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AEP GENERATING COMPANY ONE RIVERSIDE PLAZA, COLUMBUS, OH 43215 TELEPHONE (614) 716-3724

KENTUCKY POWER COMPANY 17TH ST. & CENTRAL AVE. ASHLAND, KY 41101 ESTIMATE 06-Dec-13

UNIT 1

POWER BILL - - November, 2013

IN ACCORDANCE WITH POWER AGREEMENT DATED OCTOBER 1, 1984 (AS AMENDED)

ENERGY DELIVERED FOR THE MONTH OF November, 2013

KWH FOR THE MONTH

113,852,850

		, ,
	SUMMARY	<u>TOTAL</u>
Current Month	Bill:	
	Return on Common Equity	259,107
	Return on Other Capital	53,074
	Total Return	312,181
	Fuel Purchased Power Other Operating Revenues Other Operation and Maintenance Exp Depreciation Expense Taxes Other Than Federal Income Tax Federal Income Tax TOTAL CURRENT UNIT POWER BILL	3,041,035 0 (2,625) 413,539 495,270 138,116 579,323
Prior Month's A	Return on Common Equity & Other Capital	(740)
	Fuel Expense Other Expenses (Includes taxes & interest)	0 (19,283)
	TOTAL PRIOR MONTH'S ADJUSTMENTS	(20,023)
	TOTAL UNIT POWER BILL	4,956,816
AMOUNTS WILL	BE PAID DIRECT FROM GENERAL FUNDS.	

AMOUNTS WILL BE PAID DIRECT FROM GENERAL FUNDS.

DUE DATE - - - December 20, 2013

Cc: Steve Hornyak - Columbus

Kurt C Cooper - Ft Wayne

Dave Hille - Ft. Wayne Mike Stout - Ft. Wayne

Sid Lyons - Columbus

Shannon Listebarger - Columbus

Mike Giardina - Columbus

Michelle Howell - Columbus

Diane Keegan - Columbus

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AEP GENERATING COMPANY ONE RIVERSIDE PLAZA, COLUMBUS, OH 43215 TELEPHONE (614) 716-3724

INDIANA MICHIGAN POWER COMPANY P. O. BOX 60 FORT WAYNE, IN 46801

ESTIMATE 06-Dec-13

UNIT 1

POWER BILL - - November, 2013

IN ACCORDANCE WITH POWER AGREEMENT DATED OCTOBER 1, 1984 (AS AMENDED)

ENERGY DELIVERED FOR THE MONTH OF November, 2013

KWH FOR THE MONTH 265,656,650

	KWIII OIL THE MONTH	200,000,000
	SUMMARY	<u>TOTAL</u>
Current Month	Bill:	
	Return on Common Equity	604,582
	Return on Other Capital	123,840
	Total Return	728,422
	Fuel Purchased Power Other Operating Revenues Other Operation and Maintenance Exp Depreciation Expense Taxes Other Than Federal Income Tax Federal Income Tax	7,095,749 0 (6,125) 964,926 1,155,630 322,270 1,351,752
	TOTAL UNIT POWER BILL	11,612,623
Prior Month's A	Adjustment: Return on Common Equity & Other Capital Fuel Other Expenses (Includes taxes & interest) TOTAL PRIOR MONTH'S ADJUSTMENTS	(1,727) 0 (44,991) (46,718)
AMOUNTS WILL	TOTAL UNIT POWER BILL BE PAID DIRECT FROM GENERAL FUNDS.	11,565,905
AMOUNTS WILL		

DUE DATE - - -December 20, 2013

Cc: Steve Hornyak - Columbus

Kurt C Cooper - Ft Wayne

Dave Hille - Ft. Wayne Mike Stout - Ft. Wayne

Mike Giardina - Columbus Sid Lyons - Columbus

Shannon Listebarger - Columbus

Kevin Amburgey-Columbus Michelle Howell - Columbus

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AEP GENERATING COMPANY ROCKPORT POWER BILL SUMMARY OF MONTHLY POWER BILL

November, 2013

06-Dec-13

	TOTAL UNIT 1 POWER BILL	KPCO SHARE	I&M SHARE
Return on Common Equity	863,689	259,107	604,582
Return on Other Capital	176,914	53,074	123,840
Total Return	1,040,603	312,181	728,422
+ Fuel + Purchased Power - Other Operating Revenues + Other Operation and Maintenance Exp + Depreciation Expense + Taxes Other Than Federal Income Tax + Federal and State Income Tax	10,136,784 0 (8,750) 1,378,465 1,650,900 460,386 631,075	3,041,035 0 (2,625) 413,539 495,270 138,116 189,323	7,095,749 0 (6,125) 964,926 1,155,630 322,270 441,752
= Total Unit 1 Monthly Power Bill	15,289,462	4,586,839 	10,702,623
<u>Determination of Federal Income Tax:</u>			
Total Return (Line 3) + Unit 1 Schedule M Adjustments + Unit 1 Deferred Federal Income Taxes - Unit 1 Interest Expense Deduction *	1,040,603 (653,845) 338,070 180,676	312,181 (196,15 3) 101,421 54,203	728,422 (457,692) 236,649 126,473
 Subtotal x Gross-Up (FIT Rate / 1-FIT Rate) Unit 1 Current Federal Income Tax Unit 1 Def Fed & State Income Taxes 	544,152 0.538462 293,005 338,070	163,246 0.538462 87,902 101,421	380,906 0.538462 205,103 236,649
= Total Unit 1 Fed&State Income Taxes	631,075	189,323	441,752
Proof of Federal Income Tax:			:applumaaaaaaaaaaaaaaaaaaaaaaaaaaaaaaaaaa
Total Unit 1 Monthly Power Bill - Operation and Maintenance Expenses - Depreciation Expense - Taxes Other Than Federal Income Tax - Unit 1 Interest Expense Deduction * - Other Operating Revenues	15,289,462 11,515,249 1,650,900 460,386 180,676 (8,750)	4,586,839 3,454,574 495,270 138,116 54,203 (2,625)	10,702,623 8,060,674 1,155,630 322,270 126,473 (6,125)
= Pre-Tax Book Income + Unit 1 Schedule M Adjustments	1,491,002 (653,845)	447,301 (196,153)	1,043,701 (457,692)
 Unit 1 Taxable Income x Current Federal Income Tax Rate Unit 1 Current Federal Income Tax + Unit 1 Def Fed & State Income Taxes 	837,157 35% 293,005 338,070	251,148 35% 87,902 101,421	586,009 35% 205,103 236,649
= Total Unit 1 Fed&State Income Taxes	631,075	189,323	441,752
+= B 5 (40 1) 04 (1) 00 11			

^{*} From Page 5 of 18: Line 21 + (Line 28 x Line 31 x Line 32)

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AEP GENERATING COMPANY ROCKPORT POWER BILL **OPERATING RATIO**

Pg 3 of 18

Line <u>No.</u>		UNIT 1 November, 2013
1	Operating Ratio:	
2	Net In-Service Investment:	
3 4 5 6 7 8 9 10 11 12	Electric Plant In-Service - Accumulated Depreciation + Materials & Supplies + Prepayments + Plant Held For Future Use (A/C 105) * + Other Deferred Debits (A/C 186) * + Other Working Capital *** + Unamortized Debt Expense (A/C 181) + Deferred ASH pond cost (A/C182.3) - Asset Retirement Obligation (A/C 230) - Other Deferred Credits (A/C 253)	793,645,404 563,270,070 69,564,364 121,879 0 (23,513,891) 176,668 2,879,258 4,285,163 50,694,394
14 15	Accumulated Deferred FIT Accumulated Deferred ITC	35,878,573 17,905,432
16	Total Net In-Service Investment Non-In-Service Investment - CWIP :	170,840,051
18 19 20 21	Construction Work In Progress + Materials & Supplies - Accumulated Deferred FIT Total Non-In-Service Investment - CWIP	49,829,887 0 0
22 23 24 25	Non-In-Service Investment - Other : Plant Held for Future Use (A/C 105) ** + Other Deferred Debits (A/C 186) ** + Fuel Inventory Over Allowed Level ****	1,034,099 1,639,480 (3,418,579)
26	Total Non-in-Service Investment - Other	(744,999)
27	Total Investment (Lines 16+21+26)	219,924,940
28	Operating Ratio (Line 16/Line 27)	77.6811%
29	Non-In-Service Investment-CWIP Ratio (Line 21/Line 27)	22.6577%
30	Non-In-Service Investment-Other Ratio (Line 26/Line 27)	-0.3388%
** Exclu	Total Investment ermitted By FERC Iding Amounts on Lines 7 and 8 unts 128, 131, 135, 143, 146, 171 and 174, Less Accounts 232-234, 23 des Rockport 1 and 2	100.0000%

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AEP GENERATING COMPANY ROCKPORT POWER BILL NET IN-SERVICE INVESTMENT RATIO

Line <u>No.</u>		UNIT 1 November, 2013
1	Net In-Service Investment Ratio:	
2	Unit 1 Net In-Service Investment:	
3	Electric Plant In-Service	655,740,042
4	 Accumulated Depreciation 	430,967,086
5	+ Materials & Supplies	36,491,472
6	+ Prepayments	60,939
7	+ Plant Held For Future Use (A/C 105) *	0
8	+ Other Deferred Debits (A/C 186) *	0
9	+ Other Working Capital **	(1,452,061)
10	+ Unamortized Debt Expense (A/C 181)	88,334
11 .	+ Deferred ASH pond cost (A/C182.3)	1,439,629
12	- Asset Retirement Obligation (A/C 230)	2,142,581
13	- Other Deferred Credits (A/C 253)	0
14	- Accumulated Deferred FIT	43,818,541
15	- Accumulated Deferred ITC	11,368
16	Total Unit 1 Net In-Service Investment	215,428,778
17	Unit 2 Net In-Service Investment:	
18	Electric Plant In-Service	137,905,362
19	- Accumulated Depreciation	132,302,984
20	+ Materials & Supplies	33,072,893
21	+ Prepayments	60,939
22	+ Plant Held For Future Use (A/C 105) *	0
23	+ Other Deferred Debits (A/C 186) *	0
24	+ Other Working Capital **	(22,061,830)
25	+ Unamortized Debt Expense (A/C 181)	88,334
26	+ Deferred ASH pond cost (A/C182.3)	1,439,629 2,142,581
27	- Asset Retirement Obligation (A/C 230)	50,694,394
28 29	Other Deferred Credits (A/C 253) Accumulated Deferred FIT	(7,939,969)
30	- Accumulated Deferred ITC	17,894,064
31	Total Unit 2 Net In-Service Investment	(44,588,727)
32	Total Net In-Service Investment	170,840,051
33	Net In-Service Investment Ratio:	
34	Unit 1 (Line 16 / Line 32)	126.1000%
35	Unit 2 (Line 31 / Line 32)	-26.1000%
	* As Dawnikad Du FEDO	100.0000%
	* As Permitted By FERC ** Accounts 128, 131, 135, 143, 146, 171 and 174, Less Accounts 232-234, 236, 237, 238, 241 and 242	

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AEP GENERATING COMPANY

ROCKPORT POWER BILL	
CALCULATION OF RETURNS ON	
COMMON EQUITY & OTHER CAPITAL	

Line No.		UNIT 1 November, 2013
1	Net Capitalization:	
2	Long-Term Debt	64,834,718
3	+ Short-Term Debt	62,085,020
4 5	+ Preferred Stock + Common Equity	0 89,661,248
6	- Temporary Cash Investments	09,001,246
7	Net Capitalization	216,580,987
8	40% of Net Capitalization	86,632,395
9	Return on Common Equity:	
10	Lesser of Line 5 or Line 8	86,632,395
11	x Equity Return (Monthly Rate)	1.01333%
12	= Equity Return	877 ,8 72
13	x Operating Ratio	77.6811%
14 15	x Net In-Service Investment Ratio = Subtotal	126.1000% 859,927
16	Excess of Line 5 Over Line 8	3,028,853
17	x Weighted Cost of Debt (Monthly Rate)	0.1268%
18	 Return on Equity over 40% of Capitalization 	3,841
19	x Operating Ratio	77.6811%
20	x Net In-Service Investment Ratio	126.1000%
21	= Subtotal	3,762
22	Unit 1 Return on Equity (Line 15 + Line 21)	863,689
23	Return on Other Capital:	
24	• • •	
25	+ Short-Term Debt Interest Expense (a/c 430)	37,067
26	+ Other Interest Expense (a/c 431)	0
27	- Temporary Cash Investment Income *	
28 29	Net Interest Expense+ Preferred Stock Dividends (a/c 437)	180,606
30	= Net Cost of Other Capital	180,606
31	x Operating Ratio	77.6811%
32	x Net In-Service Investment Ratio	126.1000%
33	= Unit 1 Return on Other Capital	176,914
	* Line 6 x Line 19 from Pg 6 of 18	

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AEP GENERATING COMPANY ROCKPORT POWER BILL DETERMINATION OF WEIGHTED COST OF DEBT

Line No.		UNIT 1 <u>November, 2013</u>
1	<u>Debt Balances (Prior Month Ending)</u> :	
2 3 4 5	Long-Term Debt (Accts 221 thru 226) + Short-Term Debt (Accts 231 + 233) + Other Debt (Accts 132 thru 136 + 145) Total Debt Balances (Prior Month Ending)	64,834,718 62,085,020 0
6	Weighting of Debt Balances:	
7 8 9	Long-Term Debt (LTD bai/Total Debt bal) + Short-Term Debt (STD bal/Total Debt bal) + Other Debt	51.0832% 48.9168% 0.0000%
10	Total Debt Balances	100.0000%
11	<u>Debt Cost Rates</u> :	
12 13 14	Long-Term Debt (avg LTD int rate) Short-Term Debt (avg Money Pool STD int rate) Other Debt	2.6936% 0.3417% 0.0000%
15	Weighted Cost of Debt :	
16 17 18	Long-Term Debt (LTD % x avg LTD int rate) + Short-Term Debt (STD % x avg MP STD int rate + Other Debt	1.3760% 0.1671% 0.0000%
19	Total Weighted Cost of Debt	1.5431%

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AEP GENERATING COMPANY
ROCKPORT POWER BILL
DETERMINATION OF UNIT 1 MATERIALS AND SUPPLIES

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UNIT 1

	November, 2013
Unit 1 Materials and Supplies:	
Fuel Stock - Coal (per Line 23) Fuel Stock Expenses - Undistributed (152) Fuel Stock - Oil (151) Plant Materials & Operating Supplies Merchandise Undistributed Stores Expense	21,352,690 949,381 1,691,940 12,497,461 0 0
Total Materials & Supplies	36,491,472
Support of Coal Inventory Value:	
Actual Coal Inventory (a/c 151.10) + Equivalent Inventory re: Deferred Return	1 7 ,93 4 ,111 20,465,855,612
⇒ Imputed Coal Inventory	20,483,789, 7 23
Coal Inventory W/68 Day Supply Cap	
Tons Consumed - CHANGE ANNUALLY FROM DEC PG 24 / Hours Available * CHG ANNUALLY FROM GADS RPT 511 = Tons Consumed per Hour x 24 Hours per Day = Tons Consumed Per Day x 68 days = 68 day Supply (Tons) x Coal Cost per Ton (per a/c 151.10 at End of Prior Month) = 68 day Coal Inventory Lesser of Imputed or Capped Coal Inventory	2,603,238 8031.6 324.12 24 7778.88 68 528,964 40.367 21,352,690
	20,462,437,033
Accumulated Deferred Inventory Return - Unit 1 (Memo Item):	20,402,407,000
Beginning Balance + Current Month Return on Beginning Balance + Current Month Deferral - Current Month Recovery	144,461,727 1,026,957 0 23,762
= Ending Balance **	145,464,922
	Fuel Stock - Coal (per Line 23) Fuel Stock Expenses - Undistributed (152) Fuel Stock - Oil (151) Plant Materials & Operating Supplies Merchandise Undistributed Stores Expense Total Materials & Supplies Support of Coal Inventory Value: Actual Coal Inventory (a/c 151.10) + Equivalent Inventory re: Deferred Return = Imputed Coal Inventory Coal Inventory W/68 Day Supply Cap Tons Consumed - CHANGE ANNUALLY FROM DEC PG 24 / Hours Available * CHG ANNUALLY FROM GADS RPT 511 = Tons Consumed per Hour x 24 Hours per Day = Tons Consumed Per Day x 68 days = 68 day Supply (Tons) x Coal Cost per Ton (per a/c 151.10 at End of Prior Month) = 68 day Coal Inventory Lesser of Imputed or Capped Coal Inventory Imputed Inventory Minus Line 23 Accumulated Deferred Inventory Return - Unit 1 (Memo Item): Beginning Balance + Current Month Return on Beginning Balance + Current Month Deferral - Current Month Recovery

^{*} Excludes Forced Outages, Scheduled Outages, and Curtailments

^{**} May Not Be Less Than Zero

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AEP GENERATING COMPANY ROCKPORT POWER BILL DETAIL OF OTHER OPERATING REVENUES

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			UNIT 1
Line <u>No.</u>	Account <u>No.</u>	Description	November, 2015
1	450	Forfeited Discounts	0
2	45 1	Miscellaneous Service Revenues	0
3	453	Sales of Water and Water Power	0
4	454	Rent From Electric Property - Associated Companies	0
5	4 54.20	Rent From Electric Property - Non-Associated Companies	0
6	455	Interdepartmental Rents	0
7	456	Other Electric Revenues	(8,750)
8	411.8	Proceeds/gains From Sale of Emission Allowances	0
9		Total Other Operating Revenues	(8,750)

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AEP GENERATING COMPANY ROCKPORT POWER BILL DETAIL OF OPERATION & MAINTENANCE EXPENSES

Line <u>No.</u>	Account <u>No.</u>	<u>Description</u>	UNIT 1 November, 2013
1 2 3	500,502-508 501 510-515	Steam Power Generation - Operation Fuel - Operation Steam Power Generating - Maintenance	432,560 10,136,784 781,169
4		Total Steam Power Generation Expenses	11,350,513
5	555-557	Other Power Supply Expenses	(21,860)
6 7	560-567.1 568-574	Transmission Expenses - Operation Transmission Expenses - Maintenance	, 0
8		Total Transmission Expenses	0
9 10	580-589 590-598	Distribution Expenses - Operation Distribution Expenses - Maintenance	0 0
11		Total Distribution Expenses	0
12	901-905	Customer Accounts Expenses - Operation	0
13	906-910	Customer Service and Informational Expenses - Operation	0
14	911-917	Sales Expenses - Operation	0
15	920-933	Administrative and General Expenses - Operation	185,140
16	935	Administrative and General Expenses - Maintenance	1,456
17		Total Administrative & General Exp.	186,596
18		Total Operation & Maintenance Expenses	11,515,249

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AEP GENERATING COMPANY ROCKPORT POWER BILL DETAIL OF DEPRECIATION EXPENSE AND AMORTIZATION EXPENSES

L	ine	Account		UNIT 1 November, 2013
<u>l</u>	<u>No.</u>	<u>No.</u>	<u>Description</u>	
	1	403	Depreciation Expense	1,631,513
1a		403.1	ARO Depreciation Expense	3,343
	2	404	Amortization of Limited-Term Electric	
			Plant	0
	3	405	Amortization of Other Electric Plant	0
	4	406	Amortization of Electric Plant	
			Acquistion Adjustments	0
	5	407	Amortization of Property Losses,	
			Unrecovered Plant and Regulatory	
			Study Costs	0
	6		Total Depreciation Exp. & Amortization	1,634,856
	7	411.10	ARO Accretion Expense	16,044
	8		Total Depreciation, Amortization & Accretion Expenses	1,650,900

KPSC Case No. 2014-00225 KIUC's First Set of Data Requests Dated September 5, 2014

AEP GENERATING COMPANY ROCKPORT POWER BILL Pg 11 of 18 DETAIL OF TAXES OTHER THAN FEDERAL INCOME TAXES

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Line No. BS1	Account <u>No.</u>	<u>Description</u>	UNIT 1 November, 2013
1	408.1	Taxes Other Than Federal Income Taxes, Utility Operating Income	165,231
2	409.1	State Income Taxes	295,155
3		Total Taxes Other than FIT	460,386

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AEP GENERATING COMPANY ROCKPORT POWER BILL DETAIL OF UNIT 1 SCHEDULE 'M' ADJUSTMENTS AND DEFERRED FEDERAL INCOME TAX

UNIT 1 November, 2013

Line <u>No.</u>	Account <u>No.</u>	Description	<u>TOTAL</u>	KPCO SHARE	I&M <u>SHARE</u>
1		Unit 1 Schedule `M' Adjustments*			
2	N/A	Excess ACRS Over Normalization Base Depreciation	3,000	900	2,100
3	N/A	Excess Normalization Base Over Book Depreciation	(18,500)	(5,550)	(12,950)
4	N/A	Other Unit 1 Schedule `M' Adjustments	(638,345)	(191,503)	(446,842)
5	***	Total Unit 1 Schedule `M' Adjustments	(653,845)	(196,153)	(457,692)
6 7	410.1	Unit 1 Deferred Federal Income Tax Excess ACRS Over Norm. Base Depr. (Line 2 x FIT Rate * -1)	289,997	86,999	202,998
8	410.1&411.1	Other Unit 1 Schedule `M' Adjustments -			
9	411.1	Feedback of Accumulated DFIT re: ABFUDC - Unit 1 Negative Amount Denotes Reduction.	(2,639)	(792)	(1,847)
10	411.1	Feedback of Accumulated DFIT re: Overheads Capitalized - Unit 1	(51)	(15)	(36)
11	411.1	Feedback of Accumulated DFIT re: Other Schedule `M' AdjUtility	50,763	15,229	35,534
12	***	Total Unit 1 Deferred Federal Income Tax	338,070	101,421	236,649

^{***} Positive Amount Denotes Increase In Taxable Income, Negative Amount Denotes Reduction.

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AEP GENERATING COMPANY ROCKPORT POWER BILL DETAIL OF NET IN-SERVICE INVESTMENT UNIT 1

UNIT 1			
Line <u>No.</u>	Account <u>No.</u>	Description	November, 2013
1		ELECTRIC PLANT IN SERVICE	
2	101	Electric Plant In Service	653,952,574
3	102	Electric Plant Purchased	0
4	103	Experimental Elec. Plant Unclassified	0
5	103.1	Electric Plant In Process of Reclassification	0
6	104	Electric Plant Leased to Others	0
7	106	Completed Construction Not Classified	1,787,468
8	114	Electric Plant Acquisition Adjustments	0
9	116	Other Electric Plant Adjustments	0
10	118	Other Utility Plant	0
11		Total Electric Plant In Service	655,740,042
12	105	Plant Held For Future Use	0
13		ACCUMULATED DEPRECIATION	
14	108	Accumulated Provision for Depreciation of Electric Utility Plant	430,495,308
15	110	Accumulated Provision for Depreciation	400,400,000
16	111	and Amort. of Elec. Utility Plant Accumulated Provision for Amortization	0
		of Electric Utility Plant	471,778
17	115	Accumulated Provision for Amortization of Electric Plant Acquisition	0
18	119	Adjustments Accumulated Provision for Depreciation and Amortization of Other Utility	U
		Plant	0
19		Total Accumulated Depreciation	430,967,086
20		MATERIAL AND SUPPLIES	
21	151	Fuel Stock	23,044,630
22	152	Fuel Stock Expenses - Undistributed	949,381
23	153	Residuals	0
24	154	Plant Materials and Operating Supplies	12,497,461
25	155	Merchandise	0
26	156	Other Materials and Supplies	0
27	163	Stores Expense Undistributed	0
28		Total Materials and Supplies (In-Service Portion)	36,491,472
29	165	Prepayments	60,939
30	186	Other Deferred Debits	0

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AEP GENERATING COMPANY ROCKPORT POWER BILL Pg 13a of 18 OTHER WORKING CAPITAL, UNAMORTIZED DEBT EXPENSE, AND OTHER DEFERRED CREDITS

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Line No.	Account <u>No.</u>	Description *_	UNIT 1 November, 2013
1	128	Other Special Funds	0
2	131	Cash	0
3	135	Other Intra Company Adjustments	0
4	143	Accounts Receivable-Miscellaneous	0
5	146	Accounts Receivable-Associated Company	17,166,562
6	171	Interest and Dividends Receivable	1,034
7	174	Miscellaneous Current and Accrued Assets	0
8	232	Accounts Payable-General	(13,970)
9	234	Accounts Payable-Associated Company	(13,720,349)
10	236	Taxes Accrued	(1,569,284)
11	237	Interest Accrued	(76,288)
12	238	Dividends Declared	0
13	241	Tax Collections Payable	0
14	242	Misc Current and Accrued Liabilities	(3,239,766)
15		Total Other Working Capital	(1,452,061)
16	181	Unamortized Debt Expense	88,334
17	253	Other Deferred Credits	0

^{*} debit <credit>

KPSC Case No. 2014-00225 KIUC's First Set of Data Requests Dated September 5, 2014 Item No. 4

AEP GENERATING COMPANY ROCKPORT POWER BILL DETAIL OF NET IN-SERVICE INVESTMENT UNIT 1

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		UNIT 1
No.	Description	November, 2013
	ACCUMULATED DEFERRED INCOME TAXES	
190	-Accumulated Deferred Income Taxes	2,047,073
281	+Accumulated Deferred Income Taxes - Accelerated Amortization Property	0
282	+Accumulated Deferred Income Taxes - Other Property	44,991,353
283	+Accumulated Deferred Income Taxes - Other	874,261
	Total Accumulated Deferred Income Taxes (In-Service Portion)	43,818,541
255	+Accumulated Deferred Investment Tax	11,368
186.50	-Accumulated Deferred Investment Tax	0
	Total Accumulated Deferred Investment	11,368
	Total Net In-Service Investment -	, pulled 1.00 -
	Unit 7	216,131,731
	190 281 282 283	ACCUMULATED DEFERRED INCOME TAXES 190 -Accumulated Deferred Income Taxes 281 +Accumulated Deferred Income Taxes - Accelerated Amortization Property 282 +Accumulated Deferred Income Taxes - Other Property 283 +Accumulated Deferred Income Taxes - Other Total Accumulated Deferred Income Taxes (In-Service Portion) 255 +Accumulated Deferred Investment Tax Credits 186.50 -Accumulated Deferred Investment Tax Credit Total Accumulated Deferred Investment Tax Credits

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AEP GENERATING COMPANY ROCKPORT POWER BILL

DETAIL OF NON-IN-SERVICE INVESTMENT - CWIP AND OTHER

		Manager	UNIT 1
Line <u>No.</u>	Account <u>No.</u>	<u>Description</u>	November, 2013
		Non-In-Service Investment - CWIP	
1	107	Construction Work In Process	49,829,887
2		MATERIAL AND SUPPLIES	
3	151	Fuel Stock	0
4	152	Fuel Stock Expenses - Undistributed	0
5	153	Residuals	0
6	154	Plant Materials and Operating Supplies	0
7	155	Merchandise	0
8	156	Other Material and Supplies	0
9	163	Stores Expense Undistributed	0
10		Total Material and Supplies	
		(CWIP Portion)	0
11		ACCUMULATED DEFERRED INCOME TAXES	
12	190	-Accumulated Deferred Income Taxes	0
13	281	+Accumulated Deferred Income Taxes -	Ü
		Accelerated Amortization Property	0
14	282	+Accumulated Deferred Income Taxes -	
		Other Property	0
15	283	+Accumulated Deferred Income Taxes -	
		Other	0
16		Total Accumulated Deferred Income Taxes (CWIP Portion)	0
17		TOTAL NON-IN-SERVICE INVESTMENT -	77 30 M M M M M M WYYTHAO M M M M M WYTYY AG M M
17		CWIP	49,829,887
			=======================================
		Non-In-Service Investment - Other	
18	105	Plant Held for Future Use	1,034,099
19	186	Other Deferred Debits	1,639,480
20	151.10	Fuel Inventory Over Allowed Level *	(3,418,579)
21		Total Non-In-Service Investment -	
		Other	(744,999)
			(* * 1,000)
* INCLUDES ROCKPORT 1 AND 2			
		UNIT 1	(3,418,579)
		UNIT 2	0
TOTAL			(0.440.670)
		TOTAL	(3,418,579)

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AEP GENERATING COMPANY ROCKPORT POWER BILL DETAIL OF NET CAPITALIZATION

DETAIL OF NET CAPITALIZATION				
			UNIT 1	
Line	Account		November, 2013	
<u>No.</u>	No.	<u>Description</u>		
1		COMMON CAPITAL STOCK		
2	201	Common Stock Issued	383,000	
3	202	Common Stock Subscribed	0	
4	203	Common Stock Liability for Conversion	0	
5	209	Reduction In Par or Stated Value of Capital Stock	0	
6	210	Gain on Resale or Cancellation of	Ť	
		Reacquired Capital Stock	0	
7	212	Installments Received on Capital Stock	0	
8	214	Capital Stock Expense	0	
9	217	Reacquired Capital Stock	0	
10		Total Common Capital Stock	383,000	
11		OTHER PAID-IN CAPITAL		
12	207	Premium on Capital Stock	0	
13	208	Donations Received from Stockholders	83,478,987	
14	211	Miscellaneous Paid-In Capital	0	
15	213	Discount on Capital Stock	. 0	
16		Total Other Paid-In Capital	83,478,987	
17		RETAINED EARNINGS		
18	215	Appropriated Retained Earnings	0	
19	215.1	Appropriated Retained Earnings-		
		Amortization Reserve, Federal	0	
20	216	Unappropriated Retained Earnings	5,799,261	
21		Total Retained Earnings	5,799,261	
22		Total Common Equity	89,661,248	
23		PREFERED CAPITAL STOCK		
24	204	Preferred Stock Issued	0	
25	205	Preferred Stock Subscribed	0	
26	206	Preferred Stock Liability	_	
		for Conversion	0	

Total Preferred Capital Stock

27

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AEP GENERATING COMPANY ROCKPORT POWER BILL **DETAIL OF NET CAPITALIZATION (Cont'd)**

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November, 2013	Description	Account	Line
	<u>Description</u>	No.	<u>No.</u>
	LONG-TERM DEBT		28
0	Bonds	221	29
0	Reacquired Bonds	222	30
0	Advances from Associated Companies	223	31
64,834,718	Other Long-Term Debt	224	32
	Unamortized Premium on	225	33
0	Long-Term Debt-Credit		
	Unamortized Discount on Long-Term	226	34
0	Debt-Debit		
64,834,718	Total Long-Term Debt		35
	SHORT-TERM DEBT		
0	Notes Payable (Short-Term Debt)	231.02	36a
0	Unamortized Discount	231.03	36b
62,085,020	Notes Payable, Assoc Co(Money Pool)	233.00	37
62,085,020	Total Short-Term Debt		38
	TEMPORARY CASH INVESTMENTS		39
0	Interest Special Deposits	132	40
0	Dividend Special Deposits	133	41
. 0	Other Special Deposits	134	42
0	Temporary Cash Investments	136, 145	43
0	Total Temporary Cash Investments		44
216,580,987	NET CAPITALIZATION		45

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AEP GENERATING COMPANY ROCKPORT POWER BILL DETERMINATION OF RATE OF RETURN (Net & Pre-Tax)

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Line No.		UNIT 1 November, 2013
1	Capitalization Balances (Prior Month Ending):	
2 3 4	Long-Term Debt (Accts 221 thru 226) + Short-Term Debt (Accts 231 + 233) + Preferred Stock	64,834,71 8 62,085,020 0
5	+ Common Equity (Accts 201 thru 216) - Capitalization Offsets	89,661,248 0
7	Total Capitalization Balances	216,580,987
8	Weighting of Capitalization Balances:	
9 10 11 12 13	Long-Term Debt (LTD/Total Capital) + Short-Term Debt (STD/Total Capital) + Preferred Stock + Common Equity (Common Equity/Total Capital) - Capitalization Offsets	29.9356% 28.6660% 0.0000% 41.3985% 0.0001%
14	Total Capitalization	100.0000%
15	Capitalization Cost Rates :	
16 17 18 19 20	Long-Term Debt (avg LTD int rate) Short-Term Debt (avg money pool STD int rate) Preferred Stock Common Equity (FERC fixed rate) Capitalization Offsets (sum of weighted costs of debt)	2.6936% 0.3417% 0.0000% 12.1600% 1.5431%
21	Rate of Return (Net of Tax):	
22 23 24 25 26	Long-Term Debt (LTD % x avg LTD int rate) + Short-Term Debt (STD % x avg MP STD int rate) + Preferred Stock + Common Equity (CE % x FERC fixed rate) - Capitalization Offsets	0.8063% 0.0980% 0.0000% 5.0341% 0.0000%
27	Total Rate of Return (Net of Tax)	5.9384%
28	Weighted Net Cost of Debt (LTD Rate of Return + STD RR - Cap Offsets RR)	0.9043%
29	+ Pre-Tax Common Equity (Line 25 / .65) (Common Equity Rate of Return grossed up for tax)	7.7448%
30	= Rate of Return (Pre-Tax)	8.6491%

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A E P GENERATING COMPANY

November, 2013 ESTIMATE Attachment 1 Page 23 of 350

ROCK PORT OPERATION & MAINTENANCE EXPENSES UNIT 1 50% OWNERSHIP INTEREST OF ROCKPORT PLANT

500 501 502 503 504 505 506 507 508 509	SUPERVISION AND ENGINEERING FUEL STEAM EXPENSES STEAM FROM OTHER SOURCES STEAM TRANSFERRED - CR ELECTRIC EXPENSES MISC. STEAM POWER EXPENSES RENTS OPERATION SUPPLIES AND EXPENSES CARRYING CHARGES - ALLOWANCES	116,720 10,136,784 181,559 0 0 67,403 66,701 177 0 0
510 511 512 513 514 515	MAINTENANCE SUPER. AND ENGINEERING MAINTENANCE OF STRUCTURES MAINTENANCE OF BOILER PLANT MAINTENANCE OF ELECTRIC PLANT MAINTENANCE OF MISC. STEAM PLANT MAINTENANCE NORMALIZING	89,849 49,458 544,593 63,263 34,006
555 556 557	TOTAL MAINTENANCE EXPENSES PURCHASED POWER SYSTEM CONTROL AND LOAD DISPATCHING OTHER POWER SUPPLY EXPENSES	781,169 0 (5,642) (16,218)
	TOTAL OTHER SUPPLY EXPENSES	(21,860)

IS FUEL IN BALANCE ON PAGE 2	AMOUNT MUST BE ZERO 0
NO OF DAYS IN CURRENT MO	30
NO OF DAYS IN CURRENT YEAR	365
CURRENT YEAR IS	2013
CURRENT MONTH IS	11
THIS BILLING IS FOR MONTH OF	November, 2013

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lovember, 2010 ESTIMATE

A E P GENERATING COMPANY

ROCK PORT OPERATION & MAINTENANCE EXPENSES UNIT 1 50% OWNERSHIP INTEREST OF ROCKPORT PLANT

901 902 903 904	SUPERVISION METER READING EXPENSES CUSTOMER RECORDS AND COLLECTION EXPENSES UNCOLLECTIBLE ACCOUNTS	0 0 0
905	MISCELLANEOUS CUSTOMER ACCOUNTS EXPENSES	0
	TOTAL CUSTOMER ACCOUNTS EXPENSES	0
906 907 908 909	CUSTOMER SERVICE AND INFORMATIONAL EXP SUPERVISION CUSTOMER ASSISTANCE EXPENSES INFORMATIONAL AND INSTRUCTIONAL ADVERTISING EXPENSES MISCELLANEOUS CUSTOMER SERVICE	0 0 0
	AND INFORMATIONAL EXPENSES	0
	TOTAL CUSTOMER SERVICES EXPENSES	0
911 912 913 916 917	SUPERVISION DEMONSTRATION AND SELLING EXPENSES ADVERTISING EXPENSES MISCELLANEOUS SALES EXPENSES (MAJOR) SALES EXPENSES (NON-MAJOR)	0 0 0 0
	TOTAL SALES EXPENSES	0
920 921 922 923 924 925 926 927 928 929 930 931	ADMIN. & GENERAL SALARIES OFFICE SUPPLIES AND EXPENSES ADMINISTRATIVE EXPENSES TRANSF - CR OUTSIDE SERVICES PROPERTY INSURANCE INJURIES AND DAMAGES EMPLOYEE PENSIONS AND BENEFITS FRANCHISE REQUIREMENTS REGULATORY COMMISSION DUPLICATE CHARGES-CREDIT MISCELLANEOUS GENERAL EXPENSES RENTS TRANSPORTATION EXPENSE	59,006 8,189 0 17,996 10,753 1,137 87,327 0 0 0 (14) 746
	TOTAL ADM & GEN EXPENSES OPERATION	185,140
935	MAINTENANCE OF GENERAL PLANT	1,456
	TOTAL ADM & GEN EXPENSES	186,596
ACCOU	AEG OPERATION & MAINTENANCE EXPENSES NT 40190 TOTAL FOR CROSS FOOT DIFFERENCE	11,515,249 11,515,249 0

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AEP GENERATING COMPANY ONE RIVERSIDE PLAZA, COLUMBUS, OH 43215 TELEPHONE (614) 716-3724

INDIANA MICHIGAN POWER COMPANY P. O. BOX 60 FORT WAYNE, IN 46801 ESTIMATE 06-Dec-13

UNIT 2

POWER BILL - - November, 2013

IN ACCORDANCE WITH POWER AGREEMENT DATED OCTOBER 1, 1984 (AS AMENDED)

ENERGY DELIVERED FOR THE MONTH OF November, 2013

KWH FOR THE MONTH 294,932,050

SUMMARY	TOTAL
Current Month Bill:	
Return on Common Equity	(125,726)
Return on Other Capital	(25,753)
Total Return	(151,479)
Fuel Purchased Power Other Operating Revenues Other Operation and Maintenance Exp Depreclation Expense Taxes Other Than Federal Income Tax Federal Income Tax	7,776,385 0 (6,125) 4,610,681 685,209 319,750 (19,419)
TOTAL CURRENT UNIT POWER BILL	13,215,002
Prior Month's Adjustment: Return on Common Equity & Other Capital Fuel Expense Other Expenses (Includes taxes & interest)	2,089 0 (131,795)
TOTAL PRIOR MONTH'S ADJUSTMENTS	(129,706)
TOTAL UNIT POWER BILL	13,085,296
AMOUNTS WILL BE PAID DIRECT FROM GENERAL FUNDS.	

