	1	19.15		1
22								
23	LINES < 132KV		69.00	69.00		594.25	6.16	
24								
25	Line cost and expense are	not available by individual						
26	transmission line	Total shown in Column j - p						
27								
28								
29								
30								
31								
32								
33								
34								
35								
36					TOTAL	1,278.57	40.50	56

Name of Respondent Kentucky Power Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of <u>2016/Q4</u>			
TRANSMISSION LINE STATISTICS (Continued)								
<p>7. Do not report the same transmission line structure twice. Report Lower voltage Lines and higher voltage lines as one line. Designate in a footnote if you do not include Lower voltage lines with higher voltage lines. If two or more transmission line structures support lines of the same voltage, report the pole miles of the primary structure in column (f) and the pole miles of the other line(s) in column (g)</p> <p>8. Designate any transmission line or portion thereof for which the respondent is not the sole owner. If such property is leased from another company, give name of lessor, date and terms of Lease, and amount of rent for year. For any transmission line other than a leased line, or portion thereof, for which the respondent is not the sole owner but which the respondent operates or shares in the operation of, furnish a succinct statement explaining the arrangement and giving particulars (details) of such matters as percent ownership by respondent in the line, name of co-owner, basis of sharing expenses of the Line, and how the expenses borne by the respondent are accounted for, and accounts affected. Specify whether lessor, co-owner, or other party is an associated company.</p> <p>9. Designate any transmission line leased to another company and give name of Lessee, date and terms of lease, annual rent for year, and how determined. Specify whether lessee is an associated company.</p> <p>10. Base the plant cost figures called for in columns (j) to (l) on the book cost at end of year.</p>								
Size of Conductor and Material (i)	COST OF LINE (Include in Column (j) Land, Land rights, and clearing right-of-way)			EXPENSES, EXCEPT DEPRECIATION AND TAXES				Line No.
	Land (j)	Construction and Other Costs (k)	Total Cost (l)	Operation Expenses (m)	Maintenance Expenses (n)	Rents (o)	Total Expenses (p)	
954 MCMA								1
954 MCMA								2
								3
4-954 KCM ACSR								4
								5
								6
1351.5 KCM ACSR								7
954 KCM ACSR								8
500 KCM CU								9
759 KCM ACSR								10
795 KCM ACSR								11
795 KCM ACSR								12
556.5 KCM ACSR								13
795 KCM ACSR								14
795 KCM ACSR								15
1033.5 KCM ACSR								16
397.5 MA								17
397.5 MCMCU								18
								19
636 MCMA								20
								21
397 MCMA								22
397.5 MCMA								23
								24
								25
795 MCMA								26
								27
795 MCMA								28
795 MCMA								29
								30
556.5 MCM								31
795 MCMA								32
1590 KCM								33
1033 MCM								34
10335 VAR								35
	33,061,224	335,052,491	368,113,715	117,014	1,831,274		1,948,288	36

Name of Respondent Kentucky Power Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of <u>2016/Q4</u>			
TRANSMISSION LINE STATISTICS (Continued)								
<p>7. Do not report the same transmission line structure twice. Report Lower voltage Lines and higher voltage lines as one line. Designate in a footnote if you do not include Lower voltage lines with higher voltage lines. If two or more transmission line structures support lines of the same voltage, report the pole miles of the primary structure in column (f) and the pole miles of the other line(s) in column (g)</p> <p>8. Designate any transmission line or portion thereof for which the respondent is not the sole owner. If such property is leased from another company, give name of lessor, date and terms of Lease, and amount of rent for year. For any transmission line other than a leased line, or portion thereof, for which the respondent is not the sole owner but which the respondent operates or shares in the operation of, furnish a succinct statement explaining the arrangement and giving particulars (details) of such matters as percent ownership by respondent in the line, name of co-owner, basis of sharing expenses of the Line, and how the expenses borne by the respondent are accounted for, and accounts affected. Specify whether lessor, co-owner, or other party is an associated company.</p> <p>9. Designate any transmission line leased to another company and give name of Lessee, date and terms of lease, annual rent for year, and how determined. Specify whether lessee is an associated company.</p> <p>10. Base the plant cost figures called for in columns (j) to (l) on the book cost at end of year.</p>								
Size of Conductor and Material (i)	COST OF LINE (Include in Column (j) Land, Land rights, and clearing right-of-way)			EXPENSES, EXCEPT DEPRECIATION AND TAXES				Line No.
	Land (j)	Construction and Other Costs (k)	Total Cost (l)	Operation Expenses (m)	Maintenance Expenses (n)	Rents (o)	Total Expenses (p)	
10335 VAR								1
10335 VAR								2
795 MCMA								3
795 MCMA								4
795 MCMA								5
397 MCMA								6
10335 VAR								7
								8
795 ACSR								9
1033 MCM								10
1351 KCM								11
2-556.5 MCM								12
1033 MCM								13
556.5 KCM ACSR								14
795 ACSR								15
1590 ACSR								16
1590 ACSR								17
795 ACSR								18
795 ACSR								19
1590 KCM ACSS								20
1590 KCM ACSS								21
								22
								23
								24
	33,061,224	335,052,491	368,113,715	117,014	1,831,274		1,948,288	25
								26
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								32
								33
								34
								35
	33,061,224	335,052,491	368,113,715	117,014	1,831,274		1,948,288	36