AMOUNTS WILL BE PAID DIRECT FROM GENERAL FUNDS.

DUE DATE - December 20, 2013

Cc: Steve Hornyak - Columbus

Dave Hille - Ft. Wayne

Mike Stout - Ft. Wayne Mike Giardina - Columbus

Sid Lyons - Columbus

Kurt C Cooper - Ft Wayne

Shannon Listebarger - Columbus

Michelle Howell - Columbus

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AEP GENERATING COMPANY ONE RIVERSIDE PLAZA, COLUMBUS, OH 43215 TELEPHONE (614) 716-3724

KENTUCKY POWER COMPANY 17TH ST. & CENTRAL AVE. ASHLAND, KY 41101 ESTIMATE 06-Dec-13

UNIT 2 POWER BILL - - November, 2013

IN ACCORDANCE WITH POWER AGREEMENT DATED OCTOBER 1, 1984 (AS AMENDED)

ENERGY DELIVERED FOR THE MONTH OF November, 2013

KWH FOR THE MONTH

126,399,450

	SUMMARY	TOTAL
Current M	onth Bill:	
	Return on Common Equity	(53,883)
	Return on Other Capital	(11,037)
	Total Return	(64,920)
	Fuel Purchased Power Other Operating Revenues Other Operation and Maintenance Exp Depreciation Expense Taxes Other Than Federal Income Tax Federal Income Tax	3,332,736 0 (2,625) 1,976,007 293,661 137,036 (8,322)
	TOTAL CURRENT UNIT POWER BILL	5,663,573
Prior Mon	th's Adjustment: Return on Common Equity & Other Capital Fuel Expense Other Expenses (Includes taxes & interest)	895 0 (56,483)
	TOTAL PRIOR MONTH'S ADJUSTMENTS	(55,588)
	TOTAL UNIT POWER BILL	5,60 7 ,985
AMOUNTS V	MILL BE PAID DIRECT FROM GENERAL FUNDS	

AMOUNTS WILL BE PAID DIRECT FROM GENERAL FUNDS.

DUE DATE - December 20, 2013

Cc: Steve Hornyak - Columbus

Dave Hille - Ft. Wayne Mike Stout - Ft. Wayne Mike Giardina - Columbus Sid Lyons - Columbus Kurt C Cooper - Ft Wayne Shannon Listebarger - Columbus

Michelle Howell - Columbus

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AEP GENERATING COMPANY ROCKPORT POWER BILL SUMMARY OF MONTHLY POWER BILL

November, 2013

06-Dec-13

Return on Common Equity (179,609) (53,883) (125,726) Return on Other Capital (36,790) (11,037) (25,753) Total Return (216,399) (64,920) (151,479) + Fuel 11,109,121 3,332,736 7,776,385
Total Return (216,399) (64,920) (151,479) + Fuel 11,109,121 3,332,736 7,776,385
+ Fuel 11,109,121 3,332,736 7,776,385
+ Purchased Power 0 0 0 - Other Operating Revenues (8,750) (2,625) (6,125) + Other Operation and Maintenance Exp 6,586,688 1,976,007 4,610,681 + Depreciation Expense 978,870 293,661 685,209 + Taxes Other Than Federal Income Tax 456,786 137,036 319,750 + Federal and State Income Tax (27,741) (8,322) (19,419)
= Total Unit 2 Monthly Power Bill 18,878,575 5,663,573 13,215,002
Determination of Federal Income Tax:
Total Return (Line 3) (216,399) (64,920) (151,479) + Unit 2 Schedule M Adjustments (429,649) (128,895) (300,754) + Unit 2 Deferred Federal Income Taxes 194,934 58,480 136,454 - Unit 2 Interest Expense Deduction * (37,572) (11,272) (26,300)
= Subtotal (413,541) (124,062) (289,479) x Gross-Up (FIT Rate / 1-FIT Rate) 0.538462 0.538462 0.538462 = Unit 2 Current Federal Income Tax (222,676) (66,803) (155,873) + Unit 2 Def Fed & State Income Taxes 194,934 58,480 136,454
= Total Unit 2 Fed&State Income Taxes (27,741) (8,322) (19,419)
Proof of Federal Income Tax:
Total Unit 2 Monthly Power Bill 18,878,575 5,663,573 13,215,002 - Operation and Maintenance Expenses 17,695,809 5,308,743 12,387,066 - Depreciation Expense 978,870 293,661 685,209 - Taxes Other Than Federal Income Tax 456,786 137,036 319,750 - Unit 2 Interest Expense Deduction * (37,572) (11,272) (26,300) - Other Operating Revenues (8,750) (2,625) (6,125)
= Pre-Tax Book Income (206,568) (61,970) (144,598) + Unit 2 Schedule M Adjustments (429,649) (128,895) (300,754)
= Unit 2 Taxable Income (636,217) (190,865) (445,352) x Current Federal Income Tax Rate 35% 35% 35% = Unit 2 Current Federal Income Tax (222,676) (66,803) (155,873) + Unit 2 Def Fed & State Income Taxes 194,934 58,480 136,454
= Total Unit 2 Fed&State Income Taxes (27,742) (8,323) (19,419)

^{*} From Page 5 of 18: Line 21 + (Line 28 x Line 31 x Line 32)

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AEP GENERATING COMPANY ROCKPORT POWER BILL OPERATING RATIO

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Line No.		UNIT 2 November, 2013
1	Operating Ratio:	
2	Net In-Service Investment:	
3	Electric Plant In-Service	793,645,404
4	 Accumulated Depreciation 	563,270,070
5	+ Materials & Supplies	69,564,364
6	+ Prepayments	121,879
7	+ Plant Held For Future Use (A/C 105) *	0
8	+ Other Deferred Debits (A/C 186) *	0
9	+ Other Working Capital ***	(23,513,891)
10	+ Unamortized Debt Expense (A/C 181)	176,668
11	+ Deferred ASH pond cost (A/C182.3)	2,879,258
12	- Asset Retirement Obligation (A/C 230)	4,285,163
13 14	- Other Deferred Credits (A/C 253) - Accumulated Deferred FIT	50,694,394 35,878,573
15	- Accumulated Deferred ITC	17,905,432

16	Total Net In-Service Investment	170,840,051
17	Non-In-Service Investment - CWIP :	
18	Construction Work In Progress	49,829,887
19	+ Materials & Supplies	0
20	- Accumulated Deferred FIT	0
21	Total Non-In-Service Investment - CWIP	49,829,887
22	Non-In-Service Investment - Other:	
23	Plant Held for Future Use (A/C 105) **	0
24	+ Other Deferred Debits (A/C 186) **	1,639,480
25	+ Fuel Inventory Over Allowed Level ****	(3,418,579)
26	Total Non-In-Service Investment - Other	(1,779,099)
27	Total Investment (Lines 16+21+26)	218,890,840
28	Operating Ratio (Line 16/Line 27)	78.0481%
29	Non-In-Service Investment-CWIP Ratio (Line 21/Line 27)	22.7647%
30	Non-In-Service Investment-Other Ratio (Line 26/Line 27)	-0.8128%
31	Total Investment * As Permitted By FERC ** Excluding Amounts on Lines 7 and 8 *** Accounts 128, 131, 135, 143, 146, 171 and 174, Less Accounts 232-234, 236, 237, 238, 241 and 242 **** Includes Rockport 1 and 2	100.0000%

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AEP GENERATING COMPANY ROCKPORT POWER BILL NET IN-SERVICE INVESTMENT RATIO

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Line No.		UNIT 2 <u>November, 2013</u>
1	Net In-Service Investment Ratio:	
2	Unit 2 Net In-Service Investment:	
3 4 5 6 7 8 9 10	Electric Plant In-Service - Accumulated Depreciation + Materials & Supplies + Prepayments + Plant Held For Future Use (A/C 105) * + Other Deferred Debits (A/C 186) * + Other Working Capital ** + Unamortized Debt Expense (A/C 181) + Deferred ASH pond cost (A/C182.3)	137,905,362 132,302,984 33,072,893 60,939 0 0 (22,061,830) 88,334 1,439,629
12 13 14 15	- Asset Retirement Obligation (A/C 230) - Other Deferred Credits (A/C 253) - Accumulated Deferred FIT - Accumulated Deferred ITC	2,142,581 50,694,394 (7,939,969) 17,894,064
16	Total Unit 2 Net In-Service Investment	(44,588,727)
17	Unit 1 Net In-Service Investment:	
18 19 20 21 22 23 24 25 26 27 28 29 30 31 32	Electric Plant In-Service - Accumulated Depreciation + Materials & Supplies + Prepayments + Plant Held For Future Use (A/C 105) * + Other Deferred Debits (A/C 186) * + Other Working Capital ** + Unamortized Debt Expense (A/C 181) + Deferred ASH pond cost (A/C182.3) - Asset Retirement Obligation (A/C 230) - Other Deferred Credits (A/C 253) - Accumulated Deferred FIT - Accumulated Deferred ITC Total Unit 1 Net In-Service Investment Total Net In-Service Investment	655,740,042 430,967,086 36,491,472 60,939 0 (1,452,061) 88,334 1,439,629 2,142,581 0 43,818,541 11,368 215,428,778
34	Unit 2 (Line 16 / Line 32)	-26.1000%
35	Unit 1 (Line 31 / Line 32)	126.1000%
	* As Permitted By FERC	100.0000%

^{**} Accounts 128, 131, 135, 143, 146, 171 and 174, Less Accounts 232-234, 236, 237, 238, 241 and 242

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AEP GENERATING COMPANY ROCKPORT POWER BILL CALCULATION OF RETURNS ON COMMON EQUITY & OTHER CAPITAL

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Line No.		UNIT 2 November, 2013
1	Net Capitalization:	
2	Long-Term Debt	64,834,718
3	+ Short-Term Debt + Preferred Stock	62,085,020
4 5	+ Common Equity	0 89,661,248
6	- Temporary Cash Investments	0
7	Net Capitalization	216,580,987
8	40% of Net Capitalization	86,632,395
9	Return on Common Equity:	
10	Lesser of Line 5 or Line 8	86,632,395
11	x Equity Return (Monthly Rate)	1.01333%
12	= Equity Return	877,872
13 14	x Operating Ratio x Net In-Service Investment Ratio	78.0481%
15	= Subtotal	-26.1000% (178,827)
16	Excess of Line 5 Over Line 8	3,028,853
17	x Weighted Cost of Debt (Monthly Rate)	0.1268%
18	 Return on Equity over 40% of Capitalization 	3,841
19	x Operating Ratio	78.0481%
20 21	x Net In-Service Investment Ratio = Subtotal	-26.1000%
		(782)
22	Unit 2 Return on Equity (Line 15 + Line 21)	(179,609)
23	Return on Other Capital:	
24	Long-Term Debt Interest Expense (A/C 427-429)	143,539
25	+ Short-Term Debt Interest Expense (a/c 430)	37,067
26	+ Other Interest Expense (a/c 431)	0
27	- Temporary Cash Investment Income *	0
28	= Net Interest Expense	180,606
29	+ Preferred Stock Dividends (a/c 437)	0
30	= Net Cost of Other Capital	180,606
31 32	x Operating Ratio x Net In-Service Investment Ratio	78.0481% -26.1000%
33		
აა	= Unit 2 Return on Other Capital	(36,790)

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AEP GENERATING COMPANY DETERMIN

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ROCKPORT POWER BILL	Pg 6 of 18
RMINATION OF WEIGHTED COST OF DERT	

Line No.		UNIT 2 November, 2013
1	Debt Balances (Prior Month Ending):	
2 3 4	Long-Term Debt (Accts 221 thru 226) + Short-Term Debt (Accts 231 + 233) + Other Debt (Accts 132 thru 136 + 145)	64,834,718 62,085,020 0
5	Total Debt Balances (Prior Month Ending)	126,919,739
6	Weighting of Debt Balances:	
7 8 9	Long-Term Debt (LTD bal/Total Debt bal) + Short-Term Debt (STD bal/Total Debt bal) + Other Debt	51.0832% 48.9168% 0.0000%
10	Total Debt Balances	100.0000%
11	Debt Cost Rates :	
12 13 14	Long-Term Debt (avg LTD int rate) Short-Term Debt (avg Money Pool STD int rate) Other Debt	2.6936% 0.3417% 0.0000%
15	Weighted Cost of Debt:	
16 17 18	Long-Term Debt (LTD % x avg LTD int rate) + Short-Term Debt (STD % x avg MP STD int rate) + Other Debt	1.3760% 0.1671% 0.0000%
19	Total Weighted Cost of Debt	1.5431%

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AEP GENERATING COMPANY ROCKPORT POWER BILL DETERMINATION OF UNIT 2 MATERIALS AND SUPPLIES

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INCLUDE A/C 431 ON PG 5

UNIT 2

Line	MOLOBE WO TO CHI GO	J 2
No.		November, 2013
1	Unit 2 Materials and Supplies:	
2 3 4 5 6 7	Fuel Stock - Coal (per Line 23) Fuel Stock Expenses - Undistributed (152) Fuel Stock - Oil (151) Plant Materials & Operating Supplies Merchandise Undistributed Stores Expense	17,934,111 949,381 1,691,940 12,497,461 0
8	Total Materials & Supplies	33,072,893
9	Support of Coal Inventory Value:	
10 11	Actual Coal Inventory (a/c 151.10) + Equivalent Inventory re: Deferred Return	17,934,111 914,110,411
12	= Imputed Coal Inventory	932,044,522
13	Coal Inventory W/68 Day Supply Cap	
14 15 16 17	Tons Consumed - CHANGE ANNUALLY FROM DEC PG 24 / Hours Available * CHG ANNUALLY FROM GADS RPT 511 = Tons Consumed per Hour x 24 Hours per Day	2,539,993 7927,0 320.42 24
18	□ Tons Consumed Per Day	7690.08
19	x 68 days	68
20 21	 = 68 day Supply (Tons) x Coal Cost per Ton (per a/c 151.10 at End of Prior Month) 	522,925 40.367
22	= 68 day Coal Inventory	21,108,913
23	Lesser of Imputed or Capped Coal Inventory	21,108,913
24	Imputed Inventory Minus Line 23	910,935,609
25	Accumulated Deferred Inventory Return - Unit 2 (Memo Item):	
26 27 28 29	Beginning Balance + Current Month Return on Beginning Balance + Current Month Deferral - Current Month Recovery	6,452,404 45,869 22,255 0
30	= Ending Balance **	6,520,528
	* Excludes Forced Outages, Scheduled Outages, and Curtailments ** May Not Be Less Than Zero	
	Total Unit 2 Monthly Power Bill with Actual Total Unit 2 Monthly Power Bill with 68 Day Capped Difference	18,633,717 18,655,972 22,255

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AEP GENERATING COMPANY ROCKPORT POWER BILL DETAIL OF OTHER OPERATING REVENUES

Line	Account		UNIT 2 November, 2013
No.	No.	Description	NOVEMBER, 2010
1	450	Forfeited Discounts	0
2	451	Miscellaneous Service Revenues	0
3	453	Sales of Water and Water Power	0
4	454	Rent From Electric Property - Associated Companies	0
5	454.20	Rent From Electric Property - Non-Associated Companies	0
6	455	Interdepartmental Rents	0
7	456	Other Electric Revenues	(8,750)
8	411.8	Proceeds/Gains From Sale of Emission Allowances	0
9		Total Other Operating Revenues	(8,750)

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AEP GENERATING COMPANY ROCKPORT POWER BILL DETAIL OF OPERATION & MAINTENANCE EXPENSES

	Pg	9	of	18	
ICCO					

Line	Account		UNIT 2 November, 2013
No.	No.	Description	HOTCHIDEF, LOTE
1 2 3	500,502-508 501 510-515	Steam Power Generation - Operation Fuel - Operation Steam Power Generating - Maintenance	5,977,661 11,109,121 285,194
4		Total Steam Power Generation Expenses	17,371,976
5	555-557	Other Power Supply Expenses	(21,860)
6 7	560-567.1 568-574	Transmission Expenses - Operation Transmission Expenses - Maintenance	0
8		Total Transmission Expenses	0
9 10	580-589 590-598	Distribution Expenses - Operation Distribution Expennse - Maintenance	0
11		Total Distribution Expenese	0
12	901-905	Customer Accounts Expenses - Operation	0
13	906-910	Customer Service and Informational Expenses - Operation	0
14	911-917	Sales Expenses - Operation	0
15	920-933	Administrative and General Expenses - Operation	344,237
16	935	Administrative and General Expenses - Maintenance	1,456
17		Total Administrative & General Exp.	345,693
18		Total Operation & Maintenance Expenses	17,695,809

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AEP GENERATING COMPANY ROCKPORT POWER BILL DETAIL OF DEPRECIATION & AMORTIZATION EXPENSES

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Line	Account		UNIT 2 November, 2013
No.	No.	Description	
1	403	Depreciation Expense *	438,949
1a	403.1	ARO Depreciation Expense	3,343
2	404	Amortization of Limited-Term Electric	
		Plant **	520,534
3	405	Amortization of Other Electric Plant	0
4	406	Amortization of Electric Plant	•
5	407	Acquistion Adjustments	0
э	407	Amortization of Property Losses,	
		Unrecovered Plant and Regulatory Study Costs	0
		Study Costs	U
6		Total Depreciation Exp. & Amortization	962,826
-			======================================
7	411.10	ARO Accretion Expense	16,044
8			antonialistado odo i
emina o aliah		Total Depreciation, Amortization & Accretion Expenses	97 8 ,870

^{*} Rockport 2 Capitalized Spare Parts book depreciation rate = 3.52%

^{*} Rockport 2 Associated Equipment (not sold in Sale/Leaseback transaction) book depreciation rate = 3.07 %

^{**} Rockport 2 Leasehold Improvements Amortization rate = 3.03%

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AEP GENERATING COMPANY ROCKPORT POWER BILL DETAIL OF TAXES OTHER THAN FEDERAL INCOME TAXES

Line <u>No.</u>	Account <u>No.</u>	<u>Description</u>	UNIT 2 November, 2013
1	408.1	Taxes Other Than Federal Income Taxes, Utility Operating Income	161,631
2	409.1	State Income Taxes	295,155
3		Total Taxes Other than Federal Income Taxes	456,786

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AEP GENERATING COMPANY ROCKPORT POWER BILL DETAIL OF UNIT 2 SCHEDULE 'M' ADJUSTMENTS AND DEFERRED FEDERAL INCOME TAX

Line No.	Account	<u>Description</u>	TOTAL	KPCO SHARE	I&M SHARE
1		Unit 2 Schedule `M' Adjustments*			
2	N/A	Excess ACRS Over Normalization Base Depreciation	3,000	900	2,100
3	N/A	Excess Normalization Base Over Book Depreciation	128,500	38,550	89,950
4	N/A	Other Unit 2 Schedule `M' Adjustments	(561,149)	(168,345)	(392,804)
5	***	Total Unit 2 Schedule 'M' Adjustments	(429,649)	,	
6 7	410.1	Unit 2 Deferred Federal Income Tax Excess ACRS Over Norm. Base Depr. (Line 2 x FIT Rate * -1)	(29,253)	. (8,776)	(20,477)
8	10.1&411	.Other Unit 2 Schedule `M' Adjustments -			
9	411.1	Feedback of Accumulated DFIT re: ABFUDC - Unit 2 Negative Amount Denotes Reduction.	(11,892)	(3,568)	(8,324)
10	411.1	Feedback of Accumulated DFIT re: Overheads Capitalized - Unit 2	(181)	(54)	(126)
11	411.1	Feedback of Accumulated DFIT re: Other Schedule `M' AdjUtility	236,260	70,878	165,382
12	***	Total Unit 2 Deferred Federal Income Tax	194,934	58,480	136,454
		ve Amount Denotes Increase in Taxable Income, e Amount Denotes Reduction.			
		Check Figure on Tax Page for Sch M Check Figure on Tax Page for DFIT	(429,649) 194,934		

NOTE: If the words SEE NOTE appear in this schedule, then the bill has not been properly identified as

the ESTIMATE or ACTUAL on the INSTRUCTIONS tab (L6), and should be type in all capital lett

AEP GENERATING COMPANY ROCKPORT POWER BILL DETAIL OF NET IN-SERVICE INVESTMENT UNIT 2

Line	Account		UNIT 2 November, 2013
No.	No.	Description	November, 2013
1		ELECTRIC PLANT IN SERVICE	
2	101	Electric Plant In Service	116,810,846
3	102	Electric Plant Purchased	0
4	103	Experimental Elec. Plant Unclassified	0
5	103.1	Electric Plant In Process of Reclassification	0
6	104	Electric Plant Leased to Others	0
7	106	Completed Construction Not Classified	21,094,516
8	114	Electric Plant Acquisition Adjustments	0
9	116	Other Electric Plant Adjustments	0
10	118	Other Utility Plant	0
11		Total Electric Plant In Service	137,905,362
12	105	Plant Held For Future Use	0
13		ACCUMULATED DEPRECIATION	
14	108	Accumulated Provision for Depreciation of Electric Utility Plant	111,559,197
15	110	Accumulated Provision for Depreciation	
16	111	and Amort. of Elec. Utility Plant Accumulated Provision for Amortization	0
10	111	of Electric Utility Plant	20,743,787
17	115	Accumulated Provision for Amortization of Electric Plant Acquisition	
40	440	Adjustments	0
18	119	Accumulated Provision for Depreciation and Amortization of Other Utility	i
		Plant	0
19		Total Accumulated Depreciation	132,302,984
20		MATERIAL AND SUPPLIES	
21	151	Fuel Stock	19,626,051
22	152	Fuel Stock Expenses - Undistributed	949,381
23	153	Residuals	0
24	154	Plant Materials and Operating Supplies	12,497,461
25	155	Merchandise	0
26	156	Other Materials and Supplies	0
27	163	Stores Expense Undistributed	0
28		Total Materials and Supplies (In-Service Portion)	33,072,893
29	165	Prepayments	60,939
30	186	Other Deferred Debits	0

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AEP GENERATING COMPANY ROCKPORT POWER BILL Pg 13a of 18 OTHER WORKING CAPITAL, UNAMORTIZED DEBT EXPENSE, AND OTHER DEFERRED CREDITS

Line	Account		UNIT 2 November, 2013
No.	No.	Description *	November, 2015
1	128	Other Special Funds	0
2	131	Cash	0
3	135	Other Intra Company Adjustments	0
4	143	Accounts Receivable-Miscellaneous	0
5	146	Accounts Receivable-Associated Company	17,488,387
6	171	Interest and Dividends Receivable	1,034
7	174	Miscellaneous Current and Accrued Assets	0
8	232	Accounts Payable-General	(13,970)
9	234	Accounts Payable-Associated Company	(13,660,348)
10	236	Taxes Accrued	811,140
11	237	Interest Accrued	(76,288)
12	238	Dividends Declared	0
13	241	Tax Collections Payable	0
14	242	Misc Current and Accrued Liabilities	(26,611,785)
15		Total Other Working Capital	(22,061,830)
16	181	Unamortized Debt Expense	88,334
17	253	Other Deferred Credits	50,694,394
*	debit <c< td=""><td>redit></td><td></td></c<>	redit>	

AEP GENERATING COMPANY ROCKPORT POWER BILL DETAIL OF NET IN-SERVICE INVESTIMENT UNIT 2(Cont'd)

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	DETAIL	OF TALL IN-OLITATOR INVESTIGATION OF TALLOURS	
Line No.	Account No.	<u>Description</u>	UNIT 2 <u>November, 2013</u>
31		ACCUMULATED DEFERRED INCOME TAXES	
32	190	-Accumulated Deferred Income Taxes	21,106,253
33	281	+Accumulated Deferred Income Taxes - Accelerated Amortization Property	0
34	282	+Accumulated Deferred Income Taxes - Other Property	12,179,511
35	283	+Accumulated Deferred Income Taxes - Other	986,773
36		Total Accumulated Deferred Income Taxes (In-Service Portion)	(7,939,969)
37	255	+Accumulated Deferred Investment Tax Credits	17,894,064
38	186.50	-Accumulated Deferred Investment Tax Credit	0
39		Total Accumulated Deferred Investment Tax Credits	17,894,064
40		Total Net In-Service Investment - Unit 2	(43,885,775)

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AEP GENERATING COMPANY ROCKPORT POWER BILL

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Line No.	Account	Description	UNIT 2 November, 2013
		Non-In-Service Investment - CWIP	
1	107	Construction Work In Process	49,829,887
2		MATERIAL AND SUPPLIES	
3 4 5 6 7 8 9	151 152 153 154 155 156 163	Fuel Stock Fuel Stock Expenses - Undistributed Residuals Plant Materials and Operating Supplies Merchandise Other Material and Supplies Stores Expense Undistributed Total Material and Supplies (CWIP Portion)	0 0 0 0 0 0
11		ACCUMULATED DEFERRED INCOME TAXES	
12 13	190 281	-Accumulated Deferred Income Taxes +Accumulated Deferred Income Taxes - Accelerated Amortization Property	0
14	282	+Accumulated Deferred Income Taxes - Other Property	0
15	283	+Accumulated Deferred Income Taxes - Other	0
16		Total Accumulated Deferred Income Taxes (CWIP Portion)	0
17		TOTAL NON-IN-SERVICE INVESTMENT - CWIP	49,829,887
		Non-In-Service Investment - Other	
18	105	Plant Held for Future Use	0
19	186	Other Deferred Debits	1,639,480
20	151.10	Fuel Inventory Over Allowed Level *	(3,418,579)
21		Total Non-In-Service Investment - Other	(1,779,099)
	* INCLL	JDES ROCKPORT 1 AND 2 UNIT 1 UNIT 2	(3,418,579) 0
		TOTAL	(3,418,579)

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AEP GENERATING COMPANY ROCKPORT POWER BILL DETAIL OF NET CAPITALIZATION

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Line	Account	DETAIL OF NET CAPITALIZATION	UNIT 2 November, 2013
No.	No.	<u>Description</u>	November, 2013
· 1		COMMON CAPITAL STOCK	
2	201	Common Stock Issued	383,000
3	202	Common Stock Subscribed	0
4	203	Common Stock Liability for Conversion	0
5	209	Reduction In Par or Stated Value of Capital Stock	0
6	210	Gain on Resale or Cancellation of Reacquired Capital Stock	0
7	212	Installments Received on Capital Stock	0
8	214	Capital Stock Expense	0
9	217	Reacquired Capital Stock	0
10		Total Common Capital Stock	383,000
11		OTHER PAID-IN CAPITAL	
12	207	Premium on Capital Stock	0
13	208	Donations Received from Stockholders	83,478,987
14	211	Miscellaneous Paid-In Capital	0
15	213	Discount on Capital Stock	0
16		Total Other Paid-In Capital	83,478,987
17		RETAINED EARNINGS	
18	215	Appropriated Retained Earnings	0
19	215.1	Appropriated Retained Earnings-	
		Amortization Reserve, Federal	0
20	216	Unappropriated Retained Earnings	5,799,261
21		Total Retained Earnings	5,799,261
22		Total Common Equity	89,661,248
23		PREFERRED CAPITAL STOCK	
24	204	Preferred Stock Issued	0
25	205	Preferred Stock Subscribed	0
26	206	Preferred Stock Liability	
		for Conversion	0
27		Total Preferred Capital Stock	0

AEP GENERATING COMPANY ROCKPORT POWER BILL DETAIL OF NET CAPITALIZATION (Cont'd)

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			UNIT 2
Line No.	Account No.	Description	November, 2013
NU.	140.	Description	
28		LONG-TERM DEBT	
29	221	Bonds	0
30	222	Reacquired Bonds	0
31	223	Advances from Associated Companies	0
32	224	Other Long-Term Debt	64,834,718
33	225	Unamortized Premium on	
		Long-Term Debt-Credit	0
34	226	Unamortized Discount on Long-Term	
		Debt-Debit	0
35		Total Long-Term Debt	64,834,718
36a 36b	231.02 231.03 233.00	SHORT-TERM DEBT Notes Payable (Short-Term Debt) Unamortized Discount Notes Payable, Assoc Co(Money Pool)	0 0 62,085,020
38		Total Short-Term Debt	62,085,020
39		TEMPORARY CASH INVESTMENTS	
40	132	Interest Special Deposits	0
41	133	Dividend Special Deposits	0
42	134	Other Special Deposits	0
43	136, 145	Temporary Cash Investments	0
44		Total Temporary Cash Investments	0
45		NET CAPITALIZATION	216,580,987

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AEP GENERATING COMPANY ROCKPORT POWER BILL Page 18 of 18 DETERMINATION OF RATE OF RETURN (Net & Pre-Tax)

Line No.	-	UNIT 2 November, 2013
1	Capitalization Balances (Prior Month Ending):	
2	Long-Term Debt (Accts 221 thru 226)	64,834,718
3	+ Short-Term Debt (Accts 231 + 233)	62,085,020
4	+ Preferred Stock	0
5	+ Common Equity (Acets 201 thru 216)	89,661,248
6	- Capitalization Offsets	0
7	Total Capitalization Balances	216,580,987
8	Weighting of Capitalization Balances:	
9	Long-Term Debt (LTD/Total Capital)	29.9356%
10	+ Short-Term Debt (STD/Total Capital)	28.6660%
11	+ Preferred Stock	0.0000%
12	+ Common Equity (Common Equity/Total Capital)	41.3985%
13	- Capitalization Offsets	0.0001%
14	Total Capitalization	100.0000%
15	Capitalization Cost Rates:	
16	Long-Term Debt (avg LTD int rate)	2.6936%
17	Short-Term Debt (avg money pool STD int rate)	0.3417%
18	Preferred Stock	0.0000%
19	Common Equity (FERC fixed rate)	12.1600%
20	Capitalization Offsets (sum of weighted costs of debt)	1.5431%
21	Rate of Return (Net of Tax):	
22	Long-Term Debt (LTD % x avg LTD int rate)	0.8063%
23	+ Short-Term Debt (STD % x avg MP STD int rate)	0.0980%
24	+ Preferred Stock	0.0000%
25	+ Common Equity (CE % x FERC fixed rate)	5.0341%
26	- Capitalization Offsets	0.0000%
27	Total Rate of Return (Net of Tax)	5.9384%
28	Weighted Net Cost of Debt	0.9043%
29	(LTD Rate of Return + STD RR - Cap Offsets RR) + Pre-Tax Common Equity (Line 25 / .65)	7.7448%
30	(Common Equity Rate of Return grossed up for tax) = Rate of Return (Pre-Tax)	8.6491%

A E P GENERATING COMPANY

November, 2013 ESTIMATE

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ROCKPORT OPERATION & MAINTENANCE EXPENSES UNIT 2 50% OWNERSHIP INTEREST OF ROCKPORT PLANT

500 501 502 503 504 505 506 507 508 509	SUPERVISION AND ENGINEERING FUEL STEAM EXPENSES STEAM FROM OTHER SOURCES STEAM TRANSFERRED - CR ELECTRIC EXPENSES MISC. STEAM POWER EXPENSES RENTS OPERATION SUPPLIES AND EXPENSES CARRYING CHARGES - ALLOWANCES	115,179 11,109,121 64,672 0 0 41,722 65,659 5,690,430
509	TOTAL OPERATION EXPENSE	0 17,086,782
510 511 512 513 514 515	MAINTENANCE SUPER. AND ENGINEERING MAINTENANCE OF STRUCTURES MAINTENANCE OF BOILER PLANT MAINTENANCE OF ELECTRIC PLANT MAINTENANCE OF MISC. STEAM PLANT MAINTENANCE NORMALIZING	88,846 16,330 109,930 53,290 16,798 0
	TOTAL MAINTENANCE EXPENSES	285,194
555 556 557	PURCHASED POWER SYSTEM CONTROL AND LOAD DISPATCHING OTHER POWER SUPPLY EXPENSES	0 (5,642) (16,218)
	TOTAL OTHER SUPPLY EXPENSES	(21,860)

IS FUEL IN BALANCE ON PAGE 2	AMOUNT MUST BE ZERO 0
BE SURE THIS IS CORRECT	
NO OF DAYS IN CURRENT MO >	30
NO OF DAYS IN CURRENT YEAR >	365
CURRENT YEAR IS	2013
CURRENT MONTH IS	11
THIS BILLING IS FOR MONTH OF	November, 2013

A E P GENERATING COMPANY

November, 2013 ESTIMATE Item No. 4 Attachment 1 Page 46 of 350

ROCKPORT OPERATION & MAINTENANCE EXPENSES UNIT 2 50% OWNERSHIP INTEREST OF ROCKPORT PLANT

901 902 903 904 905	SUPERVISION METER READING EXPENSES CUSTOMER RECORDS AND COLLECTION EXPENSES UNCOLLECTIBLE ACCOUNTS MISCELLANEOUS CUSTOMER ACCOUNTS EXPENSES	0 0 0 0
	TOTAL CUSTOMER ACCOUNTS EXPENSES	0
906 907 908	CUSTOMER SERVICE AND INFORMATIONAL EXP SUPERVISION CUSTOMER ASSISTANCE EXPENSES INFORMATIONAL AND INSTRUCTIONAL	0 0 0
909 910	ADVERTISING EXPENSES MISCELLANEOUS CUSTOMER SERVICE	0
	AND INFORMATIONAL EXPENSES	0
	TOTAL CUSTOMER SERVICES EXPENSES	0
911 912 913 916 917	SUPERVISION DEMONSTRATION AND SELLING EXPENSES ADVERTISING EXPENSES MISCELLANEOUS SALES EXPENSES (MAJOR) SALES EXPENSES (NON-MAJOR)	0 0 0 0 0
	TOTAL SALES EXPENSES	0
920 921 922 923 924 925 926 927 928 929 930 931 933	ADMIN. & GENERAL SALARIES OFFICE SUPPLIES AND EXPENSES ADMINISTRATIVE EXPENSES TRANSF - CR OUTSIDE SERVICES PROPERTY INSURANCE INJURIES AND DAMAGES EMPLOYEE PENSIONS AND BENEFITS FRANCHISE REQUIREMENTS REGULATORY COMMISSION DUPLICATE CHARGES-CREDIT MISCELLANEOUS GENERAL EXPENSES RENTS TRANSPORTATION EXPENSE	65,923 8,199 0 170,166 10,753 1,137 87,327 0 0 0 (14) 746
	TOTAL ADM & GEN EXPENSES OPERATION	344,237
935	MAINTENANCE OF GENERAL PLANT	1 ,456
	TOTAL ADM & GEN EXPENSES	345,693
ACCOU	AEG OPERATION & MAINTENANCE EXPENSES NT 40190 TOTAL FOR CROSS FOOT -DIFFERENCE	17,695,809 17,695,809 0

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AEP GENERATING COMPANY ONE RIVERSIDE PLAZA, COLUMBUS, OH 43215 TELEPHONE (614) 716-3724

KENTUCKY POWER COMPANY 17TH ST. & CENTRAL AVE. ASHLAND, KY 41101

ESTIMATE 07-Jan-14

UNIT 1

POWER BILL - - December, 2013

IN ACCORDANCE WITH POWER AGREEMENT DATED OCTOBER 1, 1984 (AS AMENDED)

ENERGY DELIVERED FOR THE MONTH OF December, 2013.