Name of Respondent Kentucky Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of <u>2016/Q4</u>
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TRANSMISSION LINES ADDED DURING YEAR

- Report below the information called for concerning Transmission lines added or altered during the year. It is not necessary to report minor revisions of lines.
- Provide separate subheadings for overhead and under- ground construction and show each transmission line separately. If actual costs of completed construction are not readily available for reporting columns (l) to (o), it is permissible to report in these columns the

Line No.	LINE DESIGNATION		Line Length in Miles (c)	SUPPORTING STRUCTURE		CIRCUITS PER STRUCTURE	
	From (a)	To (b)		Type (d)	Average Number per Miles (e)	Present (f)	Ultimate (g)
1	NO LINES ADDED						
2							
3							
4							
5							
6							
7							
8							
9							
10							
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43							
44	TOTAL						

Name of Respondent Kentucky Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of <u>2016/Q4</u>
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TRANSMISSION LINES ADDED DURING YEAR (Continued)

costs. Designate, however, if estimated amounts are reported. Include costs of Clearing Land and Rights-of-Way, and Roads and Trails, in column (l) with appropriate footnote, and costs of Underground Conduit in column (m).

3. If design voltage differs from operating voltage, indicate such fact by footnote; also where line is other than 60 cycle, 3 phase, indicate such other characteristic.

CONDUCTORS			Voltage KV (Operating) (k)	LINE COST					Line No.
Size (h)	Specification (i)	Configuration and Spacing (j)		Land and Land Rights (l)	Poles, Towers and Fixtures (m)	Conductors and Devices (n)	Asset Retire. Costs (o)	Total (p)	
									1
									2
									3
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Name of Respondent Kentucky Power Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2016/Q4	
SUBSTATIONS						
<p>1. Report below the information called for concerning substations of the respondent as of the end of the year. 2. Substations which serve only one industrial or street railway customer should not be listed below. 3. Substations with capacities of Less than 10 MVA except those serving customers with energy for resale, may be grouped according to functional character, but the number of such substations must be shown. 4. Indicate in column (b) the functional character of each substation, designating whether transmission or distribution and whether attended or unattended. At the end of the page, summarize according to function the capacities reported for the individual stations in column (f).</p>						
Line No.	Name and Location of Substation (a)	Character of Substation (b)	VOLTAGE (In MVA)			
			Primary (c)	Secondary (d)	Tertiary (e)	
1	ALLEN (KP) - KY	D	46.00			
2	ALLEN (KP) - KY	D	46.00	12.00		
3	ASHLAND - KY	D	69.00	12.00		
4	ASHLAND - KY	D	69.00			
5	BAKER 345KV - KY	T	345.00	138.00	34.50	
6	BAKER 765KV - KY	T	765.00	345.00	34.50	
7	BAKER 765KV - KY	T	69.00	12.00		
8	BAKER 765KV - KY	T	69.00	4.00		
9	BAKER 765KV - KY	T	69.00	12.00		
10	BAKER 765KV - KY	T	138.00	34.50		
11	BARRENSHE - KY	D	69.00	12.00		
12	BEAVER CREEK - KY	T	138.00	69.00	46.00	
13	BEAVER CREEK - KY	T	138.00	34.50		
14	BEAVER CREEK - KY	T	138.00			
15	BECKHAM - KY	D	138.00			
16	BECKHAM - KY	D	138.00	34.50		
17	BEEFHIDE - KY	D	138.00	34.50		
18	BELFRY - KY	D	46.00	12.00		
19	BELHAVEN - KY	D	138.00	13.09		
20	BELLEFONTE 138KV - KY	T	138.00	13.09		
21	BELLEFONTE 138KV - KY	T	138.00	35.00		
22	BELLEFONTE 138KV - KY	T	138.00	69.00	34.50	
23	BELLEFONTE 69KV - KY	T	69.00			
24	BETSY LAYNE - KY	T	46.00			
25	BETSY LAYNE - KY	T	138.00	69.00	46.00	
26	BETSY LAYNE - KY	T	138.00	34.00		
27	BETSY LAYNE - KY	T	46.00	12.00		
28	BIG SANDY 138KV - KY	T	138.00	13.09		
29	BIG SANDY 138KV - KY	T	138.00	34.50		
30	BIG SANDY 138KV - KY	T	138.00	69.50	13.20	
31	BLUE GRASS - KY	D	69.00	12.00		
32	BONNYMAN - KY	T	138.00	70.50	13.00	
33	BONNYMAN - KY	T	69.00	34.50		
34	BULAN - KY	D	69.00	12.00		
35	BURDINE - KY	D	46.00	12.00		
36	BURTON - KY	D	46.00	12.00		
37	BUSSEYVILLE - KY	D	138.00	34.50		
38	CANNONSBURG - KY	D	69.00	34.50		
39	CEDAR CREEK - KY	T	138.00	69.00	46.00	
40	CEDAR CREEK - KY	T	138.00	34.50		