ENERGY DELIVI KWH FOR THE	ERED FOR THE MONTH OF December, 2013 MONTH	137,910,000
	SUMMARY	TOTAL
Current Month Bill:		
Return on Comm	non Equity	260,055
Return on Other	Capital	68,520
Total Return		328,575
Depreciation Exp Taxes Other Tha Federal Income	Revenues and Maintenance Exp pense In Federal Income Tax Tax	3,642,557 0 (2,625) 410,933 492,334 77,439 (115,008)
To	OTAL CURRENT UNIT POWER BILL	4,834,205
Fuel Expense Other Expenses	non Equity & Other Capital (Includes taxes & interest) TAL PRIOR MONTH'S ADJUSTMENTS	95,671
	TOTAL UNIT POWER BILL	4,929,876
AMOUNTS WILL BE PAID DIRECT F	ROM GENERAL FUNDS.	
DUE DATE January 20, 2014 Cc: Steve Hornyak - Columbus Dave Hille - Ft. Wayne	4 Kurt C Cooper - Ft Wayne Shannon Listebarger - Columbus	

Dave Hille - Ft. Wayne

Mike Stout - Ft. Wayne

Mike Giardina - Columbus Sid Lyons - Columbus

Michelle Howell - Columbus

Diane Keegan - Columbus

H:\GL\IMK Team Critical\AEG Power Bilis\2013\December 2013\12-Estimate 2013 .xls

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AEP GENERATING COMPANY ONE RIVERSIDE PLAZA, COLUMBUS, OH 43215 TELEPHONE (614) 716-3724

INDIANA MICHIGAN POWER COMPANY P. O. BOX 60 FORT WAYNE, IN 46801

ESTIMATE 07-Jan-14

UNIT 1

POWER BILL -- December, 2013

IN ACCORDANCE WITH POWER AGREEMENT DATED OCTOBER 1, 1984 (AS AMENDED)

ENERGY DELIVERED FOR THE MONTH OF December, 2013

	KWH FOR THE MONTH	321,790,000
	SUMMARY	TOTAL
Current Month Bi	III:	
	Return on Common Equity	606,796
	Return on Other Capital	159,881
	Total Return	766,677
	Fuel Purchased Power Other Operating Revenues Other Operation and Maintenance Exp Depreciation Expense Taxes Other Than Federal Income Tax Federal Income Tax TOTAL UNIT POWER BILL	8,499,301 0 (6,125) 958,844 1,148,781 180,690 (268,350)
Duine Manadala Ad	5 .	
Prior Mo n th's Ad	Return on Common Equity & Other Capital Fuel Other Expenses (Includes taxes & interest) TOTAL PRIOR MONTH'S ADJUSTMENTS	223,235 223,235
	TOTAL UNIT POWER BILL	11,503,052

AMOUNTS WILL BE PAID DIRECT FROM GENERAL FUNDS.

DUE DATE - - -January 20, 2014

Cc: Steve Hornyak - Columbus Kurt C Cooper - Ft Wayne

Dave Hille - Ft. Wayne

Shannon Listebarger - Columbus

Mike Stout - Ft. Wayne

Mike Giardina - Columbus Kevin Amburgey-Columbus Sid Lyons - Columbus Michelle Howell - Columbus

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AEP GENERATING COMPANY ROCKPORT POWER BILL SUMMARY OF MONTHLY POWER BILL

December, 2013

07-Jan-14

	TOTAL UNIT 1 POWER BILL	KPCO SHARE	I&M SHARE
Return on Common Equity	866,851	260,055	606,796
Return on Other Capital	228,401	68,520	159,881
Total Return	1,095,252	328,575	766,677
+ Fuel	12,141,858	3,642,557	8,499,301
+ Purchased Power	0	0	0
- Other Operating Revenues	(8,750)	(2,625)	(6,125)
+ Other Operation and Maintenance Exp	1,369,777	410,933	958,844
+ Depreciation Expense	1,641,115	492,334	1,148,781
Taxes Other Than Federal Income Tax	258,129	77,439	180,690
Federal and State Income Tax	(383,357)	(115,008)	(268,350)
Total Unit 1 Monthly Power Bill	16,114,023	4,834,205	11,279,817
Determination of Federal Income Tax:		****************	
Total Return (Line 3)	1,095,252	328,575	766,677
- Unit 1 Schedule M Adjustments	1,250,939	375,282	875,657
Unit 1 Deferred Federal Income Taxes	(987,639)	(296,292)	(691,348)
Unit 1 Interest Expense Deduction *	236,313	70,894	165,419
Subtotal ·	1,122,238	336,671	785,567
(Gross-Up (FIT Rate / 1-FIT Rate)	0.538462	0.538462	0.538462
Unit 1 Current Federal Income Tax	604,282	181,284	422,998
- Unit 1 Def Fed & State Income Taxes	(987,639)	(296,292)	(691,348)
Total Unit 1 Fed&State Income Taxes	(383,357)	(115,008)	(268,350)
Proof of Federal Income Tax :			
Fotal Unit 1 Monthly Power Bill	16,114,023	4,834,205	11,279,817
Operation and Maintenance Expenses	13,511,635	4,053,490	9,458,144
Depreciation Expense	1,641,115	492,334	1,148,781
Taxes Other Than Federal Income Tax	258,129	77,439	180,690
Unit 1 Interest Expense Deduction *	236,313	70,894	165,419
Other Operating Revenues	(8,750)	(2,625)	(6,125)
Pre-Tax Book Income	475,582	142,673	332,908
- Unit 1 Schedule M Adjustments	1,250,939	375,282	875,657
Unit 1 Taxable Income	1,726,521	517,955	1,208,565
Current Federal Income Tax Rate	35%	35%	35%
Unit 1 Current Federal Income Tax	604,282	181,284	422,998
- Unit 1 Def Fed & State Income Taxes	(987,640)	(296,292)	(691,348)
Total Unit 1 Fed&State Income Taxes	(383,358)	(115,008)	(268,350)

^{*} From Page 5 of 18: Line 21 + (Line 28 x Line 31 x Line 32)

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24.9188%

-2.1325%

100.0000%

AEP GENERATING COMPANY ROCKPORT POWER BILL OPERATING RATIO

UNIT 1 Line December, 2013 No. Operating Ratio: 1 2 Net In-Service Investment: 3 Electric Plant In-Service 793,964,030 4 - Accumulated Depreciation 566,037,117 68,405,548 5 + Materials & Supplies 105,669 6 + Prepayments 0 7 + Plant Held For Future Use (A/C 105) * + Other Deferred Debits (A/C 186) * 0 8 + Other Working Capital *** (26,252,221) 9 + Unamortized Debt Expense (A/C 181) 165,137 10 11 + Deferred ASH pond cost (A/C182.3) 2,871,434 12 - Asset Retirement Obligation (A/C 230) 4,312,401 13 - Other Deferred Credits (A/C 253) 50,230,148 14 - Accumulated Deferred FIT 38,205,472 - Accumulated Deferred ITC 17,742,471 15 16 Total Net In-Service Investment 162,731,989 17 Non-In-Service Investment - CWIP: 18 Construction Work In Progress 52,517,778 19 + Materials & Supplies n 20 Accumulated Deferred FIT 0 21 Total Non-In-Service Investment - CWIP 52,517,778 22 Non-In-Service Investment - Other: 23 Plant Held for Future Use (A/C 105) ** 1,034,099 24 + Other Deferred Debits (A/C 186) ** 1,351,129 + Fuel Inventory Over Allowed Level **** 25 (6,879,556)(4,494,328)Total Non-In-Service Investment - Other 26 210,755,439 Total Investment (Lines 16+21+26) 27 28 Operating Ratio (Line 16/Line 27) 77.2137%

Total Investment

Non-In-Service Investment-CWIP Ratio (Line 21/Line 27)

Non-In-Service Investment-Other Ratio (Line 26/Line 27)

As Permitted By FERC

29

30

31

^{**} Excluding Amounts on Lines 7 and 8

^{***} Accounts 128, 131, 135, 143, 146, 171 and 174, Less Accounts 232-234, 236, 237, 238, 241 and

^{****} Includes Rockport 1 and 2

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AEP GENERATING COMPANY ROCKPORT POWER BILL NET IN-SERVICE INVESTMENT RATIO

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Line No.		UNIT 1 December, 2013
1	Net In-Service Investment Ratio:	
2	Unit 1 Net In-Service Investment:	
3 4	Electric Plant In-Service - Accumulated Depreciation	654,831,856 431,947,793
5	+ Materials & Supplies	37,642,552
6	+ Prepayments	52,835
7	+ Plant Held For Future Use (A/C 105) *	0
8	+ Other Deferred Debits (A/C 186) *	0
9	+ Other Working Capital **	256,024
10 11	+ Unamortized Debt Expense (A/C 181) + Deferred ASH pond cost (A/C182.3)	82,569 1,435,717
12	- Asset Retirement Obligation (A/C 230)	2,156,200
13	- Other Deferred Credits (A/C 253)	2,150,200
14	- Accumulated Deferred FIT	44,653,683
15	- Accumulated Deferred ITC	12,572
16	Total Unit 1 Net In-Service Investment	215,531,304
17	Unit 2 Net In-Service Investment:	
18	Electric Plant In-Service	139,132,175
19	- Accumulated Depreciation	134,089,324
20	+ Materials & Supplies	30,762,996
21 22	+ Prepayments + Plant Held For Future Use (A/C 105) *	52,835
23	+ Other Deferred Debits (A/C 186) *	0
24	+ Other Working Capital **	(26,508,244)
25	+ Unamortized Debt Expense (A/C 181)	82,569
26	+ Deferred ASH pond cost (A/C182.3)	1,435,717
27	- Asset Retirement Obligation (A/C 230)	2,156,200
28	- Other Deferred Credits (A/C 253)	50,230,148
29	- Accumulated Deferred FIT	(6,448,211)
30	- Accumulated Deferred ITC	17,729,899
31	Total Unit 2 Net In-Service Investment	(52,799,315)
32	Total Net In-Service Investment	162,731,989 ========
33	Net In-Service Investment Ratio:	
34	Unit 1 (Line 16 / Line 32)	132.4500%
35	Unit 2 (Line 31 / Line 32)	-32.4500%
		100.0000%
	* As Permitted By FERC ** Accounts 128, 131, 135, 143, 146, 171 and 174, Less Accounts 232-234, 236, 237, 238, 241 and 242	

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AEP GENERATING COMPANY ROCKPORT POWER BILL CALCULATION OF RETURNS ON COMMON EQUITY & OTHER CAPITAL

Pg 5 of 18

Line No.		UNIT 1 December, 2013
1	Net Capitalization:	
2 3	Long-Term Debt + Short-Term Debt	64,834,718 53,776,086
4	+ Preferred Stock	0
5	+ Common Equity	88,596,624
6	- Temporary Cash Investments	0
7	Net Capitalization	207,207,428
8	40% of Net Capitalization	82,882,971
9	Return on Common Equity:	
10	Lesser of Line 5 or Line 8	82,882,971
11	x Equity Return (Monthly Rate)	1.01333%
12 13	Equity Returnx Operating Ratio	839,878 77,2137%
14	x Net In-Service Investment Ratio	132.4500%
15	= Subtotal	858,939
16	Excess of Line 5 Over Line 8	5,713,653
17	x Weighted Cost of Debt (Monthly Rate)	0.1354%
18	= Return on Equity over 40% of Capitalization	7,736
19 20	x Operating Ratio x Net In-Service Investment Ratio	77.2137% 132.4500%
21	= Subtotal	7,912
22	Unit 1 Return on Equity (Line 15 + Line 21)	866,851
23	Return on Other Capital:	
24	Long-Term Debt Interest Expense (A/C 427-429)	148,003
25	+ Short-Term Debt Interest Expense (a/c 430)	75,329
26 27	+ Other Interest Expense (a/c 431) - Temporary Cash Investment Income *	0
	, -	
28 29	Net Interest Expense+ Preferred Stock Dividends (a/c 437)	223,332 0
30	= Net Cost of Other Capital	223,332
31 32	x Operating Ratio x Net In-Service Investment Ratio	77.2137% 132.4500%
33	 Unit 1 Return on Other Capital * Line 6 x Line 19 from Pg 6 of 18 	228,401
	2 3	

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118,610,804

54.6617%

AEP GENERATING COMPANY ROCKPORT POWER BILL **DETERMINATION OF WEIGHTED COST OF DEBT**

Line No.		UNIT 1 <u>December, 2013</u>
1	Debt Balances (Prior Month Ending):	
2	Long-Term Debt (Accts 221 thru 226) + Short-Term Debt (Accts 231 + 233)	64,834,718 53,776,086
	·	03,776,086
4	+ Other Debt (Accts 132 thru 136 + 145)	0

Weighting of Debt Balances: 6

Total Debt Balances (Prior Month Ending)

Long-Term Debt (LTD bal/Total Debt bal)

8 9	+ Short-Term Debt (STD bal/Total Debt bal) + Other Debt	45.3383% 0.0000%
10	Total Debt Balances	100.0000%

Debt Cost Rates: 11

5

7

12	Long-Term Debt (avg LTD int rate)	2.6878%
13	Short-Term Debt (avg Money Pool STD int rate)	0.2745%
14	Other Debt	0.0000%

Weighted Cost of Debt :

16	Long-Term Debt (LTD % x avg LTD int rate)	1.4692%
17 18	+ Short-Term Debt (STD % x avg MP STD int rate + Other Debt	0.1245% 0.0000%
19	Total Weighted Cost of Debt	1.5937%

AEP GENERATING COMPANY
ROCKPORT POWER BILL
DETERMINATION OF UNIT 1 MATERIALS AND SUPPLIES

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UNIT 1

Lina		ONIT
Line <u>No.</u>		December, 2013
1	Unit 1 Materials and Supplies:	
2 3 4 5 6 7	Fuel Stock - Coal (per Line 23) Fuel Stock Expenses - Undistributed (152) Fuel Stock - Oil (151) Plant Materials & Operating Supplies Merchandise Undistributed Stores Expense	22,348,200 799,494 2,033,907 12,460,951 0
8	Total Materials & Supplies	37,642,552
9	Support of Coal Inventory Value:	
10 11	Actual Coal Inventory (a/c 151.10) + Equivalent Inventory re: Deferred Return	15,468,644 19,365,675,066
12	= Imputed Coal Inventory	19,381,143,710
13	Coal Inventory W/68 Day Supply Cap	
14 15 16 17 18 19 20 21	Tons Consumed - CHANGE ANNUALLY FROM DEC PG 24 / Hours Available * CHG ANNUALLY FROM GADS RPT 511 = Tons Consumed per Hour x 24 Hours per Day = Tons Consumed Per Day x 68 days = 68 day Supply (Tons) x Coal Cost per Ton (per a/c 151.10 at End of Prior Month)	2,603,238 8031.6 324.12 24 7778.88 68 528,964 42.249
22	= 68 day Coal Inventory	22,348,200
23	Lesser of Imputed or Capped Coal Inventory	22,348,200
24	Imputed Inventory Minus Line 23	19,358,795,510
25	Accumulated Deferred Inventory Return - Unit 1 (Memo Item):	
26 27 28 29	Beginning Balance + Current Month Return on Beginning Balance + Current Month Deferral - Current Month Recovery	145,464,922 1,100,927 0 49,193
30	= Ending Balance **	146,516,656

^{*} Excludes Forced Outages, Scheduled Outages, and Curtailments

^{**} May Not Be Less Than Zero

AEP GENERATING COMPANY ROCKPORT POWER BILL DETAIL OF OTHER OPERATING REVENUES

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Line <u>No.</u>	Account <u>No.</u>	Description	UNIT 1 December, 2013
1	450	Forfeited Discounts	0
2	451	Miscellaneous Service Revenues	. 0
3	453	Sales of Water and Water Power	0
4	454	Rent From Electric Property - Associated Companies	0
5	454.20	Rent From Electric Property - Non-Associated Companies	0
6	455	Interdepartmental Rents	0
7	456	Other Electric Revenues	(8,750)
8	411.8	Proceeds/gains From Sale of Emission Allowances	0
. 9		Total Other Operating Revenues	(8,750)

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AEP GENERATING COMPANY ROCKPORT POWER BILL DETAIL OF OPERATION & MAINTENANCE EXPENSES

Line	Account		UNIT 1
No.	Account <u>No.</u>	Description	December, 2013
1 2 3	500,502-508 501 510-515	Steam Power Generation - Operation Fuel - Operation Steam Power Generating - Maintenance	499,770 12,141,858 562,274
4		Total Steam Power Generation Expenses	13,203,903
5	555-557	Other Power Supply Expenses	(2,331)
6 7	560-567.1 568-574	Transmission Expenses - Operation Transmission Expenses - Maintenance	0
8		Total Transmission Expenses	0
9 10	580-589 590-598	Distribution Expenses - Operation Distribution Expenses - Maintenance	0
11		Total Distribution Expenses	0
12	901-905	Customer Accounts Expenses - Operation	0
13	906-910	Customer Service and Informational Expenses - Operation	0
14	911-917	Sales Expenses - Operation	0
15	920-933	Administrative and General Expenses - Operation	294,637
16	935	Administrative and General Expenses - Maintenance	15,426
17		Total Administrative & General Exp.	310,064
18		Total Operation & Maintenance Expenses	13,511,635

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AEP GENERATING COMPANY ROCKPORT POWER BILL DETAIL OF DEPRECIATION EXPENSE AND AMORTIZATION EXPENSES

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Lir <u>N</u>	ne <u>o.</u>	Account <u>No.</u>	<u>Description</u>	UNIT 1 December, 2013
	1	403	Depreciation Expense	1,621,638
1a		403.1	ARO Depreciation Expense	3,343
	2	404	Amortization of Limited-Term Electric	
			Plant	0
	3	405	Amortization of Other Electric Plant	0
	4	406	Amortization of Electric Plant	
	_		Acquistion Adjustments	0
	5	407	Amortization of Property Losses,	
			Unrecovered Plant and Regulatory	
			Study Costs	0
	6		Total Depreciation Exp. & Amortization	1,624,981
	7	411.10	ARO Accretion Expense	16,134
	8		Total Depreciation, Amortization & Accretion Expenses	1,641,115

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AEP GENERATING COMPANY ROCKPORT POWER BILL DETAIL OF TAXES OTHER THAN FEDERAL INCOME TAXES

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Line No. BS1	Account <u>No.</u>	<u>Description</u>	UNIT 1 December, 2013
1	408.1	Taxes Other Than Federal Income Taxes, Utility Operating Income	158,129
2	409.1	State Income Taxes	100,000
3		Total Taxes Other than FIT	258,129

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AEP GENERATING COMPANY ROCKPORT POWER BILL DETAIL OF UNIT 1 SCHEDULE `M' ADJUSTMENTS AND DEFERRED FEDERAL INCOME TAX

UNIT 1 December, 2013

Line No.	Account <u>No.</u>	<u>Description</u>	TOTAL	KPCO SHARE	I&M SHARE
1		Unit 1 Schedule `M' Adjustments*			
2	N/A	Excess ACRS Over Normalization Base Depreciation	3,000	900	2,100
3	N/A	Excess Normalization Base Over Book Depreciation	(30,500)	(9,150)	(21,350)
4	N/A	Other Unit 1 Schedule 'M' Adjustments	1,278,439	383,532	894,907
5	***	Total Unit 1 Schedule `M' Adjustments	1,250,939	•	•
6 7	410.1	Unit 1 Deferred Federal Income Tax Excess ACRS Over Norm. Base Depr. (Line 2 x FIT Rate * -1)	(722,191)		(505,534)
8	410.1&411.1	Other Unit 1 Schedule 'M' Adjustments -			
9	411.1	Feedback of Accumulated DFIT re: ABFUDC - Unit 1 Negative Amount Denotes Reduction.	(2,639)	(792)	(1,847)
10	411.1	Feedback of Accumulated DFIT re: Overheads Capitalized - Unit 1	(48)	(14)	(34)
11	411.1	Feedback of Accumulated DFIT re: Other Schedule `M' AdjUtility	(262,762)	(78,829)	(183,933)
12	***	Total Unit 1 Deferred Federal Income Tax	(987,639)	(296,292)	(691,348)

^{***} Positive Amount Denotes Increase In Taxable Income, Negative Amount Denotes Reduction.

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AEP GENERATING COMPANY ROCKPORT POWER BILL DETAIL OF NET IN-SERVICE INVESTMENT UNIT 1

	D	ETAIL OF NET IN-SERVICE INVESTMENT UNIT 1	3
			UNIT 1
Line	Account		December, 2013
No.	No.	Description	
1		ELECTRIC PLANT IN SERVICE	
2	101	Electric Plant In Service	654,502,699
3	102	Electric Plant Purchased	0
4	103	Experimental Elec. Plant Unclassified	0
5	103.1	Electric Plant In Process of Reclassification	0
6	104	Electric Plant Leased to Others	0
7	106	Completed Construction Not Classified	329,156
8	114	Electric Plant Acquisition Adjustments	0
9	116	Other Electric Plant Adjustments	0
10	118	Other Utility Plant	0
11		Total Electric Plant In Service	654,831,856
12	105	Plant Held For Future Use	0
13		ACCUMULATED DEPRECIATION	
14	108	Accumulated Provision for Depreciation of Electric Utility Plant	431,476,015
15	110	Accumulated Provision for Depreciation and Amort. of Elec. Utility Plant	
16	111	Accumulated Provision for Amortization	0
17	115	of Electric Utility Plant Accumulated Provision for Amortization	471,778
		of Electric Plant Acquisition Adjustments	0
18	119	Accumulated Provision for Depreciation and Amortization of Other Utility	
		Plant	0
19		Total Accumulated Depreciation	431,947,793
20		MATERIAL AND SUPPLIES	
21	151	Fuel Stock	24,382,107
22	152	Fuel Stock Expenses - Undistributed	799,494
23	153	Residuals	0
24	154	Plant Materials and Operating Supplies	12,460,951
25	155	Merchandise	0
26 27	156 163	Other Materials and Supplies Stores Expense Undistributed	0
28	103	Total Materials and Supplies	0
20		(In-Service Portion)	37,642,552
29	165	Prepayments	52,835
00	400	O1 D. / I.D. / !!	

30

186

Other Deferred Debits

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AEP GENERATING COMPANY ROCKPORT POWER BILL Pg 13a of 18 OTHER WORKING CAPITAL, UNAMORTIZED DEBT EXPENSE, AND OTHER DEFERRED CREDITS

			UNIT 1
Line	Account		December, 2013
<u>No.</u>	<u>No.</u>	Description *	
1	128	Other Special Funds	0
2	131	Cash	0
3	135	Other Intra Company Adjustments	0
4	143	Accounts Receivable-Miscellaneous	0
5	1 46	Accounts Receivable-Associated Company	19,892,083
6	17 1	Interest and Dividends Receivable	1,068
7	174	Miscellaneous Current and Accrued Assets	0
8	232	Accounts Payable-General	(27,13 1)
9	234	Accounts Payable-Associated Company	(14,234,530)
10	236	Taxes Accrued	(2,121,917)
11	237	Interest Accrued	(138,649)
12	238	Dividends Declared	0
13	241	Tax Collections Payable	0
14	242	Misc Current and Accrued Liabilities	(3,114,899)
15		Total Other Working Capital	256,024
16	1 81	Unamortized Debt Expense	82,569
17	253	Other Deferred Credits	0

^{*} debit <credit>

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AEP GENERATING COMPANY ROCKPORT POWER BILL

DETAIL OF NET IN-SERVICE INVESTMENT UNIT 1

Line <u>No.</u>	Account <u>No.</u>	Description	UNIT 1 December, 2013
31		ACCUMULATED DEFERRED INCOME TAXES	
32	190	-Accumulated Deferred Income Taxes	2,043,463
33	281	+Accumulated Deferred Income Taxes - Accelerated Amortization Property	0
34	282	+Accumulated Deferred Income Taxes -	
35	283	Other Property +Accumulated Deferred Income Taxes -	45,827,028
		Other	870,118
36		Total Accumulated Deferred Income Taxes (In-Service Portion)	44,653,683
37	255	+Accumulated Deferred Investment Tax Credits	12,572
38	186.50	-Accumulated Deferred Investment Tax Credit	
39		Total Accumulated Deferred Investment Tax Credits	10 570
40		Tax Gredits Total Net In-Service Investment -	12,572
		Unit 1	216,251,787

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AEP GENERATING COMPANY ROCKPORT POWER BILL DETAIL OF NON-IN-SERVICE INVESTMENT - CWIP AND OTHER

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		DETAIL OF NON-IN-SERVICE INVESTMENT - CWIP AND OTHER	118074
Line <u>No.</u>	Account <u>No.</u>	<u>Description</u>	UNIT 1 December, 2013
		Non-In-Service Investment - CWIP	
1	107	Construction Work In Process	52,517,778
2		MATERIAL AND SUPPLIES	
3	151	Fuel Stock	0
4	152	Fuel Stock Expenses - Undistributed	0
5	153	Residuals	0
6	154	Plant Materials and Operating Supplies	0
7	155	Merchandise	0
8	156	Other Material and Supplies	0
9	163	Stores Expense Undistributed	0
10		Total Material and Supplies	
		(CWIP Portion)	0
11		ACCUMULATED DEFERRED INCOME TAXES	
12	190	-Accumulated Deferred Income Taxes	0
13	281	+Accumulated Deferred Income Taxes - Accelerated Amortization Property	0
14	282	+Accumulated Deferred Income Taxes -	0
15	283	Other Property +Accumulated Deferred Income Taxes -	0
	200	Other	0
16		Total Accumulated Deferred Income Taxes (CWIP Portion)	0
17		TOTAL NON-IN-SERVICE INVESTMENT - CWIP	52,517,778
		Non-In-Service Investment - Other	
18	105	Plant Held for Future Use	1,034,099
19	186	Other Deferred Debits	1,351,129
20	151.10	Fuel Inventory Over Allowed Level *	(6,879,556)
21		Total Non-In-Service Investment - Other	(4,494,328)
	* INCLUI	DES ROCKPORT 1 AND 2 UNIT 1 UNIT 2	(6,879,556) 0
		TOTAL	(6,879,556)

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AEP GENERATING COMPANY ROCKPORT POWER BILL DETAIL OF NET CAPITALIZATION

		DETAIL OF NET CAPITALIZATION	UNIT 1
Line	Account		December, 2013
No.	No.	Description_	<u> </u>
1		COMMON CAPITAL STOCK	
2	201	Common Stock Issued	383,000
3	202	Common Stock Subscribed	0
4	203	Common Stock Liability for Conversion	0
5	209	Reduction In Par or Stated Value	
		of Capital Stock	0
6	210	Gain on Resale or Cancellation of	
_		Reacquired Capital Stock	0
7	212	Installments Received on Capital Stock	0
8	214	Capital Stock Expense	0
9	217	Reacquired Capital Stock	0
10		Total Common Capital Stock	383,000
11		OTHER PAID-IN CAPITAL	
12	207	Premium on Capital Stock	0
13	208	Donations Received from Stockholders	87,478,987
14	211	Miscellaneous Paid-In Capital	0
15	213	Discount on Capital Stock	Õ
16		Total Other Paid-In Capital	87,478,987
17		RETAINED EARNINGS	
18	215	Appropriated Retained Earnings	0
19	215.1	Appropriated Retained Earnings-	
		Amortization Reserve, Federal	0
20	216	Unappropriated Retained Earnings	734,637
		,	
21		Total Retained Earnings	734,637
22		Total Common Equity	88,596,624
23		PREFERED CAPITAL STOCK	
24	204	Preferred Stock Issued	0
25	205	Preferred Stock Subscribed	ő
26	206	Preferred Stock Liability	v
_0	_00	for Conversion	0
27		Total Preferred Capital Stock	0
		•	

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AEP GENERATING COMPANY ROCKPORT POWER BILL DETAIL OF NET CAPITALIZATION (Cont'd)

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UNIT 1

Line <u>No.</u>	Account <u>No.</u>	<u>Description</u>	December, 2013
28		LONG-TERM DEBT	
29 30 31 32 33	221 222 223 224 225	Bonds Reacquired Bonds Advances from Associated Companies Other Long-Term Debt Unamortized Premium on Long-Term Debt-Credit	0 0 0 64,834,718
34	226	Unamortized Discount on Long-Term Debt-Debit	0
35		Total Long-Term Debt	64,834,718
36a 36b 37	231.02 231.03 233.00	SHORT-TERM DEBT Notes Payable (Short-Term Debt) Unamortized Discount Notes Payable, Assoc Co(Money Pool)	0 0 53,776,086
38		Total Short-Term Debt	53,776,086
39		TEMPORARY CASH INVESTMENTS	
40 41 42 43	132 133 134 136, 145	Interest Special Deposits Dividend Special Deposits Other Special Deposits Temporary Cash Investments	0 0 0 0
44 45		Total Temporary Cash Investments NET CAPITALIZATION	207,207,428

AEP GENERATING COMPANY ROCKPORT POWER BILL DETERMINATION OF RATE OF RETURN (Net & Pre-Tax)

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Line No.		UNIT 1 December, 2013
1	Capitalization Balances (Prior Month Ending):	
2 3 4 5 6	Long-Term Debt (Accts 221 thru 226) + Short-Term Debt (Accts 231 + 233) + Preferred Stock + Common Equity (Accts 201 thru 216) - Capitalization Offsets	64,834,718 53,776,086 0 88,596,624 0
7	Total Capitalization Balances	207,207,428
8	Weighting of Capitalization Balances:	
9 10 11 12 13	Long-Term Debt (LTD/Total Capital) + Short-Term Debt (STD/Total Capital) + Preferred Stock + Common Equity (Common Equity/Total Capital) - Capitalization Offsets	31.2898% 25.9528% 0.0000% 42.7575% 0.0001%
14	Total Capitalization	100.0000%
15	Capitalization Cost Rates :	
16 17 18 19 20	Long-Term Debt (avg LTD int rate) Short-Term Debt (avg money pool STD int rate) Preferred Stock Common Equity (FERC fixed rate) Capitalization Offsets (sum of weighted costs of debt)	2.6878% 0.2745% 0.0000% 12.1600% 1.5937%
21 22 23 24 25 26	Rate of Return (Net of Tax): Long-Term Debt (LTD % x avg LTD int rate) + Short-Term Debt (STD % x avg MP STD int rate) + Preferred Stock + Common Equity (CE % x FERC fixed rate) - Capitalization Offsets	0.8410% 0.0712% 0.0000% 5.1993% 0.0000%
27	Total Rate of Return (Net of Tax)	6.1115%
28	Weighted Net Cost of Debt (LTD Rate of Return + STD RR - Cap Offsets RR)	0.9122%
29	+ Pre-Tax Common Equity (Line 25 / .65) (Common Equity Rate of Return grossed up for tax)	7.9989%
30	= Rate of Return (Pre-Tax)	8.9111%