Name of Respondent Kentucky Power Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2016/Q4
SUBSTATIONS					
1. Report below the information called for concerning substations of the respondent as of the end of the year. 2. Substations which serve only one industrial or street railway customer should not be listed below. 3. Substations with capacities of Less than 10 MVA except those serving customers with energy for resale, may be grouped according to functional character, but the number of such substations must be shown. 4. Indicate in column (b) the functional character of each substation, designating whether transmission or distribution and whether attended or unattended. At the end of the page, summarize according to function the capacities reported for the individual stations in column (f).					
Line No.	Name and Location of Substation (a)	Character of Substation (b)	VOLTAGE (In MVA)		
			Primary (c)	Secondary (d)	Tertiary (e)
1	CEDAR CREEK - KY	T	69.00	12.00	
2	CEDAR CREEK - KY	T	138.00	34.50	
3	CHADWICK - KY	T	138.00	69.00	34.50
4	CHAVIES - KY	D	69.00	12.00	
5	CHAVIES - KY	D	69.00		
6	COALTON - KY	D	69.00		
7	COALTON - KY	D	69.00	12.00	
8	COLEMAN - KY	D	69.00	12.00	
9	COLEMAN - KY	D	69.00	34.50	
10	COLLIER - KY	D	69.00	34.00	
11	COLLIER - KY	D	69.00		
12	COMBS - KY	D	69.00		
13	COMBS - KY	D	69.00	12.00	
14	DAISY - KY	D	69.00	12.00	
15	DAISY - KY	D	69.00		
16	DEWEY - KY	T	69.00		
17	DEWEY - KY	T	138.00	69.00	12.00
18	DEWEY - KY	T	138.00	34.50	
19	DORTON - KY	T	138.00	46.00	
20	DRAFFIN - KY	D	46.00	12.00	
21	EAST PRESTONSBURG - KY	D	46.00	12.00	
22	ELWOOD (KP) - KY	D	46.00	34.50	6.50
23	ELWOOD (KP) - KY	D	46.00		
24	ENGLE - KY	D	69.00	34.50	
25	FALCON - KY	D	69.00	12.00	
26	FALCON - KY	D	69.00	46.00	
27	FEDS CREEK - KY	D	69.00	12.00	
28	FISHTRAP - KY	D	69.00	12.00	
29	FLEMING - KY	T	69.00	12.00	
30	FLEMING - KY	T	138.00	69.00	46.00
31	FLEMING - KY	T	69.00		
32	FORDS BRANCH - KY	D	46.00	34.50	12.00
33	FORDS BRANCH STEPDOWN - KY	D	34.50	12.00	
34	FORTY SEVENTH STREET - KY	D	69.00	13.09	
35	GARRETT (KP) - KY	T	46.00	12.00	
36	GRAHN - KY	D	69.00	12.00	
37	GRAYS BRANCH - KY	D	69.00	12.00	
38	GRAYSON - KY	D	69.00	12.00	
39	HADDIX - KY	D	69.00	34.50	
40	HADDIX - KY	D	69.00		

Name of Respondent Kentucky Power Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2016/Q4
SUBSTATIONS					
<p>1. Report below the information called for concerning substations of the respondent as of the end of the year. 2. Substations which serve only one industrial or street railway customer should not be listed below. 3. Substations with capacities of Less than 10 MVA except those serving customers with energy for resale, may be grouped according to functional character, but the number of such substations must be shown. 4. Indicate in column (b) the functional character of each substation, designating whether transmission or distribution and whether attended or unattended. At the end of the page, summarize according to function the capacities reported for the individual stations in column (f).</p>					
Line No.	Name and Location of Substation (a)	Character of Substation (b)	VOLTAGE (In MVA)		
			Primary (c)	Secondary (d)	Tertiary (e)
1	HATFIELD (KP) - KY	T	138.00	69.00	46.00
2	HAYWARD - KY	D	69.00	13.09	
3	HAZARD - KY	T	138.00	69.00	12.00
4	HAZARD - KY	T	161.00	138.00	11.00
5	HAZARD - KY	T	138.00	34.00	
6	HAZARD - KY	T	34.50	12.00	
7	HAZARD - KY	T	138.00		
8	HAZARD - KY	T	69.00		
9	HAZARD - KY	T	69.00	34.00	2.50
10	HENRY CLAY - KY	D	46.00		
11	HENRY CLAY - KY	D	46.00	34.50	
12	HIGHLAND (KP) - KY	D	69.00	13.09	
13	HIGHLAND (KP) - KY	D	69.00		
14	HITCHINS - KY	D	69.00	13.09	
15	HOODS CREEK - KY	D	69.00	12.00	
16	HOWARD COLLINS - KY	D	69.00	12.00	
17	INDEX - KY	D	69.00	12.00	
18	INEZ - KY	T	138.00	69.00	13.09
19	INEZ - KY	T	138.00		
20	INEZ - KY	T	69.00		
21	JACKSON - KY	D	69.00		
22	JACKSON - KY	D	69.00	12.00	
23	JEFF - KY	D	69.00	36.20	
24	JENKINS - KY	D	69.00	12.00	
25	JOHNS CREEK - KY	T	138.00	69.00	34.00
26	JOHNS CREEK - KY	T	138.00		
27	JOHNS CREEK - KY	T	69.00		
28	KENWOOD - KY	D	46.00		
29	KENWOOD - KY	D	46.00	12.00	
30	KEYSER - KY	D	69.00	12.00	
31	KIMPER - KY	D	69.00	12.00	
32	LESLIE - KY	T	161.00	69.00	12.00
33	LESLIE - KY	T	69.00	34.50	
34	LESLIE - KY	T	69.00		
35	LOUISA - KY	D	34.50	12.00	
36	LOVELY - KY	D	138.00	34.00	
37	MANSBACH - KY	D	69.00	4.00	
38	MAYKING - KY	D	69.00	12.00	
39	MAYO TRAIL - KY	D	69.00	12.00	
40	MCKINNEY - KY	D	34.50	12.00	

Name of Respondent Kentucky Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2016/Q4
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SUBSTATIONS

- Report below the information called for concerning substations of the respondent as of the end of the year.
- Substations which serve only one industrial or street railway customer should not be listed below.
- Substations with capacities of Less than 10 MVa except those serving customers with energy for resale, may be grouped according to functional character, but the number of such substations must be shown.
- Indicate in column (b) the functional character of each substation, designating whether transmission or distribution and whether attended or unattended. At the end of the page, summarize according to function the capacities reported for the individual stations in column (f).

Line No.	Name and Location of Substation (a)	Character of Substation (b)	VOLTAGE (In MVa)		
			Primary (c)	Secondary (d)	Tertiary (e)
1	MCKINNEY - KY	D	46.00	34.00	
2	MIDDLE CREEK - KY	D	46.00	12.00	
3	MORGAN FORK - KY	T	138.00		
4	NEW CAMP - KY	D	69.00	12.00	
5	OLIVE HILL - KY	D	69.00	4.00	
6	OLIVE HILL - KY	D	69.00	12.00	
7	PIKEVILLE - KY	D	69.00	12.00	
8	PRESTONSBURG - KY	D	46.00	13.09	
9	PRESTONSBURG - KY	D	46.00		
10	PRINCESS - KY	D	69.00		
11	PRINCESS - KY	D	69.00	34.50	
12	RACELAND - KY	D	69.00	2.40	
13	REEDY COAL - KY	D	69.00	34.00	
14	RUSSELL - KY	D	69.00	12.00	
15	RUSSELL FORK - KY	D	69.00	12.00	
16	SALISBURY (KP) - KY	D	46.00	13.09	
17	SECOND FORK - KY	D	69.00	12.00	
18	SECOND FORK - KY	D	69.00		
19	SHAMROCK - KY	D	69.00	34.50	
20	SIDNEY - KY	D	69.00	12.00	
21	SILOAM - KY	D	69.00	12.00	
22	SLEMP - KY	D	69.00	34.00	
23	SLEMP - KY	D	69.00	34.50	
24	SOFT SHELL - KY	D	138.00	34.50	
25	SOUTH PIKEVILLE - KY	D	69.00	13.09	
26	SOUTH SHORE - KY	D	69.00	13.09	
27	SPRING FORK - KY	D	46.00	7.20	
28	STINNETT - KY	D	161.00	34.00	7.20
29	STINNETT - KY	D	161.00	34.50	7.20
30	STINNETT - KY	D	161.00	34.50	7.20
31	STONE - KY	T	138.00	69.00	46.00
32	TENTH STREET - KY	D	69.00	13.09	
33	THELMA - KY	T	138.00	69.00	12.00
34	THELMA - KY	T	138.00	69.00	46.00
35	THELMA - KY	T	138.00		
36	THELMA - KY	T	46.00		
37	TOM WATKINS - KY	D	69.00	12.00	
38	TOPMOST - KY	D	138.00	13.09	
39	VICCO - KY	D	138.00	34.50	
40	WEEKSBURY - KY	D	69.00	12.00	

Name of Respondent Kentucky Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2016/Q4
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SUBSTATIONS

1. Report below the information called for concerning substations of the respondent as of the end of the year.
2. Substations which serve only one industrial or street railway customer should not be listed below.
3. Substations with capacities of Less than 10 MVA except those serving customers with energy for resale, may be grouped according to functional character, but the number of such substations must be shown.
4. Indicate in column (b) the functional character of each substation, designating whether transmission or distribution and whether attended or unattended. At the end of the page, summarize according to function the capacities reported for the individual stations in column (f).

Line No.	Name and Location of Substation (a)	Character of Substation (b)	VOLTAGE (In MVA)		
			Primary (c)	Secondary (d)	Tertiary (e)
1	WEST PAINTSVILLE - KY	D	69.00	12.00	
2	WEST PAINTSVILLE - KY	D	69.00	12.00	
3	WHITESBURG - KY	D	69.00		
4	WHITESBURG - KY	D	69.00	12.00	
5	WORTHINGTON - KY	D	69.00	12.00	
6	WURLAND - KY	D	69.00	12.00	
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
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Name of Respondent Kentucky Power Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2016/Q4	
SUBSTATIONS (Continued)						
<p>5. Show in columns (l), (j), and (k) special equipment such as rotary converters, rectifiers, condensers, etc. and auxiliary equipment for increasing capacity.</p> <p>6. Designate substations or major items of equipment leased from others, jointly owned with others, or operated otherwise than by reason of sole ownership by the respondent. For any substation or equipment operated under lease, give name of lessor, date and period of lease, and annual rent. For any substation or equipment operated other than by reason of sole ownership or lease, give name of co-owner or other party, explain basis of sharing expenses or other accounting between the parties, and state amounts and accounts affected in respondent's books of account. Specify in each case whether lessor, co-owner, or other party is an associated company.</p>						
Capacity of Substation (In Service) (In MVA) (f)	Number of Transformers In Service (g)	Number of Spare Transformers (h)	CONVERSION APPARATUS AND SPECIAL EQUIPMENT			Line No.
			Type of Equipment (i)	Number of Units (j)	Total Capacity (In MVA) (k)	
			STATCAP	1	13	1
6	1					2
22	1					3
			STATCAP	1	16	4
672	1					5
1500	3					6
3		1				7
3		1				8
11		1				9
30		1				10
25	1					11
146	2					12
30	1					13
			STATCAP	4	235	14
			STATCAP	1	43	15
30	1					16
20	1					17
11	1					18
20	1					19
22	1					20
45	1					21
308	2					22
			STATCAP	1	14	23
			STATCAP	1	10	24
50	1					25
25	1					26
6	1					27
20	1					28
20	1					29
129	1					30
11	1					31
130	1					32
30	1					33
9	1					34
8	1					35
6	1					36
55	2					37
25	1					38
90	1					39
25		1				40