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A E P GENERATING COMPANY

December, 2013 ESTIMATE

ROCK PORT OPERATION & MAINTENANCE EXPENSES UNIT 1 50% OWNERSHIP INTEREST OF ROCKPORT PLANT

500 501 502 503 504 505 506 507 508 509	SUPERVISION AND ENGINEERING FUEL STEAM EXPENSES STEAM FROM OTHER SOURCES STEAM TRANSFERRED - CR ELECTRIC EXPENSES MISC. STEAM POWER EXPENSES RENTS OPERATION SUPPLIES AND EXPENSES CARRYING CHARGES - ALLOWANCES TOTAL OPERATION EXPENSE	141,867 12,141,858 76,061 0 0 76,284 205,381 177 0 0
510 511 512 513 514 515	MAINTENANCE SUPER. AND ENGINEERING MAINTENANCE OF STRUCTURES MAINTENANCE OF BOILER PLANT MAINTENANCE OF ELECTRIC PLANT MAINTENANCE OF MISC. STEAM PLANT MAINTENANCE NORMALIZING	74,987 44,225 328,897 69,025 45,140
	TOTAL MAINTENANCE EXPENSES	562,274
555 556 557	PURCHASED POWER SYSTEM CONTROL AND LOAD DISPATCHING OTHER POWER SUPPLY EXPENSES	0 (1,349) (983)
	TOTAL OTHER SUPPLY EXPENSES	(2,331)

IS FUEL IN BALANCE ON PAGE 2	AMOUNT MUST BE ZERO 0
NO OF DAYS IN CURRENT MO	31
NO OF DAYS IN CURRENT YEAR	365
CURRENT YEAR IS	2013
CURRENT MONTH IS	12
THIS BILLING IS FOR MONTH OF	December, 2013

A E P GENERATING COMPANY

December, 2010 ESTIMATE Item No. 4 Attachment 1 Page 71 of 350

ROCK PORT OPERATION & MAINTENANCE EXPENSES UNIT 1 50% OWNERSHIP INTEREST OF ROCKPORT PLANT

901	SUPERVISION	0	
902	METER READING EXPENSES	0	
902	CUSTOMER RECORDS AND COLLECTION EXPENSES	0	
		0	
904	UNCOLLECTIBLE ACCOUNTS	_	
905	MISCELLANEOUS CUSTOMER ACCOUNTS EXPENSES	0	
	TOTAL CUSTOMER ACCOUNTS EXPENSES	0	
906	CUSTOMER SERVICE AND INFORMATIONAL EXP	0	
907	SUPERVISION	0	
908	CUSTOMER ASSISTANCE EXPENSES	0	
909	INFORMATIONAL AND INSTRUCTIONAL	ŭ	
000	ADVERTISING EXPENSES	0	
910	MISCELLANEOUS CUSTOMER SERVICE	-	
310	AND INFORMATIONAL EXPENSES	0	
	AND INFORMATIONAL EXPENSES		
	TOTAL CUSTOMER SERVICES EXPENSES	0	
911	SUPERVISION	0	
912	DEMONSTRATION AND SELLING EXPENSES	0	
913	ADVERTISING EXPENSES	0	
916	MISCELLANEOUS SALES EXPENSES (MAJOR)	0	
917	SALES EXPENSES (NON-MAJOR)	0	
311	SALES EXTENSES (NOTY-WASOTT)	· ·	
	TOTAL SALES EXPENSES	0	
920	ADMIN. & GENERAL SALARIES	51,191	
921	OFFICE SUPPLIES AND EXPENSES	11,847	
922	ADMINISTRATIVE EXPENSES TRANSF - CR	0	
923	OUTSIDE SERVICES	31,863	
924	PROPERTY INSURANCE	10,753	
925	INJURIES AND DAMAGES	2,458	
926	EMPLOYEE PENSIONS AND BENEFITS	114,536	
927	FRANCHISE REQUIREMENTS	0	
928	REGULATORY COMMISSION	0	
929	DUPLICATE CHARGES-CREDIT	0	
930	MISCELLANEOUS GENERAL EXPENSES	71,255	
931	RENTS	735	
933	TRANSPORTATION EXPENSE	0	
	TOTAL ADM & GEN EXPENSES OPERATION	294,637	
935	MAINTENANCE OF GENERAL PLANT	15,426	
	TOTAL ADM & CEN EVDENCES	210.064	
	TOTAL ADM & GEN EXPENSES	310,064	
TOTAL AEG OPERATION & MAINTENANCE EXPENSES 13,511,635			
	13,511,635		
	NT 40190 TOTAL FOR CROSS FOOT		
	·DIFFERENCE	0	

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AEP GENERATING COMPANY ONE RIVERSIDE PLAZA, COLUMBUS, OH 43215 TELEPHONE (614) 716-3724

INDIANA MICHIGAN POWER COMPANY P. O. BOX 60 FORT WAYNE, IN 46801

ESTIMATE 07-Jan-14

UNIT 2 POWER BILL - - December, 2013

IN ACCORDANCE WITH POWER AGREEMENT DATED OCTOBER 1, 1984 (AS AMENDED) ENERGY DELIVERED FOR THE MONTH OF December, 2013 KWH FOR THE MONTH 315,168,350

	SUMMARY	TOTAL
Current Month Bill:		
Return on Common	Equity	(149,397)
Return on Other Cap	pital	(39,364)
Total Return		(188,761)
Fuel Purchased Power		8,256,587 0
Other Operating Rev		(6,125)
Other Operation and		4,828,913
Depreciation Expens		709,642
Taxes Other Than Fo	ederal Income Tax	178,170
Federal Income Tax		514,839
TOTA	L CURRENT UNIT POWER BILL	14,293,265
Prior Month's Adjustment: Return on Common Fuel Expense	Equity & Other Capital	0
Other Expenses (Inc	ludes taxes & interest)	815,888
TOTAL	PRIOR MONTH'S ADJUSTMENTS	815,888
	TOTAL UNIT POWER BILL	15,109,153
MOUNTS WILL BE PAID DIREC	FROM GENERAL FUNDS.	_======================================
OUE DATE - January 20, 2014 Cc: Steve Hornyak - Columbus	Kurt C Cooper - Ft Wayne	

Dave Hille - Ft. Wayne Mike Stout - Ft. Wayne Mike Giardina - Columbus Sid Lyons - Columbus

Shannon Listebarger - Columbus

Micheile Howell - Columbus

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AEP GENERATING COMPANY ONE RIVERSIDE PLAZA, COLUMBUS, OH 43215 TELEPHONE (614) 716-3724

KENTUCKY POWER COMPANY 17TH ST. & CENTRAL AVE. ASHLAND, KY 41101 ESTIMATE 07-Jan-14

UNIT 2
POWER BILL - - December, 2013

Dave Hille - Ft. Wayne

Mike Stout - Ft. Wayne Mike Giardina - Columbus Sid Lyons - Columbus

IN ACCORDANCE WITH POWER AGREEMENT DATED OCTOBER 1, 1984 (AS AMENDED)

ENERGY DELIVERED FOR THE MONTH OF December, 2013

KWH FOR THE MONTH

135,072,150

	SUMMARY	TOTAL
Current Month Bill:		
Return on Common E	quity	(64,027)
Return on Other Capit	tal	(16,870)
Total Return		(80,897)
Fuel Purchased Power Other Operating Reve Other Operation and I Depreciation Expense Taxes Other Than Fer Federal Income Tax	Maintenance Exp	3,538,537 0 (2,625) 2,069,534 304,132 76,359 220,645
	CURRENT UNIT POWER BILL	6,125,685
Prior Month's Adjustment: Return on Common E Fuel Expense Other Expenses (Inclu	•	0 0 349,665 349,665
TO AMOUNTS WILL BE PAID DIRECT	OTAL UNIT POWER BILL FROM GENERAL FUNDS.	6,475,350
DUE DATE - January 20, 2014 Cc: Steve Hornyak - Columbus	Kurt C Cooper - Ft Wayne	

Shannon Listebarger - Columbus

Michelle Howell - Columbus

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AEP GENERATING COMPANY ROCKPORT POWER BILL SUMMARY OF MONTHLY POWER BILL

December, 2013

07-Jan-14

	TOTAL UNIT 2 POWER BILL	KPCO SHARE	I&M SHARE	
Return on Common Equity	(213,424)	(64,027)	(149,397)	
Return on Other Capital	(56,234)	(16,870)	(39,364)	
Total Return	(269,658)	(80,897)	(188,761)	
 + Fuel + Purchased Power - Other Operating Revenues + Other Operation and Maintenance Exp + Depreciation Expense + Taxes Other Than Federal Income Tax + Federal and State Income Tax 	11,795,124 0 (8,750) 6,898,447 1,013,774 254,529 735,484	3,538,537 0 (2,625) 2,069,534 304,132 76,359 220,645	8,256,587 0 (6,125) 4,828,913 709,642 178,170 514,839	
= Total Unit 2 Monthly Power Bill	20,418,950	6,125,685		
<u>Determination of Federal Income Tax :</u>				
Total Return (Line 3) + Unit 2 Schedule M Adjustments + Unit 2 Deferred Federal Income Taxes - Unit 2 Interest Expense Deduction *	(269,658) 1,363,686 74,792 (58,182)	409,106	954,580 52,354	
 Subtotal x Gross-Up (FIT Rate / 1-FIT Rate) Unit 2 Current Federal Income Tax Unit 2 Def Fed & State Income Taxes 	1,227,001 0.538462 660,693 74,792			
= Total Unit 2 Fed&State Income Taxes	735,484	220,645	-	
Proof of Federal Income Tax :				
Total Unit 2 Monthly Power Bill - Operation and Maintenance Expenses - Depreciation Expense - Taxes Other Than Federal Income Tax - Unit 2 Interest Expense Deduction * - Other Operating Revenues	20,418,950 18,693,571 1,013,774 254,529 (58,182) (8,750)	6,125,685 5,608,071 304,132 76,359 (17,455) (2,625)	14,293,265 13,085,500 709,642 178,170 (40,727) (6,125)	
= Pre-Tax Book Income + Unit 2 Schedule M Adjustments	524,008 1,363,686	157,203 409,106	366,805 954,580	WARRED TO MERCHANIST AND SERVICE OF THE SERVICE OF
 Unit 2 Taxable Income x Current Federal Income Tax Rate Unit 2 Current Federal Income Tax Unit 2 Def Fed & State Income Taxes 	1,887,694 35% 660,693 74,792	566,309 35% 198,208 22,438	1,321,385 35% 462,485 52,354	
= Total Unit 2 Fed&State Income Taxes	735,485	220,646	514,839	
* F	04 11 00			

^{*} From Page 5 of 18 : Line 21 + (Line 28 x Line 31 x Line 32)

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AEP GENERATING COMPANY ROCKPORT POWER BILL OPERATING RATIO

Pg 3 of 18

Line No.		UNIT 2 December, 2013
1	Operating Ratio:	
2	Net In-Service Investment:	
3 4	Electric Plant In-Service - Accumulated Depreciation	793,964,030 566,037,117
5	+ Materials & Supplies	68,405,548
6 7	+ Prepayments + Plant Held For Future Use (A/C 105) *	105,669 0
8	+ Other Deferred Debits (A/C 186) *	0
9	+ Other Working Capital ***	(26,252,221)
10	+ Unamortized Debt Expense (A/C 181)	165,137
11 12	+ Deferred ASH pond cost (A/C182.3) - Asset Retirement Obligation (A/C 230)	2,871,434 4,312,401
13	- Other Deferred Credits (A/C 253)	50,230,148
14	- Accumulated Deferred FIT	38,205,472
15	- Accumulated Deferred ITC	17,742,471
16	Total Net In-Service Investment	162,731,989
17	Non-In-Service Investment - CWIP :	
18	Construction Work In Progress	52,517,778
19 20	+ Materials & Supplies - Accumulated Deferred FIT	0 0
21	Total Non-In-Service Investment - CWIP	52,517,778
22	Non-In-Service Investment - Other :	
23	Plant Held for Future Use (A/C 105) **	0
24	+ Other Deferred Debits (A/C 186) ** + Fuel Inventory Over Allowed Level ****	1,351,129
25	+ Fuel Inventory Over Allowed Level	(6,879,556)
26	Total Non-In-Service Investment - Other	(5,528,427)
27	Total Investment (Lines 16+21+26)	209,721,340
28	Operating Ratio (Line 16/Line 27)	77.5944%
29	Non-In-Service Investment-CWIP Ratio (Line 21/Line 27)	25.0417%
30	Non-In-Service Investment-Other Ratio (Line 26/Line 27)	-2.6361%
31	Total Investment * As Permitted By FERC ** Excluding Amounts on Lines 7 and 8 *** Accounts 128, 131, 135, 143, 146, 171 and 174, Less Accounts 232-234, 236, 237, 238, 241 and 242 **** Includes Rockport 1 and 2	100.0000%

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AEP GENERATING COMPANY ROCKPORT POWER BILL NET IN-SERVICE INVESTMENT RATIO

Pg 4 of 18

Line No.		UNIT 2 December, 2013
1	Net In-Service Investment Ratio:	
2	Unit 2 Net In-Service Investment:	
3 4 5 6 7 8 9 10 11 12 13 14	Electric Plant In-Service - Accumulated Depreciation + Materials & Supplies + Prepayments + Plant Held For Future Use (A/C 105) * + Other Deferred Debits (A/C 186) * + Other Working Capital ** + Unamortized Debt Expense (A/C 181) + Deferred ASH pond cost (A/C182.3) - Asset Retirement Obligation (A/C 230) - Other Deferred Credits (A/C 253) - Accumulated Deferred FIT - Accumulated Deferred ITC	139,132,175 134,089,324 30,762,996 52,835 0 0 (26,508,244) 82,569 1,435,717 2,156,200 50,230,148 (6,448,211) 17,729,899
16	Total Unit 2 Net In-Service Investment	
17	Unit 1 Net In-Service Investment:	(52,799,315)
18 19 20 21 22 23 24 25 26 27 28 29 30	Electric Plant In-Service - Accumulated Depreciation + Materials & Supplies + Prepayments + Plant Held For Future Use (A/C 105) * + Other Deferred Debits (A/C 186) * + Other Working Capital ** + Unamortized Debt Expense (A/C 181) + Deferred ASH pond cost (A/C182.3) - Asset Retirement Obligation (A/C 230) - Other Deferred Credits (A/C 253) - Accumulated Deferred FIT - Accumulated Deferred ITC	654,831,856 431,947,793 37,642,552 52,835 0 0 256,024 82,569 1,435,717 2,156,200 0 44,653,683 12,572
31	Total Unit 1 Net In-Service Investment	215,531,304
32	Total Net In-Service Investment	162,731,989
33 34	Net In-Service Investment Ratio: Unit 2 (Line 16 / Line 32)	-32.4500%
35	Unit 1 (Line 31 / Line 32)	132.4500%
	* As Permitted By FERC	100.0000%

^{**} Accounts 128, 131, 135, 143, 146, 171 and 174, Less Accounts 232-234, 236, 237, 238, 241 and 242

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AEP GENERATING COMPANY ROCKPORT POWER BILL CALCULATION OF RETURNS ON COMMON EQUITY & OTHER CAPITAL

Pg 5 of 18

Line No.		UNIT 2 December, 2013
1	Net Capitalization:	
2 3 4 5 6	Long-Term Debt + Short-Term Debt + Preferred Stock + Common Equity - Temporary Cash Investments	64,834,718 53,776,086 0 88,596,624 0
7	Net Capitalization	207,207,428
8	40% of Net Capitalization	82,882,971
9	Return on Common Equity:	
10 11 12 13 14 15	Lesser of Line 5 or Line 8 x Equity Return (Monthly Rate) = Equity Return x Operating Ratio x Net In-Service Investment Ratio = Subtotal	82,882,971 1.01333% 839,878 77.5944% -32.4500% (211,476)
16 17 18 19 20 21	Excess of Line 5 Over Line 8 x Weighted Cost of Debt (Monthly Rate) = Return on Equity over 40% of Capitalization x Operating Ratio x Net In-Service Investment Ratio = Subtotal	5,713,653 0.1354% 7,736 77.5944% -32.4500% (1,948)
22	Unit 2 Return on Equity (Line 15 + Line 21)	(213,424)
23	Return on Other Capital:	
24 25 26 27	Long-Term Debt Interest Expense (A/C 427-429) + Short-Term Debt Interest Expense (a/c 430) + Other Interest Expense (a/c 431) - Temporary Cash Investment Income *	148,003 75,329 0 0
28 29	Net Interest Expense+ Preferred Stock Dividends (a/c 437)	223,3 ³ 2 0
30 31 32	 Net Cost of Other Capital x Operating Ratio x Net In-Service Investment Ratio 	223,332 77.5944% -32.4500%
33	= Unit 2 Return on Other Capital	(56,234)

* Line 6 x Line 19 from Pg 6 of 18

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AEP GENERATING COMPANY ROCKPORT POWER BILL DETERMINATION OF WEIGHTED COST OF DEBT

Line No.		UNIT 2 December, 2013
1	Debt Balances (Prior Month Ending):	
2 3 4	Long-Term Debt (Accts 221 thru 226) + Short-Term Debt (Accts 231 + 233) + Other Debt (Accts 132 thru 136 + 145)	64,834,718 53,776,086 0
5	Total Debt Balances (Prior Month Ending)	118,610,804
6	Weighting of Debt Balances:	
7 8 9	Long-Term Debt (LTD bal/Total Debt bal) + Short-Term Debt (STD bal/Total Debt bal) + Other Debt	54.6617% 45.3383% 0.0000%
10	Total Debt Balances	100.0000%
11	<u>Debt Cost Rates</u> :	
12 13 14	Long-Term Debt (avg LTD int rate) Short-Term Debt (avg Money Pool STD int rate) Other Debt	2.6878% 0.2745% 0.0000%
15	Weighted Cost of Debt:	
16 17 18	Long-Term Debt (LTD % x avg LTD int rate) + Short-Term Debt (STD % x avg MP STD int rate) + Other Debt	1.4692% 0.1245% 0.0000%
19	Total Weighted Cost of Debt	1.5937%

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AEP GENERATING COMPANY ROCKPORT POWER BILL DETERMINATION OF UNIT 2 MATERIALS AND SUPPLIES

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Line	INCLUDE A/C 431 ON PG 5	UNIT 2
No.		December, 2013
1	Unit 2 Materials and Supplies:	
2 3 4 5 6 7	Fuel Stock - Coal (per Line 23) Fuel Stock Expenses - Undistributed (152) Fuel Stock - Oil (151) Plant Materials & Operating Supplies Merchandise Undistributed Stores Expense	15,468,644 799,494 2,033,907 12,460,951 0
8	Total Materials & Supplies	30,762,996
9	Support of Coal Inventory Value:	
10 11	Actual Coal Inventory (a/c 151.10) + Equivalent Inventory re: Deferred Return	15,468,644 868,074,755
12	= Imputed Coal Inventory	883,543,399
13	Coal Inventory W/68 Day Supply Cap	
14 15 16 17	Tons Consumed - CHANGE ANNUALLY FROM DEC PG 24 / Hours Available * CHG ANNUALLY FROM GADS RPT 511 = Tons Consumed per Hour x 24 Hours per Day	2,539,993 7927.0 320.42 24
18 19	≈ Tons Consumed Per Day x 68 days	7690.08 68
20 21	= 68 day Supply (Tons)x Coal Cost per Ton (per a/c 151.10 at End of Prior Month)	522,925 42.249
22	= 68 day Coal Inventory	22,093,058
23	Lesser of Imputed or Capped Coal Inventory	22,093,058
24	Imputed Inventory Minus Line 23	861,450,341
25	Accumulated Deferred Inventory Return - Unit 2 (Memo Item):	
26 27 28 29	Beginning Balance + Current Month Return on Beginning Balance + Current Month Deferral - Current Month Recovery	6,520,528 49,350 48,225 0
30	= Ending Balance **	6,618,103
	* Excludes Forced Outages, Scheduled Outages, and Curtailments ** May Not Be Less Than Zero	
	Total Unit 2 Monthly Power Bill with Actual Total Unit 2 Monthly Power Bill with 68 Day Capped Difference	19,638,145 19,686,370 48,225

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AEP GENERATING COMPANY ROCKPORT POWER BILL DETAIL OF OTHER OPERATING REVENUES

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Line No.	Account No.	Description	UNIT 2 December, 2013
1	450	Forfeited Discounts	0
2	451	Miscellaneous Service Revenues	0
3	453	Sales of Water and Water Power	0
4	454	Rent From Electric Property - Associated Companies	0
5	454.20	Rent From Electric Property - Non-Associated Companies	0
6	455	Interdepartmental Rents	0
7	456	Other Electric Revenues	(8,750)
8	411.8	Proceeds/Gains From Sale of Emission Allowances	0
9		Total Other Operating Revenues	(8,750)

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AEP GENERATING COMPANY ROCKPORT POWER BILL Pg 9 of 18 DETAIL OF OPERATION & MAINTENANCE EXPENSES

			UNIT 2
Line	Account		December, 2013
No.	<u>No.</u>	<u>Description</u>	
1	500,502-508	Steam Power Generation - Operation	6,185,658
2	501	Fuel - Operation	11,795,124
3	510-515	Steam Power Generating - Maintenance	364,705
4		Total Steam Power Generation Expenses	18,345,486
5	555-557	Other Power Supply Expenses	(2,331)
6	560-567.1	Transmission Expenses - Operation	0
7	568-574	Transmission Expenses - Maintenance	0
8		Total Transmission Expenses	0
9	580-589	Distribution Expenses - Operation	0
10	590-598	Distribution Expennse - Maintenance	0
11		Total Distribution Expenese	0
12	901-905	Customer Accounts Expenses - Operation	0
13	906-910	Customer Service and Informational Expenses - Operation	0
14	911-917	Sales Expenses - Operation	0
15	920-933	Administrative and General Expenses - Operation	334,989
16	935	Administrative and General Expenses - Maintenance	15,426
17		Total Administrative & General Exp.	350,416
18		Total Operation & Maintenance Expenses	18,693,571

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AEP GENERATING COMPANY ROCKPORT POWER BILL DETAIL OF DEPRECIATION & AMORTIZATION EXPENSES

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Line No.	Account <u>No.</u>	Description	UNIT 2 December, 2013
1 1a 2	403 403.1 404	Depreciation Expense * ARO Depreciation Expense Amortization of Limited-Term Electric	440,218 3,343
3	405	Plant ** Amortization of Other Electric Plant	55 4, 080 0
4	406	Amortization of Electric Plant Acquistion Adjustments	0
5	407	Amortization of Property Losses, Unrecovered Plant and Regulatory Study Costs	0
6		Total Depreciation Exp. & Amortization	997,641 =
7	411.10	ARO Accretion Expense	16,134
8		Total Depreciation, Amortization & Accretion Expenses	1,013,774
	* Rockp	oort 2 Capitalized Spare Parts book depreciation rate = 3.52%	

^{*} Rockport 2 Associated Equipment (not sold in Sale/Leaseback transaction) book depreciation rate = 3.07 %

^{**} Rockport 2 Leasehold Improvements Amortization rate = 3.03%

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AEP GENERATING COMPANY ROCKPORT POWER BILL DETAIL OF TAXES OTHER THAN FEDERAL INCOME TAXES

Line <u>No.</u>	Account <u>No.</u>	_Description	UNIT 2 December, 2013
1	408.1	Taxes Other Than Federal Income Taxes, Utility Operating Income	154,529
2	409.1	State Income Taxes	100,000
3		Total Taxes Other than Federal Income Taxes	254,529

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UNIT 2

December, 2013

AEP GENERATING COMPANY ROCKPORT POWER BILL **DETAIL OF UNIT 2 SCHEDULE 'M' ADJUSTMENTS** AND DEFERRED FEDERAL INCOME TAX

Line No.	Account No.	Description	TOTAL	KPCO SHARE	1&M SHARE
1		Unit 2 Schedule `M' Adjustments*			
2	N/A	Excess ACRS Over Normalization Base Depreciation	3,000	900	2,100
3	N/A	Excess Normalization Base Over Book Depreciation	1,556,500	466,950	1,089,550
4	N/A	Other Unit 2 Schedule 'M' Adjustments	(195,814)	(58,744)	(137,070)
5	***	Total Unit 2 Schedule `M' Adjustments	1,363,686	409,106	954,580
6		Unit 2 Deferred Federal Income Tax			
7	410.1	Excess ACRS Over Norm. Base Depr. (Line 2 x FIT Rate * -1)	(62,685)	(18,806)	(43,880)
8	10.1&411	.Other Unit 2 Schedule `M' Adjustments -			
9	411.1	Feedback of Accumulated DFIT re: ABFUDC - Unit 2 Negative Amount Denotes Reduction.	(14,322)	(4,297)	(10,025)
10	411.1	Feedback of Accumulated DFIT re: Overheads Capitalized - Unit 2	(183)	(55)	(128)
11	411.1	Feedback of Accumulated DFIT re: Other Schedule `M' AdjUtility	151,981	45,594	106,387
12	***	Total Unit 2 Deferred Federal Income Tax	74,792 ====================================	22,438	52,354
		ve Amount Denotes Increase In Taxable Income, e Amount Denotes Reduction.			
		Check Figure on Tax Page for Sch M Check Figure on Tax Page for DFIT	1,363,686 74,792		

NOTE: If the words SEE NOTE appear in this schedule, then the bill has not been properly identified as

the ESTIMATE or ACTUAL on the INSTRUCTIONS tab (L6), and should be type in all capital lett

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AEP GENERATING COMPANY ROCKPORT POWER BILL DETAIL OF NET IN-SERVICE INVESTMENT UNIT 2

		DETAIL OF NET IN-SERVICE INVESTMENT UNIT 2	
			UNIT 2
Line	Account		December, 2013
No.	No.	Description	
1		ELECTRIC PLANT IN SERVICE	
2	101	Electric Plant In Service	119,458,768
3	102	Electric Plant Purchased	0
4	103	Experimental Elec. Plant Unclassified	0
		•	U
5	103.1	Electric Plant In Process of	
	404	Reclassification	0
6	104	Electric Plant Leased to Others	0
7	106	Completed Construction Not Classified	19,673,407
8	114	Electric Plant Acquisition Adjustments	0
9	116	Other Electric Plant Adjustments	0
10	118	Other Utility Plant	0
11		Total Electric Plant In Service	139,132,175
12	105	Plant Held For Future Use	0
13		ACCUMULATED DEPRECIATION	
	400	A 1. 15 17 6 5 5 11	
14	108	Accumulated Provision for Depreciation	
		of Electric Utility Plant	112,953,802
15	110	Accumulated Provision for Depreciation	
		and Amort. of Elec. Utility Plant	0
16	111	Accumulated Provision for Amortization	
		of Electric Utility Plant	21,135,522
17	115	Accumulated Provision for Amortization	, ,
		of Electric Plant Acquisition	
		Adjustments	0
18	119	Accumulated Provision for Depreciation	Ū
10		and Amortization of Other Utility	
		Plant	0
		Tidit	
19		Total Accumulated Depreciation	134,089,324
20		MATERIAL AND SUPPLIES	
21	15 1	Fuel Stock	17,502,551
22	152	Fuel Stock Expenses - Undistributed	799,494
23	153	Residuals	0
24	154	Plant Materials and Operating Supplies	12,460,951
25	155	Merchandise	0
26	156	Other Materials and Supplies	0
27	163	Stores Expense Undistributed	Ö
28		Total Materials and Supplies	
20		(In-Service Portion)	30,762,996
		(iii solvino i ormony	
29	165	Prepayments	52,835
			,
30	186	Other Deferred Debits	0

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AEP GENERATING COMPANY ROCKPORT POWER BILL Pg 13a of 18 OTHER WORKING CAPITAL, UNAMORTIZED DEBT EXPENSE, AND OTHER DEFERRED CREDITS

Line	Account		UNIT 2 <u>December, 2013</u>
No.	No.	Description *	
1	128	Other Special Funds	0
2	131	Cash	0
3	135	Other Intra Company Adjustments	0
4	143	Accounts Receivable-Miscellaneous	0
5	146	Accounts Receivable-Associated Company	20,213,908
6	171	Interest and Dividends Receivable	1,068
7	174	Miscellaneous Current and Accrued Assets	0
8	232	Accounts Payable-General	(27,131)
9	234	Accounts Payable-Associated Company	(14,174,529)
10	236	Taxes Accrued	258,506
11	237	Interest Accrued	(138,649)
12	238	Dividends Declared	0
13	241	Tax Collections Payable	0
14	242	Misc Current and Accrued Liabilities	(32,641,418)
15		Total Other Working Capital	(26,508,244)
16	181	Unamortized Debt Expense	82,569
17	253	Other Deferred Credits	50,230,148
*	debit <c< td=""><td>redit></td><td></td></c<>	redit>	

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AEP GENERATING COMPANY ROCKPORT POWER BILL

DETAIL OF NET IN-SERVICE INVESTIMENT UNIT 2(Cont'd)

	DETAIL	OF NET IN-SERVICE INVESTIMENT ONLY 2(CONT. C)	
Line No.	Account No.	<u>Description</u>	UNIT 2 <u>December, 2013</u>
31		ACCUMULATED DEFERRED INCOME TAXES	
32	190	-Accumulated Deferred Income Taxes	20,900,003
33	281	+Accumulated Deferred Income Taxes - Accelerated Amortization Property	0
34	282	+Accumulated Deferred Income Taxes - Other Property	13,470,194
35	283	+Accumulated Deferred Income Taxes - Other	981,599
36		Total Accumulated Deferred Income Taxes (In-Service Portion)	(6,448,211)
37	255	+Accumulated Deferred Investment Tax Credits	17,729,899
38	186.50	-Accumulated Deferred Investment Tax Credit	0
39		Total Accumulated Deferred Investment Tax Credits	17,729,899
40		Total Net In-Service Investment - Unit 2	(52,078,832)
		Onit 2	(02,070,002)

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AEP GENERATING COMPANY ROCKPORT POWER BILL

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DETAIL OF NON-IN-SERVICE INVESTMENT - CWIP AND OTHER

	DETAIL	OF NON-IN-SERVICE INVESTMENT - CWIP AND	
Line No	Account	Description	UNIT 2 <u>December, 2013</u>
140.	140.	Description	
		Non-In-Service Investment - CWIP	
1	107	Construction Work In Process	52,517,778
2		MATERIAL AND SUPPLIES	
3	151	Fuel Stock	0
4	152	Fuel Stock Expenses - Undistributed	0
5	153	Residuals	0
6	154	Plant Materials and Operating Supplies	0
7	155	Merchandise	0
8	156	Other Material and Supplies	0
9	163	Stores Expense Undistributed	0
10		Total Material and Supplies	
		(CWIP Portion)	. 0
11		ACCUMULATED DEFERRED INCOME TAXES	
12	190	-Accumulated Deferred Income Taxes	0
13	281	+Accumulated Deferred Income Taxes - Accelerated Amortization Property	0
14	282	+Accumulated Deferred Income Taxes - Other Property	0
15	283	+Accumulated Deferred Income Taxes -	
16		Other Total Accumulated Deferred Income	0
		Taxes (CWIP Portion)	0
17		TOTAL NON-IN-SERVICE INVESTMENT - CWIP	52,517,778
		Non-In-Service Investment - Other	
18	105	Plant Held for Future Use	0
19	186	Other Deferred Debits	1,351,129
20	151.10	Fuel Inventory Over Allowed Level *	(6,879,556)
21		Total Non-In-Service Investment -	
		Other	(5,528,427)
	* INCLU	JDES ROCKPORT 1 AND 2	,
		UNIT 1	(6,879,556)
		UNIT 2	0
		TOTAL	(6,879,556)

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AEP GENERATING COMPANY ROCKPORT POWER BILL DETAIL OF NET CAPITALIZATION

1:	AA		UNIT 2
Line No.	Account No.	Description	December, 2013
1		COMMON CAPITAL STOCK	
2	201	Common Stock Issued	383,000
3	202	Common Stock Subscribed	0
4	203	Common Stock Liability for Conversion	0
5	209	Reduction In Par or Stated Value	_
6	210	of Capital Stock	0
O	210	Gain on Resale or Cancellation of Reacquired Capital Stock	٥
7	212	Installments Received on Capital Stock	0
8	214	Capital Stock Expense	0
9	217	Reacquired Capital Stock	0
		Thousands Suprim Stock	
10		Total Common Capital Stock	383,000
11		OTHER PAID-IN CAPITAL	
12	207	Premium on Capital Stock	0
13	208	Donations Received from Stockholders	87,478,987
14	211	Miscellaneous Paid-In Capital	0
15	213	Discount on Capital Stock	0
16		Total Other Paid-In Capital	87,478,987
17		RETAINED EARNINGS	
18	215	Appropriated Retained Earnings	0
19	215.1	Appropriated Retained Earnings-	· ·
		Amortization Reserve, Federal	0
20	216	Unappropriated Retained Earnings	734,637
21		Total Retained Earnings	734,637
22	*	Total Common Equity	88,596,624
23		PREFERRED CAPITAL STOCK	
24	204	Preferred Stock Issued	0
25	205	Preferred Stock Subscribed	0
26	206	Preferred Stock Liability	_
		for Conversion	0
27		Total Preferred Capital Stock	0
		•	

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AEP GENERATING COMPANY ROCKPORT POWER BILL DETAIL OF NET CAPITALIZATION (Cont'd)