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SUBSTATIONS (Continued)						
<p>5. Show in columns (l), (j), and (k) special equipment such as rotary converters, rectifiers, condensers, etc. and auxiliary equipment for increasing capacity.</p> <p>6. Designate substations or major items of equipment leased from others, jointly owned with others, or operated otherwise than by reason of sole ownership by the respondent. For any substation or equipment operated under lease, give name of lessor, date and period of lease, and annual rent. For any substation or equipment operated other than by reason of sole ownership or lease, give name of co-owner or other party, explain basis of sharing expenses or other accounting between the parties, and state amounts and accounts affected in respondent's books of account. Specify in each case whether lessor, co-owner, or other party is an associated company.</p>						
Capacity of Substation (In Service) (In MVA) (f)	Number of Transformers In Service (g)	Number of Spare Transformers (h)	CONVERSION APPARATUS AND SPECIAL EQUIPMENT			Line No.
			Type of Equipment (i)	Number of Units (j)	Total Capacity (In MVA) (k)	
6		1				1
30		1				2
200	1					3
4	1					4
			STATCAP	1	10	5
			STATCAP	1	14	6
25	1					7
4	1					8
20	1					9
25	1					10
			STATCAP	1	10	11
			STATCAP	1	13	12
8	1					13
5	1					14
			STATCAP	1	13	15
			STATCAP	1	27	16
90	1					17
25	1					18
45	1					19
11	1					20
20	1					21
25	1					22
			STATCAP	1	14	23
20	1					24
20	1					25
20	1					26
22	1					27
4	1					28
20	1					29
130	1					30
			STATCAP	1	14	31
30	1					32
4	1					33
20	1					34
11	1					35
3	1					36
5	1					37
20	1					38
25	1					39
			STATCAP	1	5	40

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SUBSTATIONS (Continued)						
<p>5. Show in columns (l), (j), and (k) special equipment such as rotary converters, rectifiers, condensers, etc. and auxiliary equipment for increasing capacity.</p> <p>6. Designate substations or major items of equipment leased from others, jointly owned with others, or operated otherwise than by reason of sole ownership by the respondent. For any substation or equipment operated under lease, give name of lessor, date and period of lease, and annual rent. For any substation or equipment operated other than by reason of sole ownership or lease, give name of co-owner or other party, explain basis of sharing expenses or other accounting between the parties, and state amounts and accounts affected in respondent's books of account. Specify in each case whether lessor, co-owner, or other party is an associated company.</p>						
Capacity of Substation (In Service) (In MVA) (f)	Number of Transformers In Service (g)	Number of Spare Transformers (h)	CONVERSION APPARATUS AND SPECIAL EQUIPMENT			Line No.
			Type of Equipment (i)	Number of Units (j)	Total Capacity (In MVA) (k)	
60	1					1
9	1					2
180	2					3
135	3					4
30	1					5
9	1					6
			STATCAP	1	32	7
			STATCAP	2	68	8
6		1				9
			STATCAP	1	10	10
30	1					11
25	1					12
			STATCAP	1		13
25	1					14
11	1					15
31	2					16
9	1					17
50	1					18
			STATCAP	2	106	19
			STATCAP	1	10	20
			STATCAP	1	10	21
15	2					22
30	1					23
11	1					24
90	1					25
			STATCAP	1	53	26
			STATCAP	1	10	27
			STATCAP	1	7	28
20	1					29
20	1					30
9	1					31
90	1					32
30	1					33
			STATCAP	1	14	34
10	2					35
30	1					36
9	1					37
20	1					38
25	1					39
7	1					40

Name of Respondent Kentucky Power Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2016/Q4	
SUBSTATIONS (Continued)						
<p>5. Show in columns (l), (j), and (k) special equipment such as rotary converters, rectifiers, condensers, etc. and auxiliary equipment for increasing capacity.</p> <p>6. Designate substations or major items of equipment leased from others, jointly owned with others, or operated otherwise than by reason of sole ownership by the respondent. For any substation or equipment operated under lease, give name of lessor, date and period of lease, and annual rent. For any substation or equipment operated other than by reason of sole ownership or lease, give name of co-owner or other party, explain basis of sharing expenses or other accounting between the parties, and state amounts and accounts affected in respondent's books of account. Specify in each case whether lessor, co-owner, or other party is an associated company.</p>						
Capacity of Substation (In Service) (In MVA) (f)	Number of Transformers In Service (g)	Number of Spare Transformers (h)	CONVERSION APPARATUS AND SPECIAL EQUIPMENT			Line No.
			Type of Equipment (i)	Number of Units (j)	Total Capacity (In MVA) (k)	
20	1					1
4	1					2
			STATCAP	1	43	3
20	1					4
5	1					5
8	1					6
25	1					7
10	1					8
			STATCAP	1	10	9
			STATCAP	1	22	10
20	1					11
8	1					12
20	1					13
22	1					14
4	1					15
20	1					16
8	1					17
			STATCAP	1	14	18
11	1					19
20	1					20
5	1					21
20	1					22
11	1					23
30	1					24
25	1					25
8	1					26
1	1					27
15	1					28
22	1					29
22		1				30
50	1					31
50	2					32
90	1					33
70	1					34
			STATCAP	1	32	35
			STATCAP	1	7	36
11	1					37
20	1					38
30	1					39
6	1					40

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SUBSTATIONS (Continued)						
<p>5. Show in columns (l), (j), and (k) special equipment such as rotary converters, rectifiers, condensers, etc. and auxiliary equipment for increasing capacity.</p> <p>6. Designate substations or major items of equipment leased from others, jointly owned with others, or operated otherwise than by reason of sole ownership by the respondent. For any substation or equipment operated under lease, give name of lessor, date and period of lease, and annual rent. For any substation or equipment operated other than by reason of sole ownership or lease, give name of co-owner or other party, explain basis of sharing expenses or other accounting between the parties, and state amounts and accounts affected in respondent's books of account. Specify in each case whether lessor, co-owner, or other party is an associated company.</p>						
Capacity of Substation (In Service) (In MVA) (f)	Number of Transformers In Service (g)	Number of Spare Transformers (h)	CONVERSION APPARATUS AND SPECIAL EQUIPMENT			Line No.
			Type of Equipment (i)	Number of Units (j)	Total Capacity (In MVA) (k)	
25	1					1
20		1				2
			STATCAP	1	13	3
36	2					4
2	1					5
20	1					6
						7
						8
						9
						10
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						12
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						39
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Name of Respondent Kentucky Power Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2016/Q4
TRANSACTIONS WITH ASSOCIATED (AFFILIATED) COMPANIES					
<p>1. Report below the information called for concerning all non-power goods or services received from or provided to associated (affiliated) companies. 2. The reporting threshold for reporting purposes is \$250,000. The threshold applies to the annual amount billed to the respondent or billed to an associated/affiliated company for non-power goods and services. The good or service must be specific in nature. Respondents should not attempt to include or aggregate amounts in a nonspecific category such as "general". 3. Where amounts billed to or received from the associated (affiliated) company are based on an allocation process, explain in a footnote.</p>					
Line No.	Description of the Non-Power Good or Service (a)	Name of Associated/Affiliated Company (b)	Account Charged or Credited (c)	Amount Charged or Credited (d)	
1	Non-power Goods or Services Provided by Affiliated				
2	Administrative and General Expenses - Maintenance	AEPSC	935	1,431,553	
3	Administrative and General Expenses - Operation	AEPSC	Various	1,889,998	
4	Assets & Other Debits - Current and Accrued Assets	APCo	163	433,779	
5	Distribution Expenses - Maintenance	AEPSC	Various	337,565	
6	Audit Services	AEPSC	920,923	735,872	
7	Central Machine Shop	APCo	Various	1,504,613	
8	Construction Services	AEPSC	107,108	20,229,826	
9	Corporate Accounting	AEPSC	920,923	1,543,868	
10	Corporate Planning and Budgeting	AEPSC	920,923	722,232	
11	Customer Accounts Expenses	AEPSC	Various	3,285,883	
12	Distribution Expenses - Operation	AEPSC	Various	1,221,513	
13	Barging	I&M	151	5,253,685	
14	Real Estate & Workplace Svcs	AEPSC	920,923	1,124,228	
15	Factored Customer A/R Bad Debts	AEP Credit	426.5	1,682,555	
16	Factored Customer A/R Expense	AEP Credit	426.5	1,145,614	
17	Civil & Political Activities and Other Svcs	AEPSC	Various	433,349	
18	Fuel & Storeroom Services	AEPSC	152,163	2,898,266	
19	Human Resources	AEPSC	920,923	362,583	
20	Non-power Goods or Services Provided for Affiliate				
21	Assets and Other Debits - Utility Plant	PSO	107	273,087	
22	Assets and Other Debits - Utility Plant	APCo	107,108	256,948	
23	Building and Property Leases	AEPSC	454	361,195	
24	Fleet and Vehicle Charges	AEPSC	Various	1,773,046	
25	Materials and Supplies	APCo	154	3,075,476	
26	Urea	WPCo	154	419,650	
27	O&M Services for Jointly Owned Facility- Mitchell	WPCo	Various	149,706,649	
28	Power Production Expenses - Steam Power Gen-Oper	AGR	500,506	477,479	
29	Materials and Supplies	OPCo	154	415,127	
30	Urea	APCo	154	619,904	
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1	Non-power Goods or Services Provided by Affiliated				
2	Information Technology	AEPSC	920,923	2,079,967	