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		DETAIL OF NET CAPITALIZATION (CONTO)	LIMIT O
Line No.	Account No.	Description	UNIT 2 December, 2013
28		LONG-TERM DEBT	
29	221	Bonds	0
30	222	Reacquired Bonds	0
31	223	Advances from Associated Companies	0
32	224	Other Long-Term Debt	64,834,718
33	225	Unamortized Premium on	
		Long-Term Debt-Credit	0
34	226	Unamortized Discount on Long-Term	
		Debt-Debit	0
35		Total Long-Term Debt	64,834,718
		SHORT-TERM DEBT	
36a	231.02	Notes Payable (Short-Term Debt)	0
36b	231.03	Unamortized Discount	0
000	233.00	Notes Payable, Assoc Co(Money Pool)	53,776,086
	200.00	Notes Fayable, Assoc Ob(Moriey Fool)	30,770,000
38		Total Short-Term Debt	53,776,086
00		Total ollott Total Begt	
39		TEMPORARY CASH INVESTMENTS	
00		TEM OTHER OF STREET	
40	132	Interest Special Deposits	0
41	133	Dividend Special Deposits	0
42	134	Other Special Deposits	0
43	136, 145	Temporary Cash Investments	0
40	100, 170	remporary dash investments	
44		Total Temporary Cash Investments	0
		. ota. temporary outsi intessmente	
45		NET CAPITALIZATION	207,207,428
			=======================================

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AEP GENERATING COMPANY ROCKPORT POWER BILL DETERMINATION OF RATE OF RETURN (Net & Pre-Tax)

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Line No.	-	UNIT 2 December, 2013
1	Capitalization Balances (Prior Month Ending):	
2	Long-Term Debt (Accts 221 thru 226)	64,834,718
3	+ Short-Term Debt (Accts 231 + 233)	53,776,086
4	+ Preferred Stock	0
5	+ Common Equity (Accts 201 thru 216)	88,596,624
6	- Capitalization Offsets	0
7	Total Capitalization Balances	207,207,428
8	Weighting of Capitalization Balances:	
9	Long-Term Debt (LTD/Total Capital)	31.2898%
10	+ Short-Term Debt (STD/Total Capital)	25.9528%
11	+ Preferred Stock	0.0000%
12	+ Common Equity (Common Equity/Total Capital)	42.7575%
13	- Capitalization Offsets	0.0001%
14	Total Capitalization	100.0000%
15	<u>Capitalization Cost Rates</u> :	
16	Long-Term Debt (avg LTD int rate)	2.6878%
17	Short-Term Debt (avg money pool STD int rate)	0.2745%
18	Preferred Stock	0.0000%
19	Common Equity (FERC fixed rate)	12.1600%
20	Capitalization Offsets (sum of weighted costs of debt)	1.5937%
21	Rate of Return (Net of Tax):	
22	Long-Term Debt (LTD % x avg LTD int rate)	0.8410%
23	+ Short-Term Debt (STD % x avg MP STD int rate)	0.0712%
24	+ Preferred Stock	0.0000%
25	+ Common Equity (CE % x FERC fixed rate)	5.1993%
26	- Capitalization Offsets	0.0000%
27	Total Rate of Return (Net of Tax)	6.1115%
28	Weighted Net Cost of Debt (LTD Rate of Return + STD RR - Cap Offsets RR)	0.9122%
29	+ Pre-Tax Common Equity (Line 25 / .65)	7.9989%
30	(Common Equity Rate of Return grossed up for tax) = Rate of Return (Pre-Tax)	8.9111%

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A E P GENERATING COMPANY

December, 2013 ESTIMATE

ROCKPORT OPERATION & MAINTENANCE EXPENSES UNIT 2 50% OWNERSHIP INTEREST OF ROCKPORT PLANT

500 501 502 503 504 505 506 507 508 509	SUPERVISION AND ENGINEERING FUEL STEAM EXPENSES STEAM FROM OTHER SOURCES STEAM TRANSFERRED - CR ELECTRIC EXPENSES MISC. STEAM POWER EXPENSES RENTS OPERATION SUPPLIES AND EXPENSES CARRYING CHARGES - ALLOWANCES	147,844 11,795,124 71,732 0 0 70,130 205,531 5,690,421 0 0
510 511 512 513 514 515	MAINTENANCE SUPER. AND ENGINEERING MAINTENANCE OF STRUCTURES MAINTENANCE OF BOILER PLANT MAINTENANCE OF ELECTRIC PLANT MAINTENANCE OF MISC. STEAM PLANT MAINTENANCE NORMALIZING	75,108 10,632 242,584 3,636 32,745 0
555 556 557	TOTAL MAINTENANCE EXPENSES PURCHASED POWER SYSTEM CONTROL AND LOAD DISPATCHING OTHER POWER SUPPLY EXPENSES	364,705 0 (1,349) (983)
	TOTAL OTHER SUPPLY EXPENSES	(2,331)

IS FUEL IN BALANCE ON PAGE 2	AMOUNT MUST BE ZERO 0
BE SURE THIS IS CORRECT	
NO OF DAYS IN CURRENT MO >	31
NO OF DAYS IN CURRENT YEAR >	365
CURRENT YEAR IS	2013
CURRENT MONTH IS	12
THIS BILLING IS FOR MONTH OF	December, 2013

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A E P GENERATING COMPANY

December, 2013 ESTIMATE

ROCKPORT OPERATION & MAINTENANCE EXPENSES UNIT 2 50% OWNERSHIP INTEREST OF ROCKPORT PLANT

901	SUPERVISION METER READING EXPENSES	0 0
902 903	CUSTOMER RECORDS AND COLLECTION EXPENSES	0
903 904	UNCOLLECTIBLE ACCOUNTS	0
	MISCELLANEOUS CUSTOMER ACCOUNTS EXPENSES	0
905	MISCELLANEOUS COSTOMER ACCOUNTS EXPENSES	U
	TOTAL CUSTOMER ACCOUNTS EXPENSES	0
906	CUSTOMER SERVICE AND INFORMATIONAL EXP	0
907	SUPERVISION	0
908	CUSTOMER ASSISTANCE EXPENSES	0
909	INFORMATIONAL AND INSTRUCTIONAL	
	ADVERTISING EXPENSES	0
910	MISCELLANEOUS CUSTOMER SERVICE	
	AND INFORMATIONAL EXPENSES	0
	TOTAL CUSTOMER SERVICES EXPENSES	0
911	SUPERVISION	0
912	DEMONSTRATION AND SELLING EXPENSES	0
913	ADVERTISING EXPENSES	0
916	MISCELLANEOUS SALES EXPENSES (MAJOR)	0
917	SALES EXPENSES (NON-MAJOR)	0
317	· · · · · ·	
	TOTAL SALES EXPENSES	0
920	ADMIN. & GENERAL SALARIES	56,027
921	OFFICE SUPPLIES AND EXPENSES	11,852
922	ADMINISTRATIVE EXPENSES TRANSF - CR	0
923	OUTSIDE SERVICES	67,373
924	PROPERTY INSURANCE	10,753
925	INJURIES AND DAMAGES	2,458
926	EMPLOYEE PENSIONS AND BENEFITS	114,536
927	FRANCHISE REQUIREMENTS	0
928	REGULATORY COMMISSION	0
929	DUPLICATE CHARGES-CREDIT	0
930	MISCELLANEOUS GENERAL EXPENSES	71,255
931	RENTS	735
933	TRANSPORTATION EXPENSE	0
	TOTAL ADM & GEN EXPENSES OPERATION	334,989
935	MAINTENANCE OF GENERAL PLANT	15,426
	TOTAL ADM & GEN EXPENSES	350,416
	AEG OPERATION & MAINTENANCE EXPENSES	18,693,571
	NT 40190 TOTAL FOR CROSS FOOT	18,693,571
	-DIFFERENCE	0

AEP GENERATING COMPANY ONE RIVERSIDE PLAZA, COLUMBUS, OH 43215 TELEPHONE (614) 716-3724

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KENTUCKY POWER COMPANY 17TH ST. & CENTRAL AVE. ASHLAND, KY 41101 ESTIMATE 07-Feb-14

UNIT 1

POWER BILL - - January, 2014

IN ACCORDANCE WITH POWER AGREEMENT DATED OCTOBER 1, 1984 (AS AMENDED)

ENERGY DELIVERED FOR THE MONTH OF January, 2014

KWH FOR THE MONTH 135,241,050

	SUMMARY	<u>TOTAL</u>
Current Month E	Sill:	
	Return on Common Equity	251,680
	Return on Other Capital	52,838
	Total Return	304,518
	Fuel Purchased Power Other Operating Revenues Other Operation and Maintenance Exp Depreciation Expense Taxes Other Than Federal Income Tax Federal Income Tax	3,427,731 0 (2,625) 344,820 493,955 62,056 155,476
	TOTAL CURRENT UNIT POWER BILL	4,785,931
Prior Month's Ad	ljustment: Return on Common Equity & Other Capital Fuel Expense Other Expenses (Includes taxes & interest)	0 0 65,509
	TOTAL PRIOR MONTH'S ADJUSTMENTS	65,509
	TOTAL UNIT POWER BILL	4,851,440
		==========

AMOUNTS WILL BE PAID DIRECT FROM GENERAL FUNDS.

DUE DATE - - - February 21, 2014

Cc: Steve Hornyak - Columbus Kurt C Cooper - Ft Wayne

Dave Hille - Ft. Wayne Shannon Listebarger - Columbus

Mike Stout - Ft. Wayne Mike Giardina - Columbus

Sid Lyons - Columbus Michelle Howell - Columbus

Diane Keegan - Columbus

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AEP GENERATING COMPANY ONE RIVERSIDE PLAZA, COLUMBUS, OH 43215 **TELEPHONE (614) 716-3724**

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INDIANA MICHIGAN POWER COMPANY P. O. BOX 60 FORT WAYNE, IN 46801

ESTIMATE 07-Feb-14

UNIT 1

POWER BILL - - January, 2014

IN ACCORDANCE WITH POWER AGREEMENT DATED OCTOBER 1, 1984 (AS AMENDED)

ENERGY DELIVERED FOR THE MONTH OF January, 2014

KWH FOR THE MONTH 315,562,450

		2.0,00=,.00
	SUMMARY	<u>TOTAL</u>
Current Month B	ill:	
	Return on Common Equity	587,254
	Return on Other Capital	123,287
	Total Return	710,541
Prior Month's Ad	Fuel Purchased Power Other Operating Revenues Other Operation and Maintenance Exp Depreciation Expense Taxes Other Than Federal Income Tax Federal Income Tax TOTAL UNIT POWER BILL	7,998,039 0 (6,125) 804,579 1,152,560 144,797 362,774
THO WORLD A	Return on Common Equity & Other Capital Fuel	0
	Other Expenses (Includes taxes & interest)	152,852
	TOTAL PRIOR MONTH'S ADJUSTMENTS	152,852
AMOUNTS WILL B	TOTAL UNIT POWER BILL E PAID DIRECT FROM GENERAL FUNDS.	======================================
	_ : : :: _ : : : : : : : : : : : : : :	

DUE DATE - - -February 21, 2014

Cc: Steve Hornyak - Columbus Kurt C Cooper - Ft Wayne

Dave Hille - Ft. Wayne Shannon Listebarger - Columbus

Mike Stout - Ft. Wayne

Mike Giardina - Columbus Kevin Amburgey-Columbus Michelle Howell - Columbus Sid Lyons - Columbus

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AEP GENERATING COMPANY ROCKPORT POWER BILL SUMMARY OF MONTHLY POWER BILL

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January, 2014

	TOTAL UNIT 1 POWER BILL	KPCO SHARE	I&M SHARE
Return on Common Equity	838,934	251,680	587,254
Return on Other Capital	176,125	52,838	123,287
Total Return	1,015,059	304,518	710,541
 + Fuel + Purchased Power - Other Operating Revenues + Other Operation and Maintenance Exp + Depreciation Expense + Taxes Other Than Federal Income Tax + Federal and State Income Tax 	11,425,769 0 (8,750) 1,149,399 1,646,515 206,853 518,249	3,427,731 0 (2,625) 344,820 493,955 62,056 155,476	7,998,039 0 (6,125) 804,579 1,152,560 144,797 362,774
= Total Unit 1 Monthly Power Bill	15,953,094	4,785,931	11,167,164
Determination of Federal Income Tax :	=======================================	=======================================	=======================================
Total Return (Line 3) + Unit 1 Schedule M Adjustments + Unit 1 Deferred Federal Income Taxes - Unit 1 Interest Expense Deduction *	1,015,059 1,002,002 (307,466) 176,125	304,518 300,601 (92,239) 52,838	710,541 701,401 (215,226) 123,287
= Subtotal x Gross-Up (FIT Rate / 1-FIT Rate) = Unit 1 Current Federal Income Tax + Unit 1 Def Fed & State Income Taxes	1,533,470 0.538462 825,715 (307,466)	460,042 0.538462 247,715 (92,239)	1,073,429 0.538462 578,000 (215,226)
= Total Unit 1 Fed&State Income Taxes	518,249	155,476	362,774
Proof of Federal Income Tax :	=======================================	=======================================	
Total Unit 1 Monthly Power Bill - Operation and Maintenance Expenses - Depreciation Expense - Taxes Other Than Federal Income Tax - Unit 1 Interest Expense Deduction * - Other Operating Revenues	15,953,094 12,575,168 1,646,515 206,853 176,125 (8,750)	4,785,931 3,772,551 493,955 62,056 52,838 (2,625)	11,167,164 8,802,617 1,152,560 144,797 123,287 (6,125)
= Pre-Tax Book Income + Unit 1 Schedule M Adjustments	1,357,183 1,002,002	407,156 300,601	950,028 701,401
 Unit 1 Taxable Income Current Federal Income Tax Rate Unit 1 Current Federal Income Tax Unit 1 Def Fed & State Income Taxes 	2,359,185 35% 825,715 (307,465)	707,757 35% 247,715 (92,239)	1,651,429 35% 578,000 (215,226)
= Total Unit 1 Fed&State Income Taxes	518,250	155,476	362,774

^{*} From Page 5 of 18 : Line 21 + (Line 28 x Line 31 x Line 32)

AEP GENERATING COMPANY ROCKPORT POWER BILL OPERATING RATIO

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Line No.		UNIT 1 <u>January, 2014</u>
1	Operating Ratio:	
2	Net In-Service Investment:	
3 4 5 6 7 8 9 10 11 12 13 14	Electric Plant In-Service - Accumulated Depreciation + Materials & Supplies + Prepayments + Plant Held For Future Use (A/C 105) * + Other Deferred Debits (A/C 186) * + Other Working Capital *** + Unamortized Debt Expense (A/C 181) + Deferred ASH pond cost (A/C182.3) - Asset Retirement Obligation (A/C 230) - Other Deferred Credits (A/C 253) - Accumulated Deferred FIT	798,689,036 568,360,617 63,459,465 89,460 0 4,658,195 153,606 2,863,610 4,339,818 49,765,902 37,328,428
15	- Accumulated Deferred ITC	17,579,506
16	Total Net In-Service Investment	192,539,101
17	Non-In-Service Investment - CWIP :	
18 19 20	Construction Work In Progress + Materials & Supplies - Accumulated Deferred FIT	51,293,276 0 0
21	Total Non-In-Service Investment - CWIP	51,293,276
22	Non-In-Service Investment - Other :	
23 24 25	Plant Held for Future Use (A/C 105) ** + Other Deferred Debits (A/C 186) ** + Fuel Inventory Over Allowed Level ****	1,034,099 1,069,483 (9,077,143)
26	Total Non-In-Service Investment - Other	(6,973,560)
27	Total Investment (Lines 16+21+26)	236,858,816
28	Operating Ratio (Line 16/Line 27)	81.2886%
29	Non-In-Service Investment-CWIP Ratio (Line 21/Line 27)	21.6556%
30	Non-In-Service Investment-Other Ratio (Line 26/Line 27)	-2.9442%
	Total Investment ermitted By FERC	100.0000%
** Acco	ding Amounts on Lines 7 and 8 unts 128, 131, 135, 143, 146, 171 and 174, Less Accounts 232-234, 23 des Rockport 1 and 2	6, 237, 238, 241 and

AEP GENERATING COMPANY ROCKPORT POWER BILL NET IN-SERVICE INVESTMENT RATIO

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Line No.		UNIT 1 <u>January, 2014</u>
1	Net In-Service Investment Ratio:	
2	Unit 1 Net In-Service Investment:	
3	Electric Plant In-Service	656,556,721
4	- Accumulated Depreciation	431,939,436
5	+ Materials & Supplies	36,268,304
6	+ Prepayments	44,730
7	+ Plant Held For Future Use (A/C 105) *	0
8 9	+ Other Deferred Debits (A/C 186) * + Other Working Capital **	0 324,984
10	+ Unamortized Debt Expense (A/C 181)	76,803
11	+ Deferred ASH pond cost (A/C182.3)	1,431,805
12	- Asset Retirement Obligation (A/C 230)	2,169,909
13	- Other Deferred Credits (A/C 253)	0
14	- Accumulated Deferred FIT	43,682,324
15	- Accumulated Deferred ITC	13,774
16	Total Unit 1 Net In-Service Investment	216,897,904
17	Unit 2 Net In-Service Investment:	
18	Electric Plant In-Service	142,132,314
19	- Accumulated Depreciation	136,421,181
20	+ Materials & Supplies	27,191,161
21	+ Prepayments	44,730
22	+ Plant Held For Future Use (A/C 105) *	0
23	+ Other Deferred Debits (A/C 186) *	0
24	+ Other Working Capital **	4,333,211
25 26	+ Unamortized Debt Expense (A/C 181)+ Deferred ASH pond cost (A/C182.3)	76,803
20 27	- Asset Retirement Obligation (A/C 230)	1,431,805 2,169,909
28	- Other Deferred Credits (A/C 253)	49,765,902
29	- Accumulated Deferred FIT	(6,353,896)
30	- Accumulated Deferred ITC	17,565,732
31	Total Unit 2 Net In-Service Investment	(24,358,803)
32	Total Net In-Service Investment	192,539,101 =======
33	Net In-Service Investment Ratio:	
55	NOT IN COMICE INVESTIGATION FIGURE.	
34	Unit 1 (Line 16 / Line 32)	112.6500%
35	Unit 2 (Line 31 / Line 32)	-12.6500%
	* As Darmitted Dy EEDC	100.0000%
	* As Permitted By FERC ** Accounts 128, 131, 135, 143, 146, 171 and 174, Less Accounts 232-234, 236, 237, 238, 241 and 242	========

AEP GENERATING COMPANY ROCKPORT POWER BILL CALCULATION OF RETURNS ON COMMON EQUITY & OTHER CAPITAL

KIUC's F Pg 5 of 18

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Line No.		UNIT 1 <u>January, 2014</u>
1	Net Capitalization:	
2 3 4 5 6	Long-Term Debt + Short-Term Debt + Preferred Stock + Common Equity - Temporary Cash Investments Net Capitalization	64,834,718 78,377,649 0 90,409,891 0
8	40% of Net Capitalization	93,448,903
9	Return on Common Equity:	
10 11 12 13 14 15	Lesser of Line 5 or Line 8 x Equity Return (Monthly Rate) = Equity Return x Operating Ratio x Net In-Service Investment Ratio = Subtotal	90,409,891 1.01333% 916,151 81.2886% 112.6500% 838,934
16 17 18 19 20 21	Excess of Line 5 Over Line 8 x Weighted Cost of Debt (Monthly Rate) = Return on Equity over 40% of Capitalization x Operating Ratio x Net In-Service Investment Ratio = Subtotal	0 0.1160% 0 81.2886% 112.6500% 0
22	Unit 1 Return on Equity (Line 15 + Line 21)	838,934
23	Return on Other Capital:	
24 25 26 27	Long-Term Debt Interest Expense (A/C 427-429) + Short-Term Debt Interest Expense (a/c 430) + Other Interest Expense (a/c 431) - Temporary Cash Investment Income *	147,326 45,009 0 0
28 29	Net Interest Expense+ Preferred Stock Dividends (a/c 437)	192,335 0
30 31 32	Net Cost of Other Capitalx Operating Ratiox Net In-Service Investment Ratio	192,335 81.2886% 112.6500%
33	 Unit 1 Return on Other Capital * Line 6 x Line 19 from Pg 6 of 18 	176,125 =======

AEP GENERATING COMPANY ROCKPORT POWER BILL DETERMINATION OF WEIGHTED COST OF DEBT

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Line No.		UNIT 1 <u>January, 2014</u>
1	<u>Debt Balances (Prior Month Ending)</u> :	
2 3 4	Long-Term Debt (Accts 221 thru 226) + Short-Term Debt (Accts 231 + 233) + Other Debt (Accts 132 thru 136 + 145)	64,834,718 78,377,649 0
5	Total Debt Balances (Prior Month Ending)	143,212,367
6	Weighting of Debt Balances:	
7 8 9	Long-Term Debt (LTD bal/Total Debt bal) + Short-Term Debt (STD bal/Total Debt bal) + Other Debt	45.2717% 54.7283% 0.0000%
10	Total Debt Balances	100.0000%
11	<u>Debt Cost Rates :</u>	
12 13 14	Long-Term Debt (avg LTD int rate) Short-Term Debt (avg Money Pool STD int rate) Other Debt	2.6755% 0.2834% 0.0000%
15	Weighted Cost of Debt :	
16 17 18	Long-Term Debt (LTD % x avg LTD int rate) + Short-Term Debt (STD % x avg MP STD int rate + Other Debt	1.2112% 0.1551% 0.0000%
19	Total Weighted Cost of Debt	1.3663%

AEP GENERATING COMPANY ROCKPORT POWER BILL DETERMINATION OF UNIT 1 MATERIALS AND SUPPLIES

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UNIT 1

Line		ONIT
No.		<u>January, 2014</u>
1	Unit 1 Materials and Supplies:	
2	Fuel Stock - Coal (per Line 23)	21,254,831
3	Fuel Stock Expenses - Undistributed (152)	693,645
4	Fuel Stock - Oil (151)	1,946,596
5	Plant Materials & Operating Supplies	12,373,232
6	Merchandise	0
7	Undistributed Stores Expense	0
8	Total Materials & Supplies	36,268,304
9	Support of Coal Inventory Value:	=======================================
10	Actual Coal Inventory (a/c 151.10)	12,177,688
11	+ Equivalent Inventory re: Deferred Return	21,504,092,403
	·	
12	= Imputed Coal Inventory	21,516,270,091
13	Coal Inventory W/68 Day Supply Cap	
14	Tons Consumed - CHANGE ANNUALLY FROM DEC PG 24	2,603,238
15	/ Hours Available * CHG ANNUALLY FROM GADS RPT 511	8031.6
16	= Tons Consumed per Hour	324.12
17	x 24 Hours per Day	24
18	= Tons Consumed Per Day	7778.88
19	x 68 days	68 538.064
20 21	= 68 day Supply (Tons) x Coal Cost per Ton (per a/c 151.10 at End of Prior Month)	528,964 40.182
21	x Goal Gost per 1011 (per a/C 131.10 at Life of Filor Month)	
22	= 68 day Coal Inventory	21,254,831
23	Lesser of Imputed or Capped Coal Inventory	21,254,831
24	Imputed Inventory Minus Line 23	21,495,015,260
25	Accumulated Deferred Inventory Return - Unit 1 (Memo Item):	
26	Beginning Balance	146,516,656
27	+ Current Month Return on Beginning Balance	1,005,130
28	+ Current Month Deferral	0
29	- Current Month Recovery	60,584
30	= Ending Balance **	147,461,202
	•	=======================================

^{*} Excludes Forced Outages, Scheduled Outages, and Curtailments

^{**} May Not Be Less Than Zero

AEP GENERATING COMPANY ROCKPORT POWER BILL DETAIL OF OTHER OPERATING REVENUES

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Line No.	Account <u>No.</u>	<u>Description</u>	UNIT 1 January, 2014
1	450	Forfeited Discounts	0
2	451	Miscellaneous Service Revenues	0
3	453	Sales of Water and Water Power	0
4	454	Rent From Electric Property - Associated Companies	0
5	454.20	Rent From Electric Property - Non-Associated Companies	0
6	455	Interdepartmental Rents	0
7	456	Other Electric Revenues	(8,750)
8	411.8	Proceeds/gains From Sale of Emission Allowances	0
9		Total Other Operating Revenues	(8,750)

AEP GENERATING COMPANY ROCKPORT POWER BILL DETAIL OF OPERATION & MAINTENANCE EXPENSES

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1 :	A		UNIT 1
Line <u>No.</u>	Account No.	Description	<u>January, 2014</u>
1		Steam Power Generation - Operation	446,610
2	501	Fuel - Operation	11,425,769
3	510-515	Steam Power Generating - Maintenance	472,659
4		Total Steam Power Generation Expenses	12,345,039
5	555-557	Other Power Supply Expenses	18,006
6	560-567.1	Transmission Expenses - Operation	0
7	568-574	Transmission Expenses - Maintenance	0
8		Total Transmission Expenses	0
9	580-589	Distribution Expenses - Operation	0
10	590-598	Distribution Expenses - Maintenance	0
11		Total Distribution Expenses	0
12	901-905	Customer Accounts Expenses - Operation	0
13	906-910	Customer Service and Informational Expenses - Operation	0
14	911-917	Sales Expenses - Operation	0
15	920-933	Administrative and General Expenses -	
40	005	Operation	197,515
16	935	Administrative and General Expenses - Maintenance	14,608
17		Total Administrative & General Exp.	212,123
18		Total Operation & Maintenance Expenses	12,575,168

AEP GENERATING COMPANY ROCKPORT POWER BILL DETAIL OF DEPRECIATION EXPENSE AND AMORTIZATION EXPENSES

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	Line No.	Account <u>No.</u>	Description	UNIT 1 <u>January, 2014</u>
1a	1	403 403.1	Depreciation Expense ARO Depreciation Expense	1,626,948 3,343
	2		Amortization of Limited-Term Electric Plant	0,010
	3	405	Amortization of Other Electric Plant	0
	4		Amortization of Electric Plant Acquistion Adjustments	0
	5	407	Amortization of Property Losses, Unrecovered Plant and Regulatory	v
			Study Costs	0
	6		Total Depreciation Exp. & Amortization	1,630,291
	7	411.10	ARO Accretion Expense	16,224
	8		Total Depreciation, Amortization & Accretion Expenses	1,646,515

AEP GENERATING COMPANY ROCKPORT POWER BILL DETAIL OF TAXES OTHER THAN FEDERAL INCOME TAXES

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Line No. BS1	Account <u>No.</u>	<u>Description</u>	January, 2014
1	408.1	Taxes Other Than Federal Income Taxes, Utility Operating Income	169,353
2	409.1	State Income Taxes	37,500
3		Total Taxes Other than FIT	206,853
			=========

AEP GENERATING COMPANY ROCKPORT POWER BILL DETAIL OF UNIT 1 SCHEDULE 'M' ADJUSTMENTS AND DEFERRED FEDERAL INCOME TAX

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Line No.	Account <u>No.</u>	Description	TOTAL	KPCO SHARE	I&M <u>Share</u>
1		Unit 1 Schedule `M' Adjustments*			
2	N/A	Excess ACRS Over Normalization Base Depreciation	3,000	900	2,100
3	N/A	Excess Normalization Base Over Book Depreciation	(19,500)	(5,850)	(13,650)
4	N/A	Other Unit 1 Schedule `M' Adjustments	1,018,502	305,551	712,951
5	***	Total Unit 1 Schedule `M' Adjustments	1,002,002	300,601	701,401
6 7	410.1	Unit 1 Deferred Federal Income Tax Excess ACRS Over Norm. Base Depr. (Line 2 x FIT Rate * -1)	(278,508)		
8	410.1&411.1	Other Unit 1 Schedule `M' Adjustments -			
9	411.1	Feedback of Accumulated DFIT re: ABFUDC - Unit 1 Negative Amount Denotes Reduction.	2,279	684	1,595
10	411.1	Feedback of Accumulated DFIT re: Overheads Capitalized - Unit 1	51	15	36
11	411.1	Feedback of Accumulated DFIT re: Other Schedule `M' AdjUtility	(31,287)	(9,386)	(21,901)
12	***	Total Unit 1 Deferred Federal Income Tax	(307,466)	(92,239)	(215,226)

^{***} Positive Amount Denotes Increase In Taxable Income, Negative Amount Denotes Reduction.

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AEP GENERATING COMPANY
ROCKPORT POWER BILL
DETAIL OF NET IN-SERVICE INVESTMENT UNIT 1

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			UNIT 1
Line No.	Account <u>No.</u>	<u>Description</u>	<u>January, 2014</u>
1		ELECTRIC PLANT IN SERVICE	
2	101	Electric Plant In Service	653,929,423
3	102	Electric Plant Purchased	0
4	103	Experimental Elec. Plant Unclassified	0
5	103.1	Electric Plant In Process of	0
6	104	Reclassification Electric Plant Leased to Others	0
7	106	Completed Construction Not Classified	2,627,298
8	114	Electric Plant Acquisition Adjustments	0
9	116	Other Electric Plant Adjustments	0
10	118	Other Utility Plant	0
11		Total Electric Plant In Service	656,556,721
12	105	Plant Held For Future Use	0
13		ACCUMULATED DEPRECIATION	
14	108	Accumulated Provision for Depreciation	
		of Electric Utility Plant	431,467,658
15	110	Accumulated Provision for Depreciation and Amort. of Elec. Utility Plant	0
16	111	Accumulated Provision for Amortization	
17	115	of Electric Utility Plant Accumulated Provision for Amortization of Electric Plant Acquisition	471,778
		Adjustments	0
18	119	Accumulated Provision for Depreciation	
		and Amortization of Other Utility Plant	0
		riant	
19		Total Accumulated Depreciation	431,939,436
20		MATERIAL AND SUPPLIES	
21	151	Fuel Stock	23,201,427
22	152	Fuel Stock Expenses - Undistributed	693,645
23	153	Residuals	0
24 25	154 155	Plant Materials and Operating Supplies Merchandise	12,373,232 0
26	156	Other Materials and Supplies	0
27	163	Stores Expense Undistributed	0
28		Total Materials and Supplies	
		(In-Service Portion)	36,268,304
29	165	Prepayments	44,730
30	186	Other Deferred Debits	0

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AEP GENERATING COMPANY ROCKPORT POWER BILL Pg 13a of 18 OTHER WORKING CAPITAL, UNAMORTIZED DEBT EXPENSE,

AND OTHER DEFERRED CREDITS

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			UNIT 1
Line	Account		January , 2014
No.	No.	Description *	
1	128	Other Special Funds	0
2	131	Cash	0
3	135	Other Intra Company Adjustments	0
4	143	Accounts Receivable-Miscellaneous	44,476
5	146	Accounts Receivable-Associated Company	17,651,298
6	171	Interest and Dividends Receivable	588
7	174	Miscellaneous Current and Accrued Assets	0
8	232	Accounts Payable-General	(19,103)
9	234	Accounts Payable-Associated Company	(11,160,451)
10	236	Taxes Accrued	(2,710,445)
11	237	Interest Accrued	(190,300)
12	238	Dividends Declared	0
13	241	Tax Collections Payable	0
14	242	Misc Current and Accrued Liabilities	(3,291,079)
15		Total Other Working Capital	324,984
16	181	Unamortized Debt Expense	76,803
17	253	Other Deferred Credits	0

^{*} debit <credit>

AEP GENERATING COMPANY ROCKPORT POWER BILL DETAIL OF NET IN-SERVICE INVESTMENT UNIT 1

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Line <u>No.</u>	Account <u>No.</u>	<u>Description</u>	<u>January, 2014</u>
31		ACCUMULATED DEFERRED INCOME TAXES	
32	190	-Accumulated Deferred Income Taxes	2,074,393
33	281	+Accumulated Deferred Income Taxes - Accelerated Amortization Property	0
34	282	+Accumulated Deferred Income Taxes - Other Property	44,891,931
35	283	+Accumulated Deferred Income Taxes - Other	864,786
36		Total Accumulated Deferred Income Taxes (In-Service Portion)	43,682,324
37	255	+Accumulated Deferred Investment Tax Credits	13,774
38	186.50	-Accumulated Deferred Investment Tax Credit	0
39		Total Accumulated Deferred Investment	
40		Tax Credits Total Net In-Service Investment -	13,774
		Unit 1	217,636,008

AEP GENERATING COMPANY ROCKPORT POWER BILL DETAIL OF NON-IN-SERVICE INVESTMENT - CWIP AND OTHER

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Line No.	Account <u>No.</u>	<u>Description</u>	UNIT 1 Page January, 2014
		Non-In-Service Investment - CWIP	
1	107	Construction Work In Process	51,293,276
2		MATERIAL AND SUPPLIES	
3	151	Fuel Stock	0
4	152	Fuel Stock Expenses - Undistributed	0
5	153	Residuals	0
6	154	Plant Materials and Operating Supplies	0
7	155	Merchandise	0
8	156	Other Material and Supplies	0
9	163	Stores Expense Undistributed	0
10		Total Material and Supplies (CWIP Portion)	0
11		ACCUMULATED DEFERRED INCOME TAXES	
12	190	-Accumulated Deferred Income Taxes	0
13	281	+Accumulated Deferred Income Taxes -	
		Accelerated Amortization Property	0
14	282	+Accumulated Deferred Income Taxes -	
		Other Property	0
15	283	+Accumulated Deferred Income Taxes -	٥
10		Other	0
16		Total Accumulated Deferred Income Taxes (CWIP Portion)	0
17		TOTAL NON-IN-SERVICE INVESTMENT - CWIP	51,293,276
		Non-In-Service Investment - Other	=========
18	105	Plant Held for Future Use	1,034,099
19	186	Other Deferred Debits	1,069,483
20	151.10	Fuel Inventory Over Allowed Level *	(9,077,143)
21		Total Non-In-Service Investment -	
		Other	(6,973,560) ======
	* INCLUE	DES ROCKPORT 1 AND 2	
		UNIT 1	(9,077,143)
		UNIT 2	0
		TOTAL	(9,077,143)
			========

AEP GENERATING COMPANY ROCKPORT POWER BILL DETAIL OF NET CAPITALIZATION

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UNIT 1

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Line No.	Account <u>No.</u>	<u>Description</u>	<u>January, 2014</u>
1		COMMON CAPITAL STOCK	
2	201	Common Stock Issued	383,000
3	202	Common Stock Subscribed	0
4	203	Common Stock Liability for Conversion	0
5	209	Reduction In Par or Stated Value of Capital Stock	0
6	210	Gain on Resale or Cancellation of Reacquired Capital Stock	0
7	212	Installments Received on Capital Stock	0
8	214	Capital Stock Expense	0
9	217	Reacquired Capital Stock	0
10		Total Common Capital Stock	383,000
11		OTHER PAID-IN CAPITAL	
12	207	Premium on Capital Stock	0
13	208	Donations Received from Stockholders	87,478,987
14	211	Miscellaneous Paid-In Capital	0
15	213	Discount on Capital Stock	0
16		Total Other Paid-In Capital	87,478,987
17		RETAINED EARNINGS	
18	215	Appropriated Retained Earnings	0
19	215.1	Appropriated Retained Earnings-	
		Amortization Reserve, Federal	0
20	216	Unappropriated Retained Earnings	2,547,904
21		Total Retained Earnings	2,547,904
22		Total Common Equity	90,409,891
23		PREFERED CAPITAL STOCK	
24	204	Preferred Stock Issued	0
25	205	Preferred Stock Subscribed	0
26	206	Preferred Stock Liability	
		for Conversion	0
27		Total Preferred Capital Stock	0

AEP GENERATING COMPANY ROCKPORT POWER BILL DETAIL OF NET CAPITALIZATION (Cont'd)

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Line No.	Account <u>No.</u>	<u>Description</u>	<u>January, 2014</u>
28		LONG-TERM DEBT	
29 30 31 32 33	221 222 223 224 225	Bonds Reacquired Bonds Advances from Associated Companies Other Long-Term Debt Unamortized Premium on Long-Term Debt-Credit Unamortized Discount on Long-Term	0 0 0 64,834,718
35		Debt-Debit Total Long-Term Debt	0 64,834,718
36a 36b 37	231.02 231.03 233.00	SHORT-TERM DEBT Notes Payable (Short-Term Debt) Unamortized Discount Notes Payable, Assoc Co(Money Pool)	0 0 78,377,649
38		Total Short-Term Debt	78,377,649
39		TEMPORARY CASH INVESTMENTS	
40 41 42 43	132 133 134 136, 145	Interest Special Deposits Dividend Special Deposits Other Special Deposits Temporary Cash Investments	0 0 0 0
44		Total Temporary Cash Investments	0
45		NET CAPITALIZATION	233,622,258 =======

AEP GENERATING COMPANY ROCKPORT POWER BILL DETERMINATION OF RATE OF RETURN (Net & Pre-Tax)

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Capitalization Balances (Prior Month Ending) :	Line No.		UNIT 1 <u>January, 2014</u>
3 + Short-Term Debt (Accts 231 + 233) 78,377,649 4 + Preferred Stock 0 5 + Common Equity (Accts 201 thru 216) 90,409,891 6 - Capitalization Offsets 0 7 Total Capitalization Balances : 233,622,258 8 Weighting of Capitalization Balances :	1	Capitalization Balances (Prior Month Ending):	
4 + Preferred Stock 0 5 + Common Equity (Accts 201 thru 216) 90,409,891 6 - Capitalization Offsets 0 7 Total Capitalization Balances 233,622,258 8 Weighting of Capitalization Balances:			
5 + Common Equity (Accts 201 thru 216) 90,409,891 6 - Capitalization Offsets 0 7 Total Capitalization Balances 233,622,258 8 Weighting of Capitalization Balances: 27.7519% 10 + Short-Term Debt (STD/Total Capital) 33.5489% 11 + Preferred Stock 0.0000% 12 + Common Equity (Common Equity/Total Capital) 38.6992% 13 - Capitalization Offsets 0.0000% 14 Total Capitalization 100.0000% 15 Capitalization Cost Rates:		·	_
6 - Capitalization Offsets 0 7 Total Capitalization Balances 233,622,258 8 Weighting of Capitalization Balances:			-
8 Weighting of Capitalization Balances : 9 Long-Term Debt (LTD/Total Capital) 27.7519% 10 + Short-Term Debt (STD/Total Capital) 33.5489% 11 + Preferred Stock 0.0000% 12 + Common Equity (Common Equity/Total Capital) 38.6992% 13 - Capitalization Offsets 0.0000% 14 Total Capitalization 100.0000% 15 Capitalization Cost Rates :			_
9 Long-Term Debt (LTD/Total Capital) 27.7519% 10 + Short-Term Debt (STD/Total Capital) 33.5489% 11 + Preferred Stock 0.0000% 12 + Common Equity (Common Equity/Total Capital) 38.6992% 13 - Capitalization Offsets 0.0000% 14 Total Capitalization	7	Total Capitalization Balances	, ,
10	8	Weighting of Capitalization Balances:	
10	9	Long-Term Debt (LTD/Total Capital)	27.7519%
11 + Preferred Stock 0.0000% 12 + Common Equity (Common Equity/Total Capital) 38.6992% 13 - Capitalization Offsets 0.0000% 14 Total Capitalization 100.0000% 15 Capitalization Cost Rates :			
13	11	• • •	0.0000%
14 Total Capitalization 100.0000% 15 Capitalization Cost Rates: 16 Long-Term Debt (avg LTD int rate) 2.6755% 17 Short-Term Debt (avg money pool STD int rate) 0.2834% 18 Preferred Stock 0.0000% 19 Common Equity (FERC fixed rate) 12.1600% 20 Capitalization Offsets (sum of weighted costs of debt) 1.3663% 21 Rate of Return (Net of Tax): 22 Long-Term Debt (LTD % x avg LTD int rate) 0.7425% 23 + Short-Term Debt (STD % x avg MP STD int rate) 0.0951% 24 + Preferred Stock 0.0000% 25 + Common Equity (CE % x FERC fixed rate) 4.7058% 26 - Capitalization Offsets 0.0000% 27 Total Rate of Return (Net of Tax) 5.5434% 28 Weighted Net Cost of Debt (LTD Rate of Return + STD RR - Cap Offsets RR) 29 + Pre-Tax Common Equity (Line 25 / .65) 7.2397% (Common Equity Rate of Return grossed up for tax) 30 = Rate of Return (Pre-Tax) 8.0773%	12	+ Common Equity (Common Equity/Total Capital)	38.6992%
14 Total Capitalization 100.0000% 15 Capitalization Cost Rates : 16 Long-Term Debt (avg LTD int rate) 2.6755% 17 Short-Term Debt (avg money pool STD int rate) 0.2834% 18 Preferred Stock 0.0000% 20 Common Equity (FERC fixed rate) 12.1600% 20 Capitalization Offsets (sum of weighted costs of debt) 1.3663% 21 Rate of Return (Net of Tax) : 0.7425% 23 + Short-Term Debt (STD % x avg MP STD int rate) 0.0951% 24 + Preferred Stock 0.0000% 25 + Common Equity (CE % x FERC fixed rate) 4.7058% 26 - Capitalization Offsets 0.0000% 27 Total Rate of Return (Net of Tax) 5.5434% 28 Weighted Net Cost of Debt (LTD Rate of Return + STD RR - Cap Offsets RR) 0.8376% 29 + Pre-Tax Common Equity (Line 25 / .65) 7.2397% (Common Equity Rate of Return grossed up for tax) 30 = Rate of Return (Pre-Tax) 8.0773%	13	- Capitalization Offsets	
15 Capitalization Cost Rates : 16 Long-Term Debt (avg LTD int rate) 2.6755% 17 Short-Term Debt (avg money pool STD int rate) 0.2834% 18 Preferred Stock 0.0000% 19 Common Equity (FERC fixed rate) 12.1600% 20 Capitalization Offsets (sum of weighted costs of debt) 1.3663% 21 Rate of Return (Net of Tax) :	14	Total Capitalization	100.0000%
17 Short-Term Debt (avg money pool STD int rate) 0.2834% 18 Preferred Stock 0.0000% 19 Common Equity (FERC fixed rate) 12.1600% 20 Capitalization Offsets (sum of weighted costs of debt) 1.3663% 21 Rate of Return (Net of Tax) :	15	Capitalization Cost Rates :	
17 Short-Term Debt (avg money pool STD int rate) 0.2834% 18 Preferred Stock 0.0000% 19 Common Equity (FERC fixed rate) 12.1600% 20 Capitalization Offsets (sum of weighted costs of debt) 1.3663% 21 Rate of Return (Net of Tax) :	16	Long-Term Debt (avg LTD int rate)	2.6755%
18 Preferred Stock 0.0000% 19 Common Equity (FERC fixed rate) 12.1600% 20 Capitalization Offsets (sum of weighted costs of debt) 1.3663% 21 Rate of Return (Net of Tax) :			
20 Capitalization Offsets (sum of weighted costs of debt) 1.3663% 21 Rate of Return (Net of Tax) :	18		0.0000%
21 Rate of Return (Net of Tax) : 22 Long-Term Debt (LTD % x avg LTD int rate) 0.7425% 23 + Short-Term Debt (STD % x avg MP STD int rate) 0.0951% 24 + Preferred Stock 0.0000% 25 + Common Equity (CE % x FERC fixed rate) 4.7058% 26 - Capitalization Offsets 0.0000% 27 Total Rate of Return (Net of Tax) 5.5434%	19	Common Equity (FERC fixed rate)	12.1600%
22 Long-Term Debt (LTD % x avg LTD int rate) 0.7425% 23 + Short-Term Debt (STD % x avg MP STD int rate) 0.0951% 24 + Preferred Stock 0.0000% 25 + Common Equity (CE % x FERC fixed rate) 4.7058% 26 - Capitalization Offsets 0.0000% 27 Total Rate of Return (Net of Tax) 5.5434% ==================================	20	Capitalization Offsets (sum of weighted costs of debt)	1.3663%
23 + Short-Term Debt (STD % x avg MP STD int rate) 0.0951% 24 + Preferred Stock 0.0000% 25 + Common Equity (CE % x FERC fixed rate) 4.7058% 26 - Capitalization Offsets 0.0000% 27 Total Rate of Return (Net of Tax) 5.5434% ==================================	21	Rate of Return (Net of Tax):	
24 + Preferred Stock 0.0000% 25 + Common Equity (CE % x FERC fixed rate) 4.7058% 26 - Capitalization Offsets 0.0000% 27 Total Rate of Return (Net of Tax) 5.5434%	22	Long-Term Debt (LTD % x avg LTD int rate)	0.7425%
25 + Common Equity (CE % x FERC fixed rate) 4.7058% 26 - Capitalization Offsets 0.0000% 27 Total Rate of Return (Net of Tax) 5.5434% ==================================	23		0.0951%
26 - Capitalization Offsets 0.0000% 27 Total Rate of Return (Net of Tax) 5.5434% ==================================	24		0.0000%
Total Rate of Return (Net of Tax) 5.5434% Weighted Net Cost of Debt (LTD Rate of Return + STD RR - Cap Offsets RR) Pre-Tax Common Equity (Line 25 / .65) (Common Equity Rate of Return grossed up for tax) Rate of Return (Pre-Tax) 7.2397% 8.0773%	25		4.7058%
28 Weighted Net Cost of Debt (LTD Rate of Return + STD RR - Cap Offsets RR) 29 + Pre-Tax Common Equity (Line 25 / .65) (Common Equity Rate of Return grossed up for tax) 30 = Rate of Return (Pre-Tax)	26	- Capitalization Offsets	0.0000%
(LTD Rate of Return + STD RR - Cap Offsets RR) 29 + Pre-Tax Common Equity (Line 25 / .65) 7.2397% (Common Equity Rate of Return grossed up for tax) 30 = Rate of Return (Pre-Tax) 8.0773%	27	Total Rate of Return (Net of Tax)	
29 + Pre-Tax Common Equity (Line 25 / .65) 7.2397% (Common Equity Rate of Return grossed up for tax)	28		0.8376%
30 = Rate of Return (Pre-Tax) 8.0773%	29	+ Pre-Tax Common Equity (Line 25 / .65)	7.2397%
	30		

A E P GENERATING COMPANY

January, 2014^{C's} First Set of Data Requests
Dated September 5, 2014

ESTIMATE

KPSC Case No. 2014-00225

Dated September 5, 2014

Item No. 4

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ROCK PORT OPERATION & MAINTENANCE EXPENSES UNIT 1 50% OWNERSHIP INTEREST OF ROCKPORT PLANT

500	SUPERVISION AND ENGINEERING	110,798
501	FUEL	11,425,769
502	STEAM EXPENSES	71,500
503	STEAM FROM OTHER SOURCES	0
504	STEAM TRANSFERRED - CR	0
505	ELECTRIC EXPENSES	72,152
506	MISC. STEAM POWER EXPENSES	192,161
507	RENTS	0
508	OPERATION SUPPLIES AND EXPENSES	0
509	CARRYING CHARGES - ALLOWANCES	0
	TOTAL OPERATION EXPENSE	11,872,380
	TOTAL OF LINATION EXPLINE	11,072,300
E 1 0	MAINTENIANCE CLIDED AND ENCINEEDING	60 600

510	MAINTENANCE SUPER. AND ENGINEERING	68,693
511	MAINTENANCE OF STRUCTURES	35,641
512	MAINTENANCE OF BOILER PLANT	260,272
513	MAINTENANCE OF ELECTRIC PLANT	81,927
514	MAINTENANCE OF MISC. STEAM PLANT	26,127
515	MAINTENANCE NORMALIZING	0

TOTAL MAINTENANCE EXPENSES 472,659

555	PURCHASED POWER	0
556	SYSTEM CONTROL AND LOAD DISPATCHING	5,549
557	OTHER POWER SUPPLY EXPENSES	12,458

TOTAL OTHER SUPPLY EXPENSES 18,006

IS FUEL IN BALANCE ON PAGE 2	AMOUNT MUST BE ZERO 0
NO OF DAYS IN CURRENT MO	31
NO OF DAYS IN CURRENT YEAR	365
CURRENT YEAR IS	2014
CURRENT MONTH IS	1
THIS BILLING IS FOR MONTH OF	January, 2014

A E P GENERATING COMPANY

KPSC Case No. 2014-00225

Janualy, 2017 First Set of Data Requests
ESTIMATE

Dated September 5, 2014

Item No. 4

Attachment 1

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ROCK PORT OPERATION & MAINTENANCE EXPENSES UNIT 1 50% OWNERSHIP INTEREST OF ROCKPORT PLANT

901 902 903 904	SUPERVISION METER READING EXPENSES CUSTOMER RECORDS AND COLLECTION EXPENSES UNCOLLECTIBLE ACCOUNTS	0 0 0
905	MISCELLANEOUS CUSTOMER ACCOUNTS EXPENSES	0
	TOTAL CUSTOMER ACCOUNTS EXPENSES	0
906	CUSTOMER SERVICE AND INFORMATIONAL EXP	0
907	SUPERVISION	0
908 909	CUSTOMER ASSISTANCE EXPENSES INFORMATIONAL AND INSTRUCTIONAL	0
000	ADVERTISING EXPENSES	0
910	MISCELLANEOUS CUSTOMER SERVICE	
	AND INFORMATIONAL EXPENSES	0
	TOTAL CUSTOMER SERVICES EXPENSES	0
911	SUPERVISION	0
912	DEMONSTRATION AND SELLING EXPENSES	0
913	ADVERTISING EXPENSES	0
916	MISCELLANEOUS SALES EXPENSES (MAJOR)	0
917	SALES EXPENSES (NON-MAJOR)	0
	TOTAL SALES EXPENSES	0
920	ADMIN. & GENERAL SALARIES	28,240
921	OFFICE SUPPLIES AND EXPENSES	11,519
922	ADMINISTRATIVE EXPENSES TRANSF - CR	0
923	OUTSIDE SERVICES	39,421
924 925	PROPERTY INSURANCE INJURIES AND DAMAGES	10,753
925 926	EMPLOYEE PENSIONS AND BENEFITS	2,759 69,667
927	FRANCHISE REQUIREMENTS	03,007
928	REGULATORY COMMISSION	0
929	DUPLICATE CHARGES-CREDIT	0
930	MISCELLANEOUS GENERAL EXPENSES	34,389
931	RENTS	766
933	TRANSPORTATION EXPENSE	0
	TOTAL ADM & GEN EXPENSES OPERATION	197,515
935	MAINTENANCE OF GENERAL PLANT	14,608
	TOTAL ADM & GEN EXPENSES	212,123
ACCOU	AEG OPERATION & MAINTENANCE EXPENSES NT 40190 TOTAL FOR CROSS FOOT DIFFERENCE	12,575,168 12,575,168 0

AEP GENERATING COMPANY ONE RIVERSIDE PLAZA.COLUMBUS.OH 43215 **TELEPHONE (614) 716-3724**

KPSC Case No. 2014-00225 KIUC's First Set of Data Requests Dated September 5, 2014 Item No. 4 Attachment 1 Page 119 of 350

INDIANA MICHIGAN POWER COMPANY P. O. BOX 60 FORT WAYNE, IN 46801

ESTIMATE 07-Feb-14

UNIT 2

POWER BILL - - January, 2014

IN ACCORDANCE WITH POWER AGREEMENT DATED OCTOBER 1, 1984 (AS AMENDED) ENERGY DELIVERED FOR THE MONTH OF January, 2014 KWH FOR THE MONTH 300,238,050

SUMMARY TOTAL Current Month Bill: Return on Common Equity (66, 235)Return on Other Capital (13,905)Total Return (80,140)Fuel 7,516,588 **Purchased Power** Other Operating Revenues (6,125)Other Operation and Maintenance Exp 4,845,555 Depreciation Expense 714,366 Taxes Other Than Federal Income Tax 142,277 Federal Income Tax (295, 356)TOTAL CURRENT UNIT POWER BILL 12,837,165 Prior Month's Adjustment: Return on Common Equity & Other Capital 0 Fuel Expense 0 Other Expenses (Includes taxes & interest) 169,995 TOTAL PRIOR MONTH'S ADJUSTMENTS 169,995

==========

TOTAL UNIT POWER BILL

13,007,160

AMOUNTS WILL BE PAID DIRECT FROM GENERAL FUNDS.

DUE DATE - · February 21, 2014

Cc: Steve Hornyak - Columbus

Kurt C Cooper - Ft Wayne

Dave Hille - Ft. Wayne Shannon Listebarger - Columbus

Mike Stout - Ft. Wayne Mike Giardina - Columbus

Sid Lyons - Columbus Michelle Howell - Columbus

AEP GENERATING COMPANY ONE RIVERSIDE PLAZA, COLUMBUS, OH 43215 TELEPHONE (614) 716-3724

KPSC Case No. 2014-00225 KIUC's First Set of Data Requests Dated September 5, 2014 Item No. 4 Attachment 1 Page 120 of 350

KENTUCKY POWER COMPANY 17TH ST. & CENTRAL AVE. ASHLAND, KY 41101 ESTIMATE 07-Feb-14

UNIT 2

POWER BILL - - January, 2014

IN ACCORDANCE WITH POWER AGREEMENT DATED OCTOBER 1, 1984 (AS AMENDED)

ENERGY DELIVERED FOR THE MONTH OF January, 2014

KWH FOR THE MONTH 128,673,450

SUMMARY TOTAL Current Month Bill: Return on Common Equity (28,386)Return on Other Capital (5,960)Total Return (34,346)Fuel 3,221,395 Purchased Power Other Operating Revenues (2,625)Other Operation and Maintenance Exp 2,076,667 Depreciation Expense 306,157 Taxes Other Than Federal Income Tax 60,976 Federal Income Tax (126,580)TOTAL CURRENT UNIT POWER BILL 5,501,644 ========== Prior Month's Adjustment: Return on Common Equity & Other Capital 0 Fuel Expense 0 Other Expenses (Includes taxes & interest) 72,855 TOTAL PRIOR MONTH'S ADJUSTMENTS 72,855

TOTAL UNIT POWER BILL

5,574,499

AMOUNTS WILL BE PAID DIRECT FROM GENERAL FUNDS.

DUE DATE - · February 21, 2014

Cc: Steve Hornyak - Columbus

Dave Hille - Ft. Wayne Mike Stout - Ft. Wayne

Mike Giardina - Columbus Sid Lyons - Columbus

Shannon Listebarger - Columbus

Michelle Howell - Columbus

Kurt C Cooper - Ft Wayne

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January, 2014

	TOTAL UNIT 2 POWER BILL	KPCO SHARE	I&M <u>Share</u>	
Return on Common Equity	(94,621)	(28,386)	(66,235)	
Return on Other Capital	(19,865)	(5,960)	(13,905)	
Total Return	(114,486)	(34,346)	(80,140)	
 + Fuel + Purchased Power - Other Operating Revenues + Other Operation and Maintenance Exp + Depreciation Expense + Taxes Other Than Federal Income Tax + Federal and State Income Tax 	10,737,983 0 (8,750) 6,922,222 1,020,523 203,253 (421,937)	3,221,395 0 (2,625) 2,076,667 306,157 60,976 (126,580)	7,516,588 0 (6,125) 4,845,555 714,366 142,277 (295,356)	
= Total Unit 2 Monthly Power Bill	18,338,808	5,501,644	12,837,165	
Determination of Federal Income Tax:	=======================================		=======	=======
Total Return (Line 3) + Unit 2 Schedule M Adjustments + Unit 2 Deferred Federal Income Taxes - Unit 2 Interest Expense Deduction *	(114,486) (164,865) (183,440) (19,865)	(34,346) (49,459) (55,032) (5,960)	(80,140) (115,405) (128,408) (13,905)	
 Subtotal x Gross-Up (FIT Rate / 1-FIT Rate) Unit 2 Current Federal Income Tax Unit 2 Def Fed & State Income Taxes 	(442,925) 0.538462 (238,498) (183,440)	(132,877) 0.538462 (71,549) (55,032)	(310,048) 0.538462 (166,949) (128,408)	
= Total Unit 2 Fed&State Income Taxes	(421,937)	(126,580)	(295,356)	
Proof of Federal Income Tax :				
Total Unit 2 Monthly Power Bill - Operation and Maintenance Expenses - Depreciation Expense - Taxes Other Than Federal Income Tax - Unit 2 Interest Expense Deduction * - Other Operating Revenues	18,338,808 17,660,205 1,020,523 203,253 (19,865) (8,750)	5,501,644 5,298,062 306,157 60,976 (5,960) (2,625)	12,837,165 12,362,143 714,366 142,277 (13,905) (6,125)	
= Pre-Tax Book Income+ Unit 2 Schedule M Adjustments	(516,558) (164,865)	(154,966) (49,459)	(361,591) (115,405)	
 Unit 2 Taxable Income x Current Federal Income Tax Rate Unit 2 Current Federal Income Tax Unit 2 Def Fed & State Income Taxes 	(681,423) 35% (238,498) (183,440)	(204,425) 35% (71,549) (55,032)	(476,996) 35% (166,949) (128,408)	
= Total Unit 2 Fed&State Income Taxes	(421,938)	(126,581)	(295,357)	

^{*} From Page 5 of 18 : Line 21 + (Line 28 x Line 31 x Line 32)

AEP GENERATING COMPANY ROCKPORT POWER BILL OPERATING RATIO

KPSC Case No. 2014-00225 KIUC's First Set of Data Requests Dated September 5, 2014 Item No. 4 Attachment 1 Page 122 of 350

Line No.		UNIT 2 <u>January, 2014</u>
1	Operating Ratio:	
2	Net In-Service Investment:	
3	Electric Plant In-Service	798,689,036
4	- Accumulated Depreciation	568,360,617
5 6	+ Materials & Supplies+ Prepayments	63,459,465 89,460
7	+ Plant Held For Future Use (A/C 105) *	09,400
8	+ Other Deferred Debits (A/C 186) *	0
9	+ Other Working Capital ***	4,658,195
10	+ Unamortized Debt Expense (A/C 181)	153,606
11	+ Deferred ASH pond cost (A/C182.3)	2,863,610
12	- Asset Retirement Obligation (A/C 230)	4,339,818
13	- Other Deferred Credits (A/C 253)	49,765,902
14 15	Accumulated Deferred FIT Accumulated Deferred ITC	37,328,428 17,579,506
16	Total Net In-Service Investment	192,539,101
17	Non-In-Service Investment - CWIP :	
18	Construction Work In Progress	51,293,276
19	+ Materials & Supplies	0
20	- Accumulated Deferred FIT	0
21	Total Non-In-Service Investment - CWIP	51,293,276
22	Non-In-Service Investment - Other :	
23	Plant Held for Future Use (A/C 105) **	0
24	+ Other Deferred Debits (A/C 186) **	1,069,483
25	+ Fuel Inventory Over Allowed Level ****	(9,077,143)
26	Total Non-In-Service Investment - Other	(8,007,660)
27	Total Investment (Lines 16+21+26)	235,824,717
28	Operating Ratio (Line 16/Line 27)	81.6450%
29	Non-In-Service Investment-CWIP Ratio (Line 21/Line 27)	21.7506%
30	Non-In-Service Investment-Other Ratio (Line 26/Line 27)	-3.3956%
31	Total Investment * As Permitted By FERC ** Excluding Amounts on Lines 7 and 8 *** Accounts 128, 131, 135, 143, 146, 171 and 174, Less Accounts 232-234, 236, 237, 238, 241 and 242 **** Includes Rockport 1 and 2	100.0000%

AEP GENERATING COMPANY ROCKPORT POWER BILL NET IN-SERVICE INVESTMENT RATIO

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Line No.		UNIT 2 <u>January, 2014</u>
1	Net In-Service Investment Ratio:	
2	Unit 2 Net In-Service Investment:	
3 4 5 6 7 8 9 10 11 12 13	Electric Plant In-Service - Accumulated Depreciation + Materials & Supplies + Prepayments + Plant Held For Future Use (A/C 105) * + Other Deferred Debits (A/C 186) * + Other Working Capital ** + Unamortized Debt Expense (A/C 181) + Deferred ASH pond cost (A/C182.3) - Asset Retirement Obligation (A/C 230) - Other Deferred Credits (A/C 253) - Accumulated Deferred FIT	142,132,314 136,421,181 27,191,161 44,730 0 0 4,333,211 76,803 1,431,805 2,169,909 49,765,902 (6,353,896)
15	- Accumulated Deferred ITC	17,565,732
16 17	Total Unit 2 Net In-Service Investment <u>Unit 1 Net In-Service Investment:</u>	(24,358,803)
18 19 20 21 22 23 24 25 26 27 28 29 30	Electric Plant In-Service - Accumulated Depreciation + Materials & Supplies + Prepayments + Plant Held For Future Use (A/C 105) * + Other Deferred Debits (A/C 186) * + Other Working Capital ** + Unamortized Debt Expense (A/C 181) + Deferred ASH pond cost (A/C182.3) - Asset Retirement Obligation (A/C 230) - Other Deferred Credits (A/C 253) - Accumulated Deferred FIT - Accumulated Deferred ITC	656,556,721 431,939,436 36,268,304 44,730 0 324,984 76,803 1,431,805 2,169,909 0 43,682,324 13,774
31	Total Unit 1 Net In-Service Investment	216,897,904
32	Total Net In-Service Investment	192,539,101 =======
33	Net In-Service Investment Ratio:	
34	Unit 2 (Line 16 / Line 32)	-12.6500%
35	Unit 1 (Line 31 / Line 32)	112.6500%
	* As Permitted By FERC	100.0000%

^{**} Accounts 128, 131, 135, 143, 146, 171 and 174, Less Accounts 232-234, 236, 237, 238, 241 and 242

AEP GENERATING COMPANY ROCKPORT POWER BILL CALCULATION OF RETURNS ON COMMON EQUITY & OTHER CAPITAL

KPSC Case No. 2014-00225 KIUC's First Set of Data Requests Dated September 5, 2014 Item No. 4 Attachment 1 Page 124 of 350

Line No.		UNIT 2 <u>January, 2014</u>
1	Net Capitalization:	
2 3 4 5 6	Long-Term Debt + Short-Term Debt + Preferred Stock + Common Equity - Temporary Cash Investments	64,834,718 78,377,649 0 90,409,891 0
7	Net Capitalization	233,622,258
8	40% of Net Capitalization	93,448,903
9	Return on Common Equity:	
10 11 12 13 14 15	Lesser of Line 5 or Line 8 x Equity Return (Monthly Rate) = Equity Return x Operating Ratio x Net In-Service Investment Ratio = Subtotal	90,409,891 1.01333% 916,151 81.6450% -12.6500% (94,621)
16 17 18 19 20 21	Excess of Line 5 Over Line 8 x Weighted Cost of Debt (Monthly Rate) = Return on Equity over 40% of Capitalization x Operating Ratio x Net In-Service Investment Ratio = Subtotal	0 0.1160% 0 81.6450% -12.6500%
22	Unit 2 Return on Equity (Line 15 + Line 21)	(94,621)
23	Return on Other Capital:	=======================================
24 25 26 27	Long-Term Debt Interest Expense (A/C 427-429) + Short-Term Debt Interest Expense (a/c 430) + Other Interest Expense (a/c 431) - Temporary Cash Investment Income *	147,326 45,009 0 0
28 29	Net Interest Expense+ Preferred Stock Dividends (a/c 437)	192,335 0
30 31 32	Net Cost of Other Capitalx Operating Ratiox Net In-Service Investment Ratio	192,335 81.6450% -12.6500%
33	= Unit 2 Return on Other Capital	(19,865)

AEP GENERATING COMPANY ROCKPORT POWER BILL DETERMINATION OF WEIGHTED COST OF DEBT

KPSC Case No. 2014-00225 KIUC's First Set of Data Requests Dated September 5, 2014 Pg 6 of 18 Item No. 4 Attachment 1

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Line No.		UNIT 2 <u>January, 2014</u>
1	Debt Balances (Prior Month Ending):	
2 3 4	Long-Term Debt (Accts 221 thru 226) + Short-Term Debt (Accts 231 + 233) + Other Debt (Accts 132 thru 136 + 145)	64,834,718 78,377,649 0
5	Total Debt Balances (Prior Month Ending)	143,212,367
6	Weighting of Debt Balances :	
7 8 9	Long-Term Debt (LTD bal/Total Debt bal) + Short-Term Debt (STD bal/Total Debt bal) + Other Debt	45.2717% 54.7283% 0.0000%
10	Total Debt Balances	100.0000%
11	Debt Cost Rates :	
12 13 14	Long-Term Debt (avg LTD int rate) Short-Term Debt (avg Money Pool STD int rate) Other Debt	2.6755% 0.2834% 0.0000%
15	Weighted Cost of Debt :	
16 17 18	Long-Term Debt (LTD % x avg LTD int rate) + Short-Term Debt (STD % x avg MP STD int rate) + Other Debt	1.2112% 0.1551% 0.0000%
19	Total Weighted Cost of Debt	1.3663%

AEP GENERATING COMPANY ROCKPORT POWER BILL DETERMINATION OF UNIT 2 MATERIALS AND SUPPLIES

KPSC Case No. 2014-00225 KIUC's First Set of Data Requests Dated September 5, 2014 Pg 7 of 18 Item No. 4 Attachment 1

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INCLUDE A/C 431 ON PG 5

UNIT 2

Line No.		<u>January, 2014</u>
1	Unit 2 Materials and Supplies:	
2 3 4 5 6 7	Fuel Stock - Coal (per Line 23) Fuel Stock Expenses - Undistributed (152) Fuel Stock - Oil (151) Plant Materials & Operating Supplies Merchandise Undistributed Stores Expense	12,177,688 693,645 1,946,596 12,373,232 0
8	Total Materials & Supplies	27,191,161
9	Support of Coal Inventory Value:	========
10 11	Actual Coal Inventory (a/c 151.10) + Equivalent Inventory re: Deferred Return	12,177,688 971,331,877
12	= Imputed Coal Inventory	983,509,565
13	Coal Inventory W/68 Day Supply Cap	
14 15 16 17 18 19 20 21	Tons Consumed - CHANGE ANNUALLY FROM DEC PG 24 / Hours Available * CHG ANNUALLY FROM GADS RPT 511 = Tons Consumed per Hour x 24 Hours per Day = Tons Consumed Per Day x 68 days = 68 day Supply (Tons) x Coal Cost per Ton (per a/c 151.10 at End of Prior Month)	2,539,993 7927.0 320.42 24 7690.08 68 522,925 40.182
22	= 68 day Coal Inventory	21,012,172
23	Lesser of Imputed or Capped Coal Inventory	21,012,172
24	Imputed Inventory Minus Line 23	962,497,393
25	Accumulated Deferred Inventory Return - Unit 2 (Memo Item):	
26 27 28 29	Beginning Balance + Current Month Return on Beginning Balance + Current Month Deferral - Current Month Recovery	6,618,103 45,401 59,979 0
30	= Ending Balance **	6,723,483
	* Excludes Forced Outages,Scheduled Outages,and Curtailments ** May Not Be Less Than Zero	
	Total Unit 2 Monthly Power Bill with Actual Total Unit 2 Monthly Power Bill with 68 Day Capped Difference	19,579,357 19,639,336 59,979

AEP GENERATING COMPANY ROCKPORT POWER BILL DETAIL OF OTHER OPERATING REVENUES

KPSC Case No. 2014-00225 KIUC's First Set of Data Requests Dated September 5, 2014 Pg 8 of 18 Item No. 4 Attachment 1 Page 127 of 350

Line No.	Account <u>No.</u>	<u>Description</u>	UNIT 2 January, 2014
1	450	Forfeited Discounts	0
2	451	Miscellaneous Service Revenues	0
3	453	Sales of Water and Water Power	0
4	454	Rent From Electric Property - Associated Companies	0
5	454.20	Rent From Electric Property - Non-Associated Companies	0
6	455	Interdepartmental Rents	0
7	456	Other Electric Revenues	(8,750)
8	411.8	Proceeds/Gains From Sale of Emission Allowances	0
9		Total Other Operating Revenues	(8,750)

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AEP GENERATING COMPANY ROCKPORT POWER BILL DETAIL OF OPERATION & MAINTENANCE EXPENSES

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			UNIT 2
Line No.	Account <u>No.</u>	Description	<u>January, 2014</u>
110.	<u> 110.</u>	<u> </u>	
1		Steam Power Generation - Operation	6,137,026
2	501	Fuel - Operation	10,737,983
3	510-515	Steam Power Generating - Maintenance	565,620
4		Total Steam Power Generation Expenses	17,440,628
5	555-557	Other Power Supply Expenses	18,006
6	560-567.1	Transmission Expenses - Operation	0
7	568-574	Transmission Expenses - Maintenance	0
8		Total Transmission Expenses	0
9	580-589	Distribution Expenses - Operation	0
10	590-598	Distribution Expennse - Maintenance	0
11		Total Distribution Expenese	0
12	901-905	Customer Accounts Expenses - Operation	0
13	906-910	Customer Service and Informational Expenses - Operation	0
14	911-917	Sales Expenses - Operation	0
		process of the contract of the	
15	920-933	Administrative and General Expenses - Operation	186,963
16	935	Administrative and General Expenses -	100,903
		Maintenance	14,608
17		Total Administrative & General Exp.	201,570
18		Total Operation & Maintenance Expenses	17,660,205
			=========