Name of Respondent Kentucky Power Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2016/Q4
TRANSACTIONS WITH ASSOCIATED (AFFILIATED) COMPANIES					
1. Report below the information called for concerning all non-power goods or services received from or provided to associated (affiliated) companies. 2. The reporting threshold for reporting purposes is \$250,000. The threshold applies to the annual amount billed to the respondent or billed to an associated/affiliated company for non-power goods and services. The good or service must be specific in nature. Respondents should not attempt to include or aggregate amounts in a nonspecific category such as "general". 3. Where amounts billed to or received from the associated (affiliated) company are based on an allocation process, explain in a footnote.					
Line No.	Description of the Non-Power Good or Service (a)	Name of Associated/Affiliated Company (b)	Account Charged or Credited (c)	Amount Charged or Credited (d)	
3	Legal GC/Administration	AEPSC	920,923	2,139,531	
4	Corporate Communications	AEPSC	920,923	310,291	
5	Materials and Supplies	OPCo	Various	536,958	
6	Other Power Supply Expense	AEPSC	555-557	1,876,914	
7	Treasury & Investor Relations	AEPSC	920,923	299,342	
8	Research and Other Services	AEPSC	Various	1,377,713	
9	Steam Power Generation - Maintenance	AEPSC	510-514	3,413,870	
10	Steam Power Generation - Operation	AEPSC	Various	5,121,865	
11	Transmission Expenses - Maintenance	AEPSC	Various	1,536,976	
12	Transmission Expenses - Operation	AEPSC	Various	3,507,102	
13	Risk and Strategic Initiatives	AEPSC	920,923	420,204	
14	Urea	APCo	154	1,578,757	
15	Utility Operations	AEPSC	920,923	858,546	
16	Materials and Supplies	APCo	Various	2,857,952	
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20	Non-power Goods or Services Provided for Affiliate				
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1	Non-power Goods or Services Provided by Affiliated				
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4					

Name of Respondent Kentucky Power Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2016/Q4
TRANSACTIONS WITH ASSOCIATED (AFFILIATED) COMPANIES					
<p>1. Report below the information called for concerning all non-power goods or services received from or provided to associated (affiliated) companies.</p> <p>2. The reporting threshold for reporting purposes is \$250,000. The threshold applies to the annual amount billed to the respondent or billed to an associated/affiliated company for non-power goods and services. The good or service must be specific in nature. Respondents should not attempt to include or aggregate amounts in a nonspecific category such as "general".</p> <p>3. Where amounts billed to or received from the associated (affiliated) company are based on an allocation process, explain in a footnote.</p>					
Line No.	Description of the Non-Power Good or Service (a)	Name of Associated/Affiliated Company (b)	Account Charged or Credited (c)	Amount Charged or Credited (d)	
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Name of Respondent Kentucky Power Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2016/Q4
FOOTNOTE DATA			

Schedule Page: 429 Line No.: 2 Column: b

Certain managerial and professional services provided by AEPSC are allocated among multiple affiliates. The costs of the services are billed on a direct-charge basis whenever possible. Costs incurred to perform services that benefit more than one company are allocated to the benefiting companies using one of 80 FERC accepted allocation factors. The allocation factors used to bill for services performed by AEPSC are based upon formulae that consider factors such as number of customers, number of employees, number of transmission miles, number of invoices and other factors. The data upon which these formulae are based is updated monthly, quarterly, semi-annually or annually, depending on the particular factor and its volatility. The billings for services are made at cost and include no compensation for a return on investment.

Schedule Page: 429 Line No.: 3 Column: c

920-923, 925-926, 928, 930.1, 930.2, 931

Schedule Page: 429 Line No.: 5 Column: c

590-598

Schedule Page: 429 Line No.: 7 Column: c

107, 108, 506, 510, 512, 513, 514

Schedule Page: 429 Line No.: 11 Column: c

901-905

Schedule Page: 429 Line No.: 12 Column: c

580-584, 586, 588, 589

Schedule Page: 429 Line No.: 17 Column: c

426.1, 426.3-426.5

Schedule Page: 429 Line No.: 24 Column: c

Costs related to AEP's fleet vehicles are allocated in the same manner as the labor of each department utilizing the vehicles. To the extent a department provides service to another affiliate company, an applicable share of their fleet costs are also assigned to that affiliate company.

Schedule Page: 429 Line No.: 27 Column: c

107, 108, 151, 154, 186, 408, 411, 421, 426, 500-502, 505, 506, 510-514, 920-921, 923, 925, 926, 928, 930, 931, 935

Schedule Page: 429.1 Line No.: 5 Column: c

107, 154, 163, 186, 513, 562, 566, 570, 571, 586, 588, 592, 593, 595, 903, 930, 935

Schedule Page: 429.1 Line No.: 8 Column: c

182.3, 183, 186, 188

Schedule Page: 429.1 Line No.: 10 Column: c

500-502, 505, 506, 508

Schedule Page: 429.1 Line No.: 11 Column: c

568, 569-569.3, 570, 571-573

Schedule Page: 429.1 Line No.: 12 Column: c

560, 561.1, 561.2, 561.5, 562, 563, 566

Schedule Page: 429.1 Line No.: 16 Column: c

107, 108, 154, 163, 184, 506, 511-513, 566, 570, 571, 580, 583, 585-587, 593-596, 598, 903, 930, 935