AEP GENERATING COMPANY ROCKPORT POWER BILL DETAIL OF DEPRECIATION & AMORTIZATION EXPENSES

KPSC Case No. 2014-00225 KIUC's First Set of Data Requests Dated September 5, 2014 Pg 10 of 18 Item No. 4 Attachment 1 Page 129 of 350

Line No.	Account No.	Description	UNIT 2 <u>January, 2014</u>
	<u></u>		
1	403	Depreciation Expense *	448,425
1a	403.1	ARO Depreciation Expense	3,343
2	404	Amortization of Limited-Term Electric Plant **	552,531
3	405	Amortization of Other Electric Plant	0
4	406	Amortization of Electric Plant	· ·
		Acquistion Adjustments	0
5	407	Amortization of Property Losses,	
		Unrecovered Plant and Regulatory Study Costs	0
		Stady Socie	_
6		Total Depreciation Exp. & Amortization	1,004,299
O		Total Depreciation Exp. & Amortization	1,004,299
7	444.40	ADO Assessing Francisco	40.004
7	411.10	ARO Accretion Expense	16,224
8		Total Depreciation, Amortization & Accretion Expenses	1,020,523

^{*} Rockport 2 Capitalized Spare Parts book depreciation rate = 3.52%

 ^{*} Rockport 2 Associated Equipment (not sold in Sale/Leaseback transaction) book depreciation rate = 3.07 %

^{**} Rockport 2 Leasehold Improvements Amortization rate = 3.03%

AEP GENERATING COMPANY ROCKPORT POWER BILL DETAIL OF TAXES OTHER THAN FEDERAL INCOME TAXES

KPSC Case No. 2014-00225 KIUC's First Set of Data Requests Dated September 5, 2014 Pg 11 of 18 Item No. 4 Attachment 1

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Line No.	Account <u>No.</u>	<u>Description</u>	UNIT 2 <u>January, 2014</u>
1	408.1	Taxes Other Than Federal Income Taxes, Utility Operating Income	165,753
2	409.1	State Income Taxes	37,500
3		Total Taxes Other than Federal Income Taxes	203,253

AEP GENERATING COMPANY ROCKPORT POWER BILL DETAIL OF UNIT 2 SCHEDULE `M' ADJUSTMENTS AND DEFERRED FEDERAL INCOME TAX

KPSC Case No. 2014-00225
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Dated September 5, 2014
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UNIT 2 Attachment 1
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Line No.	Account <u>No.</u>		<u>TOTAL</u>	KPCO <u>SHARE</u>	I&M <u>Share</u>
1		Unit 2 Schedule `M' Adjustments*			
2	N/A	Excess ACRS Over Normalization Base Depreciation	3,000	900	2,100
3	N/A	Excess Normalization Base Over Book Depreciation	247,500	74,250	173,250
4	N/A	Other Unit 2 Schedule `M' Adjustments	(415,365)	(124,609)	(290,755)
5	***	Total Unit 2 Schedule `M' Adjustments	(164,865)	(49,459)	(115,405)
6		Unit 2 Deferred Federal Income Tax			
7	410.1	Excess ACRS Over Norm. Base Depr. (Line 2 x FIT Rate * -1)	(31,885)	(9,566)	(22,320)
8	10.1&411	.Other Unit 2 Schedule `M' Adjustments -			
9	411.1	Feedback of Accumulated DFIT re: ABFUDC - Unit 2 Negative Amount Denotes Reduction.	12,024	3,607	8,416
10	411.1	Feedback of Accumulated DFIT re: Overheads Capitalized - Unit 2	181	54	126
11	411.1	Feedback of Accumulated DFIT re: Other Schedule `M' AdjUtility	(163,759)	(49,128)	(114,631)
12	***	Total Unit 2 Deferred Federal Income Tax	(183,440)	(55,032)	(128,408)
		ve Amount Denotes Increase In Taxable Income, e Amount Denotes Reduction.			
		Check Figure on Tax Page for Sch M	(164,865)		

Check Figure on Tax Page for Sch M (164,865)
Check Figure on Tax Page for DFIT (183,440)

NOTE: If the words SEE NOTE appear in this schedule, then the bill has not been properly identified as the ESTIMATE or ACTUAL on the INSTRUCTIONS tab (L6), and should be type in all capital lett

AEP GENERATING COMPANY ROCKPORT POWER BILL DETAIL OF NET IN-SERVICE INVESTMENT UNIT 2

KPSC Case No. 2014-00225 KIUC's First Set of Data Requests Dated September 5, 2014 Pg 13 of 18 Item No. 4

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Line	Account		UNIT 2 January, 2014
No.	No.	Description	<u>January, 2014</u>
1		ELECTRIC PLANT IN SERVICE	
2	101	Electric Plant In Service	139,131,350
3	102	Electric Plant Purchased	0
4	103	Experimental Elec. Plant Unclassified	0
5	103.1	Electric Plant In Process of Reclassification	0
6	104	Electric Plant Leased to Others	0
7	106	Completed Construction Not Classified	3,000,965
8	114	Electric Plant Acquisition Adjustments	0
9	116	Other Electric Plant Adjustments	0
10	118	Other Utility Plant	0
11		Total Electric Plant In Service	142,132,314
12	105	Plant Held For Future Use	0
13		ACCUMULATED DEPRECIATION	
14	108	Accumulated Provision for Depreciation	114 700 550
15	110	of Electric Utility Plant Accumulated Provision for Depreciation	114,722,558
16	111	and Amort. of Elec. Utility Plant Accumulated Provision for Amortization	0
17	115	of Electric Utility Plant Accumulated Provision for Amortization	21,698,622
		of Electric Plant Acquisition Adjustments	0
18	119	Accumulated Provision for Depreciation	
		and Amortization of Other Utility Plant	0
19		Total Accumulated Depreciation	136,421,181
		·	
20		MATERIAL AND SUPPLIES	
21	151	Fuel Stock	14,124,284
22	152	Fuel Stock Expenses - Undistributed	693,645
23	153	Residuals	0
24	154	Plant Materials and Operating Supplies	12,373,232
25	155	Merchandise	0
26	156	Other Materials and Supplies	0
27	163	Stores Expense Undistributed	0
28		Total Materials and Supplies (In-Service Portion)	27,191,161
29	165	Prepayments	44,730
00	100	Others Defermed D. 1.3	
30	186	Other Deferred Debits	0

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KIUC's First Set of Data Requests Dated September 5, 2014 Item No. 4

ROCKPORT POWER BILL OTHER WORKING CAPITAL, UNAMORTIZED DEBT EXPENSE, AND OTHER DEFERRED CREDITS

AEP GENERATING COMPANY

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Line No.	Account <u>No.</u>	Description *	UNIT 2 <u>January, 2014</u>
1	128	Other Special Funds	0
2	131	Cash	0
3	135	Other Intra Company Adjustments	0
4	143	Accounts Receivable-Miscellaneous	44,476
5	146	Accounts Receivable-Associated Company	17,973,123
6	171	Interest and Dividends Receivable	588
7	174	Miscellaneous Current and Accrued Assets	0
8	232	Accounts Payable-General	(19,103)
9	234	Accounts Payable-Associated Company	(11,100,450)
10	236	Taxes Accrued	(330,021)
11	237	Interest Accrued	(190,300)
12	238	Dividends Declared	0
13	241	Tax Collections Payable	0
14	242	Misc Current and Accrued Liabilities	(2,045,102)
15		Total Other Working Capital	4,333,211 =======
16	181	Unamortized Debt Expense	76,803
17	253	Other Deferred Credits	49,765,902

AEP GENERATING COMPANY ROCKPORT POWER BILL DETAIL OF NET IN-SERVICE INVESTIMENT UNIT 2(Cont'd)

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Line No.	Account No.	<u>Description</u>	UNII 2 <u>January, 2014</u>
31		ACCUMULATED DEFERRED INCOME TAXES	
32 33	190 281	-Accumulated Deferred Income Taxes +Accumulated Deferred Income Taxes -	20,731,368
0.4	000	Accelerated Amortization Property	0
34	282	+Accumulated Deferred Income Taxes - Other Property	13,402,235
35	283	+Accumulated Deferred Income Taxes - Other	975,238
36		Total Accumulated Deferred Income Taxes (In-Service Portion)	(6,353,896)
37	255	+Accumulated Deferred Investment Tax Credits	17,565,732
38	186.50	-Accumulated Deferred Investment Tax Credit	0
39		Total Accumulated Deferred Investment Tax Credits	
40		Total Net In-Service Investment -	17,565,732
		Unit 2	(23,620,700)

KPSC Case No. 2014-00225

KIUC's First Set of Data Requests Dated September 5, 2014

AEP GENERATING COMPANY ROCKPORT POWER BILL

Pg 15 of 18 DETAIL OF NON-IN-SERVICE INVESTMENT - CWIP AND OTHER

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	DETAIL	OF NON-IN-SERVICE INVESTMENT - CWIP AND	UNIT 2
Line	Account		January, 2014
No.	No.	<u>Description</u>	
		Non-In-Service Investment - CWIP	
1	107	Construction Work In Process	51,293,276
2		MATERIAL AND SUPPLIES	
3	151	Fuel Stock	0
4	152	Fuel Stock Expenses - Undistributed	0
5 6	153 154	Residuals Plant Materials and Operating Supplies	0
7	155	Merchandise	0
8	156	Other Material and Supplies	0
9	163	Stores Expense Undistributed	0
10		Total Material and Supplies	
		(CWIP Portion)	0
11		ACCUMULATED DEFERRED INCOME TAXES	
12	190	-Accumulated Deferred Income Taxes	0
13	281	+Accumulated Deferred Income Taxes - Accelerated Amortization Property	0
14	282	+Accumulated Deferred Income Taxes - Other Property	0
15	283	+Accumulated Deferred Income Taxes -	
16		Other Total Accumulated Deferred Income	0
		Taxes (CWIP Portion)	0
17		TOTAL NON-IN-SERVICE INVESTMENT -	54 000 070
		CWIP	51,293,276
		Non-In-Service Investment - Other	
18	105	Plant Held for Future Use	0
19	186	Other Deferred Debits	1,069,483
20	151.10	Fuel Inventory Over Allowed Level *	(9,077,143)
21		Total Non-In-Service Investment -	
		Other	(8,007,660)
	* INCLU	IDES ROCKPORT 1 AND 2	
		UNIT 1	(9,077,143)
		UNIT 2	0
		TOTAL	(9,077,143)
			=======================================

AEP GENERATING COMPANY ROCKPORT POWER BILL DETAIL OF NET CAPITALIZATION

KPSC Case No. 2014-00225 KIUC's First Set of Data Requests Dated September 5, 2014 Pg 16 of 18 Item No. 4 Attachment 1

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		DETAIL OF NET CAPITALIZATION	UNIT 2
Line	Account		January , 2014
No.	No.	<u>Description</u>	
1		COMMON CAPITAL STOCK	
2	201	Common Stock Issued	383,000
3	202	Common Stock Subscribed	0
4	203	Common Stock Liability for Conversion	0
5	209	Reduction In Par or Stated Value	
		of Capital Stock	0
6	210	Gain on Resale or Cancellation of	
		Reacquired Capital Stock	0
7	212	Installments Received on Capital Stock	0
8	214	Capital Stock Expense	0
9	217	Reacquired Capital Stock	0
10		Total Common Capital Stock	383,000
11		OTHER PAID-IN CAPITAL	
12	207	Premium on Capital Stock	0
13	208	Donations Received from Stockholders	87,478,987
14	211	Miscellaneous Paid-In Capital	0
15	213	Discount on Capital Stock	0
16		Total Other Paid-In Capital	87,478,987
17		RETAINED EARNINGS	
18	215	Appropriated Retained Earnings	0
19	215.1	Appropriated Retained Earnings-	
		Amortization Reserve, Federal	0
20	216	Unappropriated Retained Earnings	2,547,904
21		Total Retained Earnings	2,547,904
22		Total Common Equity	90,409,891
23		PREFERRED CAPITAL STOCK	
24	204	Preferred Stock Issued	0
25	205	Preferred Stock Subscribed	0
26	206	Preferred Stock Liability	
		for Conversion	0
27		Total Preferred Capital Stock	0
=:			

AEP GENERATING COMPANY ROCKPORT POWER BILL DETAIL OF NET CAPITALIZATION (Cont'd)

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Line No.	Account <u>No.</u>		UNIT 2 <u>January, 2014</u>
28		LONG-TERM DEBT	
29 30 31 32 33	221 222 223 224 225	Bonds Reacquired Bonds Advances from Associated Companies Other Long-Term Debt Unamortized Premium on Long-Term Debt-Credit Unamortized Discount on Long-Term Debt-Debit	0 0 0 64,834,718 0
35		Total Long-Term Debt	64,834,718
36a 36b	231.02 231.03 233.00	SHORT-TERM DEBT Notes Payable (Short-Term Debt) Unamortized Discount Notes Payable, Assoc Co(Money Pool)	0 0 0 78,377,649
38		Total Short-Term Debt	78,377,649
39		TEMPORARY CASH INVESTMENTS	
40 41 42 43	132 133 134 136, 145	Interest Special Deposits Dividend Special Deposits Other Special Deposits Temporary Cash Investments	0 0 0 0
44		Total Temporary Cash Investments	0
45		NET CAPITALIZATION	233,622,258

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AEP GENERATING COMPANY ROCKPORT POWER BILL DETERMINATION OF RATE OF RETURN (Net & Pre-Tax)

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Line No	UNIT 2 <u>January, 2014</u>	
1	Capitalization Balances (Prior Month Ending):	
2	Long-Term Debt (Accts 221 thru 226)	64,834,718
3	+ Short-Term Debt (Accts 231 + 233)	78,377,649
4	+ Preferred Stock	0
5	+ Common Equity (Accts 201 thru 216)	90,409,891
6	- Capitalization Offsets	0
7	Total Capitalization Balances	233,622,258
8	Weighting of Capitalization Balances :	
9	Long-Term Debt (LTD/Total Capital)	27.7519%
10	+ Short-Term Debt (STD/Total Capital)	33.5489%
11	+ Preferred Stock	0.0000%
12	+ Common Equity (Common Equity/Total Capital)	38.6992%
13	- Capitalization Offsets	0.0000%
14	Total Capitalization	100.0000%
15	Capitalization Cost Rates :	
16	Long-Term Debt (avg LTD int rate)	2.6755%
17	Short-Term Debt (avg money pool STD int rate)	0.2834%
18	Preferred Stock	0.0000%
19	Common Equity (FERC fixed rate)	12.1600%
20	Capitalization Offsets (sum of weighted costs of debt)	1.3663%
21	Rate of Return (Net of Tax) :	
22	Long-Term Debt (LTD % x avg LTD int rate)	0.7425%
23	+ Short-Term Debt (STD % x avg MP STD int rate)	0.0951%
24	+ Preferred Stock	0.0000%
25	+ Common Equity (CE % x FERC fixed rate)	4.7058%
26	- Capitalization Offsets	0.0000%
27	Total Rate of Return (Net of Tax)	5.5434%
28	Weighted Net Cost of Debt (LTD Rate of Return + STD RR - Cap Offsets RR)	0.8376%
29	+ Pre-Tax Common Equity (Line 25 / .65)	7.2397%
30	(Common Equity Rate of Return grossed up for tax) = Rate of Return (Pre-Tax)	8.0773% =======

A E P GENERATING COMPANY

January, 2014 ESTIMATE KPSC Case No. 2014-00225 KIUC's First Set of Data Requests Dated September 5, 2014 Item No. 4 Attachment 1

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ROCKPORT OPERATION & MAINTENANCE EXPENSES UNIT 2 50% OWNERSHIP INTEREST OF ROCKPORT PLANT

500 501 502 503 504 505 506 507 508 509	SUPERVISION AND ENGINEERING FUEL STEAM EXPENSES STEAM FROM OTHER SOURCES STEAM TRANSFERRED - CR ELECTRIC EXPENSES MISC. STEAM POWER EXPENSES RENTS OPERATION SUPPLIES AND EXPENSES CARRYING CHARGES - ALLOWANCES TOTAL OPERATION EXPENSE	112,522 10,737,983 66,256 0 0 68,327 199,668 5,690,253 0 0
510 511 512 513 514 515	MAINTENANCE SUPER. AND ENGINEERING MAINTENANCE OF STRUCTURES MAINTENANCE OF BOILER PLANT MAINTENANCE OF ELECTRIC PLANT MAINTENANCE OF MISC. STEAM PLANT MAINTENANCE NORMALIZING	68,763 14,756 259,559 196,529 26,012
555 556 557	TOTAL MAINTENANCE EXPENSES PURCHASED POWER SYSTEM CONTROL AND LOAD DISPATCHING OTHER POWER SUPPLY EXPENSES	565,620 0 5,549 12,458
	TOTAL OTHER SUPPLY EXPENSES	18,006

IS FUEL IN BALANCE ON PAGE 2	AMOUNT MUST BE ZERO 0
BE SURE THIS IS CORRECT	
NO OF DAYS IN CURRENT MO >	31
NO OF DAYS IN CURRENT YEAR >	365
CURRENT YEAR IS	2014
CURRENT MONTH IS	1
THIS BILLING IS FOR MONTH OF	January, 2014

January, 2014 Dated September 5, 2014

ROCKPORT OPERA <u>50%</u>

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6 OWNERSHIP INTEREST OF ROCKPORT PLANT		Page 140 of 350

901 902	SUPERVISION METER READING EXPENSES	0	
903	CUSTOMER RECORDS AND COLLECTION EXPENSES	0	
904 905	UNCOLLECTIBLE ACCOUNTS MISCELLANEOUS CUSTOMER ACCOUNTS EXPENSES	0	
905	WIGOLLEANLOGG GGSTOWLTT ACCOUNTS EXT ENGLS	U	
	TOTAL CUSTOMER ACCOUNTS EXPENSES	0	
906	CUSTOMER SERVICE AND INFORMATIONAL EXP	0	
907	SUPERVISION CHETOMER ASSISTANCE EXPENSES	0	
908 909	CUSTOMER ASSISTANCE EXPENSES INFORMATIONAL AND INSTRUCTIONAL	U	
	ADVERTISING EXPENSES	0	
910	MISCELLANEOUS CUSTOMER SERVICE		
	AND INFORMATIONAL EXPENSES	0	
	TOTAL CUSTOMER SERVICES EXPENSES	0	
911	SUPERVISION	0	
912	DEMONSTRATION AND SELLING EXPENSES	0	
913	ADVERTISING EXPENSES	0	
916	MISCELLANEOUS SALES EXPENSES (MAJOR)	0	
917	SALES EXPENSES (NON-MAJOR)	0	
	TOTAL SALES EXPENSES	0	
920	ADMIN. & GENERAL SALARIES	29,470	
921	OFFICE SUPPLIES AND EXPENSES	11,522	
922	ADMINISTRATIVE EXPENSES TRANSF - CR	07.000	
923 924	OUTSIDE SERVICES PROPERTY INSURANCE	27,636 10,753	
925	INJURIES AND DAMAGES	2,759	
926	EMPLOYEE PENSIONS AND BENEFITS	69,667	
927	FRANCHISE REQUIREMENTS	0	
928	REGULATORY COMMISSION	0	
929 930	DUPLICATE CHARGES-CREDIT MISCELLANEOUS GENERAL EXPENSES	0 34,389	
931	RENTS	766	
933	TRANSPORTATION EXPENSE	0	
	TOTAL ADM & GEN EXPENSES OPERATION	186,963	
935	MAINTENANCE OF GENERAL PLANT	14,608	
	TOTAL ADM & GEN EXPENSES	201,570	
TOTAL AEG OPERATION & MAINTENANCE EXPENSES 17,66			
	NT 40190 TOTAL FOR CROSS FOOT	17,660,205	
DIFFERENCE0			

AEP GENERATING COMPANY ONE RIVERSIDE PLAZA, COLUMBUS, OH 43215 TELEPHONE (614) 716-3724

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KENTUCKY POWER COMPANY 17TH ST. & CENTRAL AVE. ASHLAND, KY 41101 ESTIMATE 07-Mar-14

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UNIT 1

POWER BILL - - February, 2014

IN ACCORDANCE WITH POWER AGREEMENT DATED OCTOBER 1, 1984 (AS AMENDED)

ENERGY DELIVERED FOR THE MONTH OF February, 2014

KWH FOR THE MONTH 94,746,000

SUMMARY	<u>TOTAL</u>
Current Month Bill:	
Return on Common Equity	254,445
Return on Other Capital	48,457
Total Return	302,902
Fuel Purchased Power Other Operating Revenues Other Operation and Maintenance Exp Depreciation Expense Taxes Other Than Federal Income Tax Federal Income Tax	2,557,972 0 (2,625) 375,570 494,430 44,821 301,544
TOTAL CURRENT UNIT POWER BILL	4,074,614
Prior Month's Adjustment: Return on Common Equity & Other Capital Fuel Expense Other Expenses (Includes taxes & interest)	0 0 291,196
TOTAL PRIOR MONTH'S ADJUSTMENTS	291,196
TOTAL UNIT POWER BILL	4,365,810

AMOUNTS WILL BE PAID DIRECT FROM GENERAL FUNDS.

DUE DATE - - - March 21, 2014

Cc: Steve Hornyak - Columbus Kurt C Cooper - Ft Wayne

Dave Hille - Ft. Wayne Shannon Listebarger - Columbus

Mike Stout - Ft. Wayne Mike Giardina - Columbus

Sid Lyons - Columbus Michelle Howell - Columbus

Diane Keegan - Columbus

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AEP GENERATING COMPANY ONE RIVERSIDE PLAZA, COLUMBUS, OH 43215 **TELEPHONE (614) 716-3724**

KPSC Case No. 2014-00225 KIUC's First Set of Data Requests Dated September 5, 2014 Item No. 4 Attachment 1 Page 143 of 350

INDIANA MICHIGAN POWER COMPANY P. O. BOX 60 FORT WAYNE, IN 46801

ESTIMATE 07-Mar-14

UNIT 1

POWER BILL - - February, 2014

IN ACCORDANCE WITH POWER AGREEMENT DATED OCTOBER 1, 1984 (AS AMENDED)

ENERGY DELIVERED FOR THE MONTH OF February, 2014

KWH FOR THE MONTH 221,074,000

		,,
	<u>SUMMARY</u>	<u>TOTAL</u>
Current Month E	Bill:	
	Return on Common Equity	593,705
	Return on Other Capital	113,066
	Total Return	706,771
Prior Month's A	Fuel Purchased Power Other Operating Revenues Other Operation and Maintenance Exp Depreciation Expense Taxes Other Than Federal Income Tax Federal Income Tax TOTAL UNIT POWER BILL djustment: Return on Common Equity & Other Capital	5,968,602 0 (6,125) 876,330 1,153,670 104,582 703,598
	Fuel Other Expenses (Includes taxes & interest)	0 0 679,463
	TOTAL PRIOR MONTH'S ADJUSTMENTS	679,463
AMOUNTS WILL I	TOTAL UNIT POWER BILL BE PAID DIRECT FROM GENERAL FUNDS.	======================================

DUE DATE - - -March 21, 2014

Cc: Steve Hornyak - Columbus Kurt C Cooper - Ft Wayne

Dave Hille - Ft. Wayne Shannon Listebarger - Columbus

Mike Stout - Ft. Wayne

Mike Giardina - Columbus Kevin Amburgey-Columbus Michelle Howell - Columbus Sid Lyons - Columbus

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AEP GENERATING COMPANY ROCKPORT POWER BILL SUMMARY OF MONTHLY POWER BILL

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February, 2014

	TOTAL UNIT 1 POWER BILL	KPCO SHARE	I&M SHARE
Return on Common Equity	848,150	254,445	593,705
Return on Other Capital	161,523	48,457	113,066
Total Return	1,009,673	302,902	706,771
 + Fuel + Purchased Power - Other Operating Revenues + Other Operation and Maintenance Exp + Depreciation Expense + Taxes Other Than Federal Income Tax + Federal and State Income Tax 	8,526,574 0 (8,750) 1,251,900 1,648,100 149,403 1,005,141	2,557,972 0 (2,625) 375,570 494,430 44,821 301,544	5,968,602 0 (6,125) 876,330 1,153,670 104,582 703,598
= Total Unit 1 Monthly Power Bill	13,582,041	4,074,614	9,507,428
Determination of Federal Income Tax :	=======================================	=======================================	
Total Return (Line 3) + Unit 1 Schedule M Adjustments + Unit 1 Deferred Federal Income Taxes - Unit 1 Interest Expense Deduction *	1,009,673 264,777 264,973 164,826	302,902 79,433 79,493 49,448	706,771 185,344 185,481 115,378
 Subtotal x Gross-Up (FIT Rate / 1-FIT Rate) Unit 1 Current Federal Income Tax Unit 1 Def Fed & State Income Taxes 	1,374,596 0.538462 740,168 264,973	412,380 0.538462 222,051 79,493	962,218 0.538462 518,117 185,481
= Total Unit 1 Fed&State Income Taxes	1,005,141	301,544	703,598
Proof of Federal Income Tax :		=======================================	
Total Unit 1 Monthly Power Bill - Operation and Maintenance Expenses - Depreciation Expense - Taxes Other Than Federal Income Tax - Unit 1 Interest Expense Deduction * - Other Operating Revenues	13,582,041 9,778,474 1,648,100 149,403 164,826 (8,750)	4,074,614 2,933,542 494,430 44,821 49,448 (2,625)	9,507,428 6,844,932 1,153,670 104,582 115,378 (6,125)
= Pre-Tax Book Income + Unit 1 Schedule M Adjustments	1,849,988 264,777	554,998 79,433	1,294,991 185,344
 = Unit 1 Taxable Income x Current Federal Income Tax Rate = Unit 1 Current Federal Income Tax + Unit 1 Def Fed & State Income Taxes 	2,114,765 35% 740,168 264,974	634,431 35% 222,051 79,493	1,480,335 35% 518,117 185,481
= Total Unit 1 Fed&State Income Taxes	1,005,142	301,544	703,598

^{*} From Page 5 of 18 : Line 21 + (Line 28 x Line 31 x Line 32)

AEP GENERATING COMPANY ROCKPORT POWER BILL OPERATING RATIO

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Line No.		UNIT 1 <u>February, 2014</u>
1	Operating Ratio:	
2	Net In-Service Investment:	
3 4 5	Electric Plant In-Service - Accumulated Depreciation + Materials & Supplies	799,042,077 570,885,433 62,709,265
6 7 8 9	 + Prepayments + Plant Held For Future Use (A/C 105) * + Other Deferred Debits (A/C 186) * + Other Working Capital *** 	73,250 0 0 (9,725,074)
10 11 12 13	 + Unamortized Debt Expense (A/C 181) + Deferred ASH pond cost (A/C182.3) - Asset Retirement Obligation (A/C 230) - Other Deferred Credits (A/C 253) 	142,075 2,855,786 4,367,416 49,301,656
14 15	- Accumulated Deferred FIT - Accumulated Deferred ITC	36,806,091 17,415,105
16 17	Total Net In-Service Investment Non-In-Service Investment - CWIP :	176,321,680
18 19 20	Construction Work In Progress + Materials & Supplies - Accumulated Deferred FIT	54,242,465 0 0
21	Total Non-In-Service Investment - CWIP	54,242,465
22	Non-In-Service Investment - Other :	
23 24 25	Plant Held for Future Use (A/C 105) ** + Other Deferred Debits (A/C 186) ** + Fuel Inventory Over Allowed Level ****	1,034,099 782,118 (8,866,760)
26	Total Non-In-Service Investment - Other	(7,050,543)
27	Total Investment (Lines 16+21+26)	223,513,602 ======
28	Operating Ratio (Line 16/Line 27)	78.8863%
29	Non-In-Service Investment-CWIP Ratio (Line 21/Line 27)	24.2681%
30	Non-In-Service Investment-Other Ratio (Line 26/Line 27)	-3.1544%
* Exclu	Total Investment ermitted By FERC ding Amounts on Lines 7 and 8 unts 128, 131, 135, 143, 146, 171 and 174, Less Accounts 232-234, 236 des Rockport 1 and 2	100.0000% ======= 5, 237, 238, 241 and

AEP GENERATING COMPANY ROCKPORT POWER BILL NET IN-SERVICE INVESTMENT RATIO

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Line No.		UNIT 1 <u>February, 2014</u>
1	Net In-Service Investment Ratio:	
2	Unit 1 Net In-Service Investment:	
3 4 5 6 7 8 9	Electric Plant In-Service - Accumulated Depreciation + Materials & Supplies + Prepayments + Plant Held For Future Use (A/C 105) * + Other Deferred Debits (A/C 186) * + Other Working Capital **	657,232,168 433,764,688 35,788,013 36,625 0 0 (3,789,401)
10 11 12 13 14 15	 + Unamortized Debt Expense (A/C 181) + Deferred ASH pond cost (A/C182.3) - Asset Retirement Obligation (A/C 230) - Other Deferred Credits (A/C 253) - Accumulated Deferred FIT - Accumulated Deferred ITC 	71,037 1,427,893 2,183,708 0 43,340,852 13,538
16	Total Unit 1 Net In-Service Investment	211,463,549
17	Unit 2 Net In-Service Investment:	
18 19 20 21 22 23 24 25 26 27 28 29 30 31	Electric Plant In-Service - Accumulated Depreciation + Materials & Supplies + Prepayments + Plant Held For Future Use (A/C 105) * + Other Deferred Debits (A/C 186) * + Other Working Capital ** + Unamortized Debt Expense (A/C 181) + Deferred ASH pond cost (A/C182.3) - Asset Retirement Obligation (A/C 230) - Other Deferred Credits (A/C 253) - Accumulated Deferred FIT - Accumulated Deferred ITC Total Unit 2 Net In-Service Investment	141,809,910 137,120,744 26,921,252 36,625 0 (5,935,673) 71,037 1,427,893 2,183,708 49,301,656 (6,534,761) 17,401,567
33	Net In-Service Investment Ratio:	
34	Unit 1 (Line 16 / Line 32)	119.9300%
35	Unit 2 (Line 31 / Line 32)	-19.9300%
	* As Permitted By FERC ** Accounts 128, 131, 135, 143, 146, 171 and 174, Less Accounts 232-234, 236, 237, 238, 241 and 242	100.0000%

AEP GENERATING COMPANY ROCKPORT POWER BILL CALCULATION OF RETURNS ON COMMON EQUITY & OTHER CAPITAL

KPSC Case No. 2014-00225 KIUC's First Set of Data Requests Dated September 5, 2014 Pg 5 of 18 Item No. 4 Attachment 1 Page 148 of 350

Line No.		UNIT 1 <u>February, 2014</u>
1	Net Capitalization:	
2 3 4 5 6	Long-Term Debt + Short-Term Debt + Preferred Stock + Common Equity - Temporary Cash Investments	64,834,718 64,319,252 0 91,157,874 0
7	Net Capitalization	220,311,844 =======
8	40% of Net Capitalization	88,124,738
9	Return on Common Equity:	
10 11 12 13 14 15	Lesser of Line 5 or Line 8 x Equity Return (Monthly Rate) = Equity Return x Operating Ratio x Net In-Service Investment Ratio = Subtotal	88,124,738 1.01333% 892,994 78.8863% 119.9300% 844,847
16 17 18 19 20 21	Excess of Line 5 Over Line 8 x Weighted Cost of Debt (Monthly Rate) = Return on Equity over 40% of Capitalization x Operating Ratio x Net In-Service Investment Ratio = Subtotal	3,033,136 0.1151% 3,491 78.8863% 119.9300% 3,303
22	Unit 1 Return on Equity (Line 15 + Line 21)	848,150
23	Return on Other Capital:	
24 25 26 27	Long-Term Debt Interest Expense (A/C 427-429) + Short-Term Debt Interest Expense (a/c 430) + Other Interest Expense (a/c 431) - Temporary Cash Investment Income *	132,903 37,825 0 0
28 29	Net Interest Expense+ Preferred Stock Dividends (a/c 437)	170,728 0
30 31 32	Net Cost of Other Capitalx Operating Ratiox Net In-Service Investment Ratio	170,728 78.8863% 119.9300%
33	 Unit 1 Return on Other Capital * Line 6 x Line 19 from Pg 6 of 18 	161,523

AEP GENERATING COMPANY ROCKPORT POWER BILL DETERMINATION OF WEIGHTED COST OF DEBT

Pg 6 of 18

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Line No.		UNIT 1 <u>February, 2014</u>
1	Debt Balances (Prior Month Ending):	
2 3 4 5	Long-Term Debt (Accts 221 thru 226) + Short-Term Debt (Accts 231 + 233) + Other Debt (Accts 132 thru 136 + 145) Total Debt Balances (Prior Month Ending)	64,834,718 64,319,252 0
6	Weighting of Debt Balances :	
7 8 9	Long-Term Debt (LTD bal/Total Debt bal) + Short-Term Debt (STD bal/Total Debt bal) + Other Debt	50.1996% 49.8004% 0.0000%
10	Total Debt Balances	100.0000%
11	Debt Cost Rates :	
12 13 14	Long-Term Debt (avg LTD int rate) Short-Term Debt (avg Money Pool STD int rate) Other Debt	2.6722% 0.3186% 0.0000%
15	Weighted Cost of Debt :	
16 17 18	Long-Term Debt (LTD % x avg LTD int rate) + Short-Term Debt (STD % x avg MP STD int rate + Other Debt	1.3414% 0.1587% 0.0000%
19	Total Weighted Cost of Debt	1.5001%

AEP GENERATING COMPANY ROCKPORT POWER BILL DETERMINATION OF UNIT 1 MATERIALS AND SUPPLIES

KPSC Case No. 2014-00225 KIUC's First Set of Data Requests Pg 7 of 18 Dated September 5, 2014 Item No. 4 Attachment 1 Page 150 of 350