INDEX

<u>Schedule</u>	<u>Page No.</u>
Accrued and prepaid taxes	262-263
Accumulated Deferred Income Taxes	234
	272-277
Accumulated provisions for depreciation of	
common utility plant	356
utility plant	219
utility plant (summary)	200-201
Advances	
from associated companies	256-257
Allowances	228-229
Amortization	
miscellaneous	340
of nuclear fuel	202-203
Appropriations of Retained Earnings	118-119
Associated Companies	
advances from	256-257
corporations controlled by respondent	103
control over respondent	102
interest on debt to	256-257
Attestation	i
Balance sheet	
comparative	110-113
notes to	122-123
Bonds	256-257
Capital Stock	251
expense	254
premiums	252
reacquired	251
subscribed	252
Cash flows, statement of	120-121
Changes	
important during year	108-109
Construction	
work in progress - common utility plant	356
work in progress - electric	216
work in progress - other utility departments	200-201
Control	
corporations controlled by respondent	103
over respondent	102
Corporation	
controlled by	103
incorporated	101
CPA, background information on	101
CPA Certification, this report form	i-ii

INDEX (continued)

<u>Schedule</u>	<u>Page No.</u>
Deferred	
credits, other	269
debits, miscellaneous	233
income taxes accumulated - accelerated	
amortization property	272-273
income taxes accumulated - other property	274-275
income taxes accumulated - other	276-277
income taxes accumulated - pollution control facilities	234
Definitions, this report form	iii
Depreciation and amortization	
of common utility plant	356
of electric plant	219
	336-337
Directors	105
Discount - premium on long-term debt	256-257
Distribution of salaries and wages	354-355
Dividend appropriations	118-119
Earnings, Retained	118-119
Electric energy account	401
Expenses	
electric operation and maintenance	320-323
electric operation and maintenance, summary	323
unamortized debt	256
Extraordinary property losses	230
Filing requirements, this report form	
General information	101
Instructions for filing the FERC Form 1	i-iv
Generating plant statistics	
hydroelectric (large)	406-407
pumped storage (large)	408-409
small plants	410-411
steam-electric (large)	402-403
Hydro-electric generating plant statistics	406-407
Identification	101
Important changes during year	108-109
Income	
statement of, by departments	114-117
statement of, for the year (see also revenues)	114-117
deductions, miscellaneous amortization	340
deductions, other income deduction	340
deductions, other interest charges	340
Incorporation information	101

INDEX (continued)

<u>Schedule</u>	<u>Page No.</u>
Interest	
charges, paid on long-term debt, advances, etc	256-257
Investments	
nonutility property	221
subsidiary companies	224-225
Investment tax credits, accumulated deferred	266-267
Law, excerpts applicable to this report form	iv
List of schedules, this report form	2-4
Long-term debt	256-257
Losses-Extraordinary property	230
Materials and supplies	227
Miscellaneous general expenses	335
Notes	
to balance sheet	122-123
to statement of changes in financial position	122-123
to statement of income	122-123
to statement of retained earnings	122-123
Nonutility property	221
Nuclear fuel materials	202-203
Nuclear generating plant, statistics	402-403
Officers and officers' salaries	104
Operating	
expenses-electric	320-323
expenses-electric (summary)	323
Other	
paid-in capital	253
donations received from stockholders	253
gains on resale or cancellation of reacquired capital stock	253
miscellaneous paid-in capital	253
reduction in par or stated value of capital stock	253
regulatory assets	232
regulatory liabilities	278
Peaks, monthly, and output	401
Plant, Common utility	
accumulated provision for depreciation	356
acquisition adjustments	356
allocated to utility departments	356
completed construction not classified	356
construction work in progress	356
expenses	356
held for future use	356
in service	356
leased to others	356
Plant data	336-337 401-429

INDEX (continued)

<u>Schedule</u>	<u>Page No.</u>
Plant - electric	
accumulated provision for depreciation	219
construction work in progress	216
held for future use	214
in service	204-207
leased to others	213
Plant - utility and accumulated provisions for depreciation	
amortization and depletion (summary)	201
Pollution control facilities, accumulated deferred	
income taxes	234
Power Exchanges	326-327
Premium and discount on long-term debt	256
Premium on capital stock	251
Prepaid taxes	262-263
Property - losses, extraordinary	230
Pumped storage generating plant statistics	408-409
Purchased power (including power exchanges)	326-327
Reacquired capital stock	250
Reacquired long-term debt	256-257
Receivers' certificates	256-257
Reconciliation of reported net income with taxable income	
from Federal income taxes	261
Regulatory commission expenses deferred	233
Regulatory commission expenses for year	350-351
Research, development and demonstration activities	352-353
Retained Earnings	
amortization reserve Federal	119
appropriated	118-119
statement of, for the year	118-119
unappropriated	118-119
Revenues - electric operating	300-301
Salaries and wages	
directors fees	105
distribution of	354-355
officers'	104
Sales of electricity by rate schedules	304
Sales - for resale	310-311
Salvage - nuclear fuel	202-203
Schedules, this report form	2-4
Securities	
exchange registration	250-251
Statement of Cash Flows	120-121
Statement of income for the year	114-117
Statement of retained earnings for the year	118-119
Steam-electric generating plant statistics	402-403
Substations	426
Supplies - materials and	227

INDEX (continued)

<u>Schedule</u>	<u>Page No.</u>
Taxes	
accrued and prepaid	262-263
charged during year	262-263
on income, deferred and accumulated	234
	272-277
reconciliation of net income with taxable income for	261
Transformers, line - electric	429
Transmission	
lines added during year	424-425
lines statistics	422-423
of electricity for others	328-330
of electricity by others	332
Unamortized	
debt discount	256-257
debt expense	256-257
premium on debt	256-257
Unrecovered Plant and Regulatory Study Costs	230