UNIT 1

Line		
No.		February, 2014
1	Unit 1 Materials and Supplies:	
2	Fuel Stock - Coal (per Line 23)	20,832,189
3	Fuel Stock Expenses - Undistributed (152)	619,542
4	Fuel Stock - Oil (151)	1,969,308
5	Plant Materials & Operating Supplies	12,366,973
6	Merchandise	0
7	Undistributed Stores Expense	0
8	Total Materials & Supplies	35,788,013
9	Support of Coal Inventory Value:	
10	Actual Coal Inventory (a/c 151.10)	11,965,429
11	+ Equivalent Inventory re: Deferred Return	22,447,485,535
12	= Imputed Coal Inventory	22,459,450,964
13	Coal Inventory W/68 Day Supply Cap	
10	Ocal Inventory 11700 Day Supply Sup	
14	Tons Consumed - CHANGE ANNUALLY FROM DEC PG 24	2,603,238
15	/ Hours Available * CHG ANNUALLY FROM GADS RPT 511	8031.6
16	= Tons Consumed per Hour	324.12
17	x 24 Hours per Day	24
18	= Tons Consumed Per Day	7778.88
19	x 68 days	68 500,064
20 21	= 68 day Supply (Tons) x Coal Cost per Ton (per a/c 151.10 at End of Prior Month)	528,964 39.383
00		
22	= 68 day Coal Inventory	20,832,189
23	Lesser of Imputed or Capped Coal Inventory	20,832,189
24	Imputed Inventory Minus Line 23	22,438,618,775
25	Accumulated Deferred Inventory Return - Unit 1 (Memo Item):	
26	Beginning Balance	147,461,202
27	+ Current Month Return on Beginning Balance	975,102
28	+ Current Month Deferral	0
29	- Current Month Recovery	61,431
30	= Ending Balance **	148,374,873
		=======================================

^{*} Excludes Forced Outages, Scheduled Outages, and Curtailments

^{**} May Not Be Less Than Zero

AEP GENERATING COMPANY ROCKPORT POWER BILL DETAIL OF OTHER OPERATING REVENUES

KPSC Case No. 2014-00225 KIUC's First Set of Data Requests Pg 8 of 18 ltem No. 4 Attachment 1 Page 151 of 350

Line No.	Account No.	<u>Description</u>	UNIT 1 <u>February, 2014</u>
1	450	Forfeited Discounts	0
2	451	Miscellaneous Service Revenues	0
3	453	Sales of Water and Water Power	0
4	454	Rent From Electric Property - Associated Companies	0
5	454.20	Rent From Electric Property - Non-Associated Companies	0
6	455	Interdepartmental Rents	0
7	456	Other Electric Revenues	(8,750)
8	411.8	Proceeds/gains From Sale of Emission Allowances	0
9		Total Other Operating Revenues	(8,750)

AEP GENERATING COMPANY ROCKPORT POWER BILL DETAIL OF OPERATION & MAINTENANCE EXPENSES

KPSC Case No. 2014-00225 KIUC's First Set of Data Requests Pg 9 of 18 September 5, 2014 Item No. 4 Attachment 1 Page 152 of 350

Line No.	Account No.	<u>Description</u>	UNIT 1 <u>February, 2014</u>
1 2 3	500,502-508 501 510-515	Steam Power Generation - Operation Fuel - Operation Steam Power Generating - Maintenance	626,326 8,526,574 507,268
4	0.00.0	Total Steam Power Generation Expenses	9,660,168
5	555-557	Other Power Supply Expenses	5,991
6 7	560-567.1 568-574	Transmission Expenses - Operation Transmission Expenses - Maintenance	0
8		Total Transmission Expenses	0
9 10	580-589 590-598	Distribution Expenses - Operation Distribution Expenses - Maintenance	0
11		Total Distribution Expenses	0
12	901-905	Customer Accounts Expenses - Operation	0
13	906-910	Customer Service and Informational Expenses - Operation	0
14	911-917	Sales Expenses - Operation	0
15	920-933	Administrative and General Expenses - Operation	102,319
16	935	Administrative and General Expenses - Maintenance	9,997
17		Total Administrative & General Exp.	112,316
18		Total Operation & Maintenance Expenses	9,778,474

AEP GENERATING COMPANY ROCKPORT POWER BILL DETAIL OF DEPRECIATION EXPENSE AND AMORTIZATION EXPENSES

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-	Line No.	Account <u>No.</u>	<u>Description</u>	UNIT 1 <u>February, 2014</u>
1a	1	403 403.1	Depreciation Expense ARO Depreciation Expense	1,628,442 3.343
. ~	2		Amortization of Limited-Term Electric	0
	3	405	Amortization of Other Electric Plant	0
	4	406	Amortization of Electric Plant Acquistion Adjustments	0
	5	407	Amortization of Property Losses, Unrecovered Plant and Regulatory	
			Study Costs	
	6		Total Depreciation Exp. & Amortization	1,631,785
	7	411.10	ARO Accretion Expense	16,315
	8		Total Depreciation, Amortization & Accretion Expenses	1,648,100

AEP GENERATING COMPANY ROCKPORT POWER BILL DETAIL OF TAXES OTHER THAN FEDERAL INCOME TAXES

KPSC Case No. 2014-00225 KIUC's First Set of Data Requests Pg 11 of 18 Dated September 5, 2014 Item No. 4

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UNIT 1 Line Account February, 2014 Description No. No. BS1 Taxes Other Than Federal Income Taxes, 1 408.1 Utility Operating Income 164,903 2 409.1 State Income Taxes (15,500)3 Total Taxes Other than FIT 149,403

AEP GENERATING COMPANY ROCKPORT POWER BILL DETAIL OF UNIT 1 SCHEDULE 'M' ADJUSTMENTS AND DEFERRED FEDERAL INCOME TAX

KPSC Case No. 2014-00225 KIUC's First Set of Data Requests Dated September 5, 2014 Pg 12 of 18 Item No. 4 UNIT 1 Attachment 1

February, 2014

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				, ,	9
Line No.	Account <u>No.</u>	_Description_	<u>TOTAL</u>	KPCO SHARE	I&M <u>Share</u>
1		Unit 1 Schedule `M' Adjustments*			
2	N/A	Excess ACRS Over Normalization Base Depreciation	14,000	4,200	9,800
3	N/A	Excess Normalization Base Over Book Depreciation	(16,500)	(4,950)	(11,550)
4	N/A	Other Unit 1 Schedule `M' Adjustments	267,277	80,183	187,094
5	***	Total Unit 1 Schedule `M' Adjustments	264,777 ==================================	79,433	185,344
6		Unit 1 Deferred Federal Income Tax			
7	410.1	Excess ACRS Over Norm. Base Depr. (Line 2 x FIT Rate * -1)	325,699	97,710	227,989
8	410.1&411.1	Other Unit 1 Schedule `M' Adjustments -			
9	411.1	Feedback of Accumulated DFIT re: ABFUDC - Unit 1 Negative Amount Denotes Reduction.	2,279	684	1,595
10	411.1	Feedback of Accumulated DFIT re: Overheads Capitalized - Unit 1	51	15	36
11	411.1	Feedback of Accumulated DFIT re: Other Schedule `M' AdjUtility	(63,055)	(18,916)	(44,139)
12	***	Total Unit 1 Deferred Federal Income Tax	264,973	79,493	185,481

^{***} Positive Amount Denotes Increase In Taxable Income, Negative Amount Denotes Reduction.

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AEP GENERATING COMPANY ROCKPORT POWER BILL DETAIL OF NET IN-SERVICE INVESTMENT UNIT 1

KPSC Case No. 2014-00225 KIUC's First Set of Data Requests Dated September 5, 2014

Line	Account		UNIT 1
No.	No.	<u>Description</u>	February, 2014
1		ELECTRIC PLANT IN SERVICE	
2	101	Electric Plant In Service	654,349,869
3	102	Electric Plant Purchased	0
4	103	Experimental Elec. Plant Unclassified	0
5	103.1	Electric Plant In Process of Reclassification	0
6	104	Electric Plant Leased to Others	0
7	106	Completed Construction Not Classified	2,882,299
8	114	Electric Plant Acquisition Adjustments	0
9	116	Other Electric Plant Adjustments	0
10	118	Other Utility Plant	0
11		Total Electric Plant In Service	657,232,168
12	105	Plant Held For Future Use	0
13		ACCUMULATED DEPRECIATION	
14	108	Accumulated Provision for Depreciation	422 202 011
15	110	of Electric Utility Plant Accumulated Provision for Depreciation	433,292,911
.0		and Amort. of Elec. Utility Plant	0
16	111	Accumulated Provision for Amortization of Electric Utility Plant	471,778
17	115	Accumulated Provision for Amortization of Electric Plant Acquisition	
18	119	Adjustments Accumulated Provision for Depreciation	0
10	113	and Amortization of Other Utility	
		Plant	0
19		Total Accumulated Depreciation	433,764,688
20		MATERIAL AND SUPPLIES	
21	151	Fuel Stock	22,801,497
22	152	Fuel Stock Expenses - Undistributed	619,542
23	153	Residuals	0
24	154	Plant Materials and Operating Supplies	12,366,973
25 26	155 156	Merchandise Other Materials and Supplies	0
27	163	Stores Expense Undistributed	0
28		Total Materials and Supplies	
		(In-Service Portion)	35,788,013
29	165	Prepayments	36,625
30	186	Other Deferred Debits	0

KPSC Case No. 2014-00225 KIUC's First Set of Data Requests Dated September 5, 2014

AEP GENERATING COMPANY ROCKPORT POWER BILL Pg 13a of 18 NG CAPITAL LINAMORTIZED DEBT EXPENSE.

OTHER WORKING CAPITAL, UNAMORTIZED DEBT EXPENSE, AND OTHER DEFERRED CREDITS

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			UNIT 1
Line	Account		February, 2014
<u>No.</u>	No.	Description *	
1	128	Other Special Funds	0
2	131	Cash	0
3	135	Other Intra Company Adjustments	0
4	143	Accounts Receivable-Miscellaneous	0
5	146	Accounts Receivable-Associated Company	16,289,866
6	171	Interest and Dividends Receivable	588
7	174	Miscellaneous Current and Accrued Assets	0
8	232	Accounts Payable-General	(13,149)
9	234	Accounts Payable-Associated Company	(13,176,479)
10	236	Taxes Accrued	(3,348,422)
11	237	Interest Accrued	(242,279)
12	238	Dividends Declared	0
13	241	Tax Collections Payable	0
14	242	Misc Current and Accrued Liabilities	(3,299,525)
15		Total Other Working Capital	(3,789,401)
16	181	Unamortized Debt Expense	71,037
17	253	Other Deferred Credits	0

^{*} debit <credit>

AEP GENERATING COMPANY ROCKPORT POWER BILL DETAIL OF NET IN-SERVICE INVESTMENT UNIT 1

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Line <u>No.</u>	Account <u>No.</u>	<u>Description</u>	UNIT 1 February, 2014
31		ACCUMULATED DEFERRED INCOME TAXES	
32	190	-Accumulated Deferred Income Taxes	2,107,085
33	281	+Accumulated Deferred Income Taxes - Accelerated Amortization Property	0
34	282	+Accumulated Deferred Income Taxes - Other Property	44,588,015
35	283	+Accumulated Deferred Income Taxes - Other	859,922
36		Total Accumulated Deferred Income Taxes (In-Service Portion)	43,340,852
37	255	+Accumulated Deferred Investment Tax Credits	13,538
38	186.50	-Accumulated Deferred Investment Tax Credit	0
39		Total Accumulated Deferred Investment	
40		Tax Credits Total Net In-Service Investment -	13,538
		Unit 1	212,219,364 =======

AEP GENERATING COMPANY ROCKPORT POWER BILL DETAIL OF NON-IN-SERVICE INVESTMENT - CWIP AND OTHER

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			UNIT 1 Pag
Line	Account		February, 2014
No.	<u>No.</u>	<u>Description</u>	
		Non-In-Service Investment - CWIP	
1	107	Construction Work In Process	54,242,465
2		MATERIAL AND SUPPLIES	
3	151	Fuel Stock	0
4	152	Fuel Stock Expenses - Undistributed	0
5	153	Residuals	0
6	154	Plant Materials and Operating Supplies	0
7	155	Merchandise	0
8	156	Other Material and Supplies	0
9	163	Stores Expense Undistributed	0
10		Total Material and Supplies	
		(CWIP Portion)	0
11		ACCUMULATED DEFERRED INCOME TAXES	
12	190	-Accumulated Deferred Income Taxes	0
13	281	+Accumulated Deferred Income Taxes -	_
	000	Accelerated Amortization Property	0
14	282	+Accumulated Deferred Income Taxes -	•
4 =	000	Other Property	0
15	283	+Accumulated Deferred Income Taxes - Other	0
16		Total Accumulated Deferred Income Taxes (CWIP Portion)	0
17		TOTAL NON-IN-SERVICE INVESTMENT - CWIP	54,242,465
		Non-In-Service Investment - Other	========
18	105	Plant Held for Future Use	1,034,099
19	186	Other Deferred Debits	782,118
20	151.10	Fuel Inventory Over Allowed Level *	(8,866,760)
01		Total Non In Comice Investment	
21		Total Non-In-Service Investment - Other	(7,050,543)
	* 18101.11	DEC DOCKDORT 4 AND 0	
	* INCLUI	DES ROCKPORT 1 AND 2	(0.000.700)
		UNIT 1 UNIT 2	(8,866,760)
		UNIT 2	0
		TOTAL	(8,866,760)
			=======================================

AEP GENERATING COMPANY ROCKPORT POWER BILL DETAIL OF NET CAPITALIZATION

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	LINUT 4		
	A		UNIT 1
Line	Account		February, 2014
<u>No.</u>	No.	<u>Description</u>	
1		COMMON CAPITAL STOCK	
2	201	Common Stock Issued	383,000
3	202	Common Stock Subscribed	0
4	203	Common Stock Liability for Conversion	0
5	209	Reduction In Par or Stated Value	
		of Capital Stock	0
6	210	Gain on Resale or Cancellation of	
		Reacquired Capital Stock	0
7	212	Installments Received on Capital Stock	0
8	214	Capital Stock Expense	0
9	217	Reacquired Capital Stock	0
10		Total Common Capital Stock	383,000
11		OTHER PAID-IN CAPITAL	
12	207	Premium on Capital Stock	0
13	208	Donations Received from Stockholders	87,478,987
14	211	Miscellaneous Paid-In Capital	0
15	213	Discount on Capital Stock	0
16		Total Other Paid-In Capital	87,478,987
17		RETAINED EARNINGS	
18	215	Appropriated Retained Earnings	0
19	215.1	Appropriated Retained Earnings-	ŭ
. 0	210.1	Amortization Reserve, Federal	0
20	216	Unappropriated Retained Earnings	3,295,886
21		Total Retained Earnings	3,295,886
22		Total Common Equity	91,157,874
23		PREFERED CAPITAL STOCK	
24	204	Preferred Stock Issued	0
25	205	Preferred Stock Subscribed	0
26	206	Preferred Stock Liability	
		for Conversion	0
27		Total Preferred Capital Stock	0

AEP GENERATING COMPANY ROCKPORT POWER BILL DETAIL OF NET CAPITALIZATION (Cont'd)

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Line No.	Account <u>No.</u>	<u>Description</u>	February, 2014
28		LONG-TERM DEBT	
29	221	Bonds	0
30	222	Reacquired Bonds	0
31	223	Advances from Associated Companies	0
32	224	Other Long-Term Debt	64,834,718
33	225	Unamortized Premium on	
		Long-Term Debt-Credit	0
34	226	Unamortized Discount on Long-Term	
		Debt-Debit	0
35		Total Long-Term Debt	64,834,718
		SHORT-TERM DEBT	
36a	231.02	Notes Payable (Short-Term Debt)	0
36b	231.03	Unamortized Discount	0
37	233.00	Notes Payable, Assoc Co(Money Pool)	64,319,252
38		Total Short-Term Debt	64,319,252
39		TEMPORARY CASH INVESTMENTS	
40	132	Interest Special Deposits	0
41	133	Dividend Special Deposits	0
42	134	Other Special Deposits	0
43	136, 145	Temporary Cash Investments	0
44		Total Temporary Cash Investments	0
45		NET CAPITALIZATION	220,311,844
			=========

AEP GENERATING COMPANY ROCKPORT POWER BILL DETERMINATION OF RATE OF RETURN (Net & Pre-Tax)

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Line No.	<u>.</u>	UNIT 1 <u>February, 2014</u>
1	Capitalization Balances (Prior Month Ending):	
2 3	Long-Term Debt (Accts 221 thru 226) + Short-Term Debt (Accts 231 + 233)	64,834,718 64,319,252
4 5 6	+ Preferred Stock+ Common Equity (Accts 201 thru 216)- Capitalization Offsets	0 91,157,874 0
7	Total Capitalization Balances	220,311,844
8	Weighting of Capitalization Balances :	
9 10 11 12 13	Long-Term Debt (LTD/Total Capital) + Short-Term Debt (STD/Total Capital) + Preferred Stock + Common Equity (Common Equity/Total Capital) - Capitalization Offsets	29.4286% 29.1946% 0.0000% 41.3767% -0.0001%
14	Total Capitalization	100.0000%
15	Capitalization Cost Rates :	
16 17 18 19 20	Long-Term Debt (avg LTD int rate) Short-Term Debt (avg money pool STD int rate) Preferred Stock Common Equity (FERC fixed rate) Capitalization Offsets (sum of weighted costs of debt)	2.6722% 0.3186% 0.0000% 12.1600% 1.5001%
21	Rate of Return (Net of Tax):	
22 23 24 25 26	Long-Term Debt (LTD % x avg LTD int rate) + Short-Term Debt (STD % x avg MP STD int rate) + Preferred Stock + Common Equity (CE % x FERC fixed rate) - Capitalization Offsets	0.7864% 0.0930% 0.0000% 5.0314% 0.0000%
27	Total Rate of Return (Net of Tax)	5.9108%
28	Weighted Net Cost of Debt (LTD Rate of Return + STD RR - Cap Offsets RR)	0.8794%
29	+ Pre-Tax Common Equity (Line 25 / .65) (Common Equity Rate of Return grossed up for tax)	7.7406%
30	= Rate of Return (Pre-Tax)	8.6200%

A E P GENERATING COMPANY

February, 2014-01225
February, 2014-01225
February, 2014-01225
February, 2014-01225

Dated September 5, 2014

Item No. 4

ROCK PORT OPERATION & MAINTENANCE EXPENSES UNIT 1 50% OWNERSHIP INTEREST OF ROCKPORT PLANT

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500 501 502 503 504 505 506 507 508 509	SUPERVISION AND ENGINEERING FUEL STEAM EXPENSES STEAM FROM OTHER SOURCES STEAM TRANSFERRED - CR ELECTRIC EXPENSES MISC. STEAM POWER EXPENSES RENTS OPERATION SUPPLIES AND EXPENSES CARRYING CHARGES - ALLOWANCES TOTAL OPERATION EXPENSE	128,016 8,526,574 53,716 0 0 69,913 374,681 0 0
510 511 512 513 514 515	MAINTENANCE SUPER. AND ENGINEERING MAINTENANCE OF STRUCTURES MAINTENANCE OF BOILER PLANT MAINTENANCE OF ELECTRIC PLANT MAINTENANCE OF MISC. STEAM PLANT MAINTENANCE NORMALIZING	67,778 26,512 246,409 134,656 31,913
	TOTAL MAINTENANCE EXPENSES	507,268
555 556 557	PURCHASED POWER SYSTEM CONTROL AND LOAD DISPATCHING OTHER POWER SUPPLY EXPENSES	0 2,535 3,456
	TOTAL OTHER SUPPLY EXPENSES	5,991

IS FUEL IN BALANCE ON PAGE 2	AMOUNT MUST BE ZERO 0
NO OF DAYS IN CURRENT MO	28
NO OF DAYS IN CURRENT YEAR	365
CURRENT YEAR IS	2014
CURRENT MONTH IS	2
THIS BILLING IS FOR MONTH OF	February, 2014

A E P GENERATING COMPANY

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February, 26 First Set of Data Requests

ESTIMATE

Dated September 5, 2014

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ROCK PORT OPERATION & MAINTENANCE EXPENSES UNIT 1 50% OWNERSHIP INTEREST OF ROCKPORT PLANT

901	SUPERVISION	0	
902	METER READING EXPENSES	0	
903	CUSTOMER RECORDS AND COLLECTION EXPENSES	0	
904	UNCOLLECTIBLE ACCOUNTS	0	
905	MISCELLANEOUS CUSTOMER ACCOUNTS EXPENSES	0	
	TOTAL CUSTOMER ACCOUNTS EXPENSES	0	
906	CUSTOMER SERVICE AND INFORMATIONAL EXP	0	
907	SUPERVISION	0	
908 909	CUSTOMER ASSISTANCE EXPENSES INFORMATIONAL AND INSTRUCTIONAL	0	
909	ADVERTISING EXPENSES	0	
910	MISCELLANEOUS CUSTOMER SERVICE	· ·	
0.0	AND INFORMATIONAL EXPENSES	0	
	TOTAL CUSTOMER SERVICES EXPENSES	0	
911	SUPERVISION	0	
912	DEMONSTRATION AND SELLING EXPENSES	0	
913	ADVERTISING EXPENSES	0	
	MISCELLANEOUS SALES EXPENSES (MAJOR)	0	
917	SALES EXPENSES (NON-MAJOR)	0	
	TOTAL SALES EXPENSES	0	
920	ADMIN. & GENERAL SALARIES	32,494	
921	OFFICE SUPPLIES AND EXPENSES	3,786	
922	ADMINISTRATIVE EXPENSES TRANSF - CR	0	
923	OUTSIDE SERVICES	(24,300)	
924	PROPERTY INSURANCE	10,541	
925	INJURIES AND DAMAGES	2,651	
926	EMPLOYEE PENSIONS AND BENEFITS	71,214	
927	FRANCHISE REQUIREMENTS REGULATORY COMMISSION	0	
928 929	DUPLICATE CHARGES-CREDIT	0	
930	MISCELLANEOUS GENERAL EXPENSES	5,174	
931	RENTS	759	
933	TRANSPORTATION EXPENSE	0	
	TOTAL ADM & GEN EXPENSES OPERATION	102,319	
935	MAINTENANCE OF GENERAL PLANT	9,997	
	TOTAL ADM & GEN EXPENSES	112,316	
TOTA:	A CO ODEDATION & MAINTENANCE EVERYORS	22 4	
	AEG OPERATION & MAINTENANCE EXPENSES	9,778,474	
ACCOU	ACCOUNT 40190 TOTAL FOR CROSS FOOT 9,778,474		

-----DIFFERENCE-----

AEP GENERATING COMPANY ONE RIVERSIDE PLAZA, COLUMBUS, OH 43215 TELEPHONE (614) 716-3724

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INDIANA MICHIGAN POWER COMPANY
P. O. BOX 60
FORT WAYNE, IN 46801

ESTIMATE 07-Mar-14

UNIT 2

POWER BILL - - February, 2014

IN ACCORDANCE WITH POWER AGREEMENT DATED OCTOBER 1, 1984 (AS AMENDED) ENERGY DELIVERED FOR THE MONTH OF February, 2014

KWH FOR THE MONTH 222,227,000

SUMMARY	TOTAL
Current Month Bill:	
Return on Common Equity	(99,120)
Return on Other Capital	(18,877)
Total Return	(117,997)
Fuel Purchased Power Other Operating Revenues Other Operation and Maintenance Exp Depreciation Expense Taxes Other Than Federal Income Tax Federal Income Tax	6,172,151 0 (6,125) 5,013,039 714,445 102,062 81,631
TOTAL CURRENT UNIT POWER BILL	11,959,205
Prior Month's Adjustment: Return on Common Equity & Other Capital Fuel Expense Other Expenses (Includes taxes & interest)	0 0 (266,150)
TOTAL PRIOR MONTH'S ADJUSTMENTS	(266,150)
TOTAL LINIT DOWED BY	11 000 055
TOTAL UNIT POWER BILL	11,693,055 ======

AMOUNTS WILL BE PAID DIRECT FROM GENERAL FUNDS.

DUE DATE - · March 21, 2014

Cc: Steve Hornyak - Columbus

Dave Hille - Ft. Wayne Shar

Mike Stout - Ft. Wayne

Mike Giardina - Columbus

Sid Lyons - Columbus

Kurt C Cooper - Ft Wayne

Shannon Listebarger - Columbus

Michelle Howell - Columbus

AEP GENERATING COMPANY ONE RIVERSIDE PLAZA, COLUMBUS, OH 43215 TELEPHONE (614) 716-3724

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KENTUCKY POWER COMPANY 17TH ST. & CENTRAL AVE. ASHLAND, KY 41101 ESTIMATE 07-Mar-14

UNIT 2

POWER BILL -- February, 2014

IN ACCORDANCE WITH POWER AGREEMENT DATED OCTOBER 1, 1984 (AS AMENDED)

ENERGY DELIVERED FOR THE MONTH OF February, 2014

KWH FOR THE MONTH 95,240,000

SUMMARY TOTAL Current Month Bill: Return on Common Equity (42,480)Return on Other Capital (8,090)Total Return (50,570)Fuel 2,645,208 Purchased Power Other Operating Revenues (2,625)Other Operation and Maintenance Exp 2,148,445 Depreciation Expense 306,190 Taxes Other Than Federal Income Tax 43,741 Federal Income Tax 34,984 TOTAL CURRENT UNIT POWER BILL 5,125,373 ========== Prior Month's Adjustment: Return on Common Equity & Other Capital 0 Fuel Expense 0 Other Expenses (Includes taxes & interest) (114,066)TOTAL PRIOR MONTH'S ADJUSTMENTS (114,066)

TOTAL UNIT POWER BILL

5,011,307

AMOUNTS WILL BE PAID DIRECT FROM GENERAL FUNDS.

DUE DATE - · March 21, 2014

Cc: Steve Hornyak - Columbus Dave Hille - Ft. Wayne Kurt C Cooper - Ft Wayne Shannon Listebarger - Columbus

Mike Stout - Ft. Wayne Mike Giardina - Columbus

Sid Lyons - Columbus Michelle Howell - Columbus

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February, 2014

Return on Common Equity		TOTAL UNIT 2 POWER BILL	KPCO SHARE	I&M SHARE	
Total Return	Return on Common Equity	(141,600)	(42,480)	(99,120)	
Fuel	Return on Other Capital	(26,967)	(8,090)	(18,877)	
+ Purchased Power 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	Total Return	(168,567)	(50,570)	(117,997)	
Determination of Federal Income Tax : Total Return (Line 3)	 + Purchased Power - Other Operating Revenues + Other Operation and Maintenance Exp + Depreciation Expense + Taxes Other Than Federal Income Tax 	0 (8,750) 7,161,484 1,020,635 145,803	0 (2,625) 2,148,445 306,190 43,741	0 (6,125) 5,013,039 714,445 102,062	
Determination of Federal Income Tax : Total Return (Line 3)	= Total Unit 2 Monthly Power Bill				
+ Unit 2 Schedule M Adjustments + Unit 2 Deferred Federal Income Taxes + Unit 2 Deferred Federal Income Taxes - Unit 2 Interest Expense Deduction * (27,518) (8,255) (19,263) = Subtotal Subtotal Subject Federal Income Tax - Unit 2 Current Federal Income Tax - Unit 2 Deferred & State Income Tax - Unit 2 Deferred & State Income Tax - Unit 2 Deferred & State Income Taxe - Unit 2 Deferred & State Income Taxes - Unit 2 Fed&State Income Taxes - Unit 2 Monthly Power Bill - Operation and Maintenance Expenses - 1,020,635 - Operation Expense - Unit 2 Interest Expense Deduction * Unit 2 Interest Expense Deduction * (27,518) - Operating Revenues - Unit 2 Interest Expense Deduction * (27,518) - Operating Revenues - Unit 2 Interest Expense Deduction * (27,518) - Operating Revenues - Unit 2 Interest Expense Deduction * (27,518) - Operating Revenues - Unit 2 Schedule M Adjustments - Unit 2 Schedule M Adjustments - Unit 2 Taxable Income - State Income Tax - Unit 2 Taxable Income - State Income Tax - Unit 2 Taxable Income - State Income Tax - Unit 2 Taxable Income - State Income Tax - Unit 2 Current Federal Income Tax - Unit 2 Deferred & State Income Tax	<u>Determination of Federal Income Tax :</u>				
x Gross-Up (FIT Rate / 1-FIT Rate) 0.538462 0.538462 0.538462 2 Unit 2 Current Federal Income Tax 29,767 8,930 20,837 26,055 60,795 2 26,055	+ Unit 2 Schedule M Adjustments+ Unit 2 Deferred Federal Income Taxes	109,483 86,850 (27,518)	32,845 26,055 (8,255)	76,638 60,795 (19,263)	
Proof of Federal Income Tax :	x Gross-Up (FIT Rate / 1-FIT Rate) = Unit 2 Current Federal Income Tax	0.538462 29,767	0.538462 8,930	0.538462 20,837	
Proof of Federal Income Tax : Total Unit 2 Monthly Power Bill 17,084,579 5,125,373 11,959,205 - Operation and Maintenance Expenses 15,978,842 4,793,653 11,185,190 - Depreciation Expense 1,020,635 306,190 714,445 - Taxes Other Than Federal Income Tax 145,803 43,741 102,062 - Unit 2 Interest Expense Deduction * (27,518) (8,255) (19,263) - Other Operating Revenues (8,750) (2,625) (6,125) = Pre-Tax Book Income (24,433) (7,331) (17,103) + Unit 2 Schedule M Adjustments 109,483 32,845 76,638 = Unit 2 Taxable Income 85,050 25,514 59,535 x Current Federal Income Tax Rate 35% 35% 35% = Unit 2 Current Federal Income Tax 29,767 8,930 20,837 + Unit 2 Def Fed & State Income Taxes 86,850 26,055 60,795	= Total Unit 2 Fed&State Income Taxes	,	,	,	
- Operation and Maintenance Expenses 15,978,842 4,793,653 11,185,190 - Depreciation Expense 1,020,635 306,190 714,445 - Taxes Other Than Federal Income Tax 145,803 43,741 102,062 - Unit 2 Interest Expense Deduction * (27,518) (8,255) (19,263) - Other Operating Revenues (8,750) (2,625) (6,125) = Pre-Tax Book Income (24,433) (7,331) (17,103) + Unit 2 Schedule M Adjustments 109,483 32,845 76,638 = Unit 2 Taxable Income 85,050 25,514 59,535 x Current Federal Income Tax Rate 35% 35% 35% = Unit 2 Current Federal Income Tax 29,767 8,930 20,837 + Unit 2 Def Fed & State Income Taxes 86,850 26,055 60,795	Proof of Federal Income Tax :				
+ Unit 2 Schedule M Adjustments 109,483 32,845 76,638 = Unit 2 Taxable Income 85,050 25,514 59,535 x Current Federal Income Tax Rate 35% 35% 35% = Unit 2 Current Federal Income Tax 29,767 8,930 20,837 + Unit 2 Def Fed & State Income Taxes 86,850 26,055 60,795	 Operation and Maintenance Expenses Depreciation Expense Taxes Other Than Federal Income Tax Unit 2 Interest Expense Deduction * 	15,978,842 1,020,635 145,803 (27,518)	4,793,653 306,190 43,741 (8,255)	11,185,190 714,445 102,062 (19,263)	
x Current Federal Income Tax Rate 35% 35% 35% = Unit 2 Current Federal Income Tax 29,767 8,930 20,837 + Unit 2 Def Fed & State Income Taxes 86,850 26,055 60,795		, , ,		, , ,	
= Total Unit 2 Fed&State Income Taxes 116.617 34.985 81.632	x Current Federal Income Tax Rate = Unit 2 Current Federal Income Tax	35% 29,767	35% 8,930	35% 20,837	
=======================================	= Total Unit 2 Fed&State Income Taxes	116,617	34,985	81,632	

^{*} From Page 5 of 18 : Line 21 + (Line 28 x Line 31 x Line 32)

AEP GENERATING COMPANY ROCKPORT POWER BILL OPERATING RATIO

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Line No.		UNIT 2 <u>February, 2014</u>
1	Operating Ratio:	
2	Net In-Service Investment:	
3	Electric Plant In-Service	799,042,077
4 5	- Accumulated Depreciation+ Materials & Supplies	570,885,433 62,709,265
6	+ Prepayments	73,250
7	+ Plant Held For Future Use (A/C 105) *	0
8	+ Other Deferred Debits (A/C 186) *	0
9	+ Other Working Capital ***	(9,725,074)
10	+ Unamortized Debt Expense (A/C 181)	142,075
11 12	+ Deferred ASH pond cost (A/C182.3) - Asset Retirement Obligation (A/C 230)	2,855,786 4,367,416
13	- Asset Retirement Obligation (A/C 230) - Other Deferred Credits (A/C 253)	49,301,656
14	- Accumulated Deferred FIT	36,806,091
15	- Accumulated Deferred ITC	17,415,105
16	Total Net In-Service Investment	176,321,680
17	Non-In-Service Investment - CWIP :	
18	Construction Work In Progress	54,242,465
19	+ Materials & Supplies	0
20	- Accumulated Deferred FIT	0
21	Total Non-In-Service Investment - CWIP	54,242,465
22	Non-In-Service Investment - Other :	
23	Plant Held for Future Use (A/C 105) **	0
24	+ Other Deferred Debits (A/C 186) **	782,118
25	+ Fuel Inventory Over Allowed Level ****	(8,866,760)
26	Total Non-In-Service Investment - Other	(8,084,642)
27	Total Investment (Lines 16+21+26)	222,479,503
28	Operating Ratio (Line 16/Line 27)	79.2530%
29	Non-In-Service Investment-CWIP Ratio (Line 21/Line 27)	24.3809%
30	Non-In-Service Investment-Other Ratio (Line 26/Line 27)	-3.6339%
31	Total Investment * As Permitted By FERC ** Excluding Amounts on Lines 7 and 8 *** Accounts 128, 131, 135, 143, 146, 171 and 174, Less Accounts 232-234, 236, 237, 238, 241 and 242 **** Includes Rockport 1 and 2	100.0000%

AEP GENERATING COMPANY ROCKPORT POWER BILL NET IN-SERVICE INVESTMENT RATIO

KPSC Case No. 2014-00225 KIUC's First Set of Data Requests Dated September 5, 2014 Pg 4 of 18 Item No. 4 Attachment 1

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Line No.		UNIT 2 <u>February, 2014</u>
1	Net In-Service Investment Ratio:	
2	Unit 2 Net In-Service Investment:	
3 4 5 6 7 8 9 10 11 12 13 14 15	Electric Plant In-Service - Accumulated Depreciation + Materials & Supplies + Prepayments + Plant Held For Future Use (A/C 105) * + Other Deferred Debits (A/C 186) * + Other Working Capital ** + Unamortized Debt Expense (A/C 181) + Deferred ASH pond cost (A/C182.3) - Asset Retirement Obligation (A/C 230) - Other Deferred Credits (A/C 253) - Accumulated Deferred FIT - Accumulated Deferred ITC	141,809,910 137,120,744 26,921,252 36,625 0 (5,935,673) 71,037 1,427,893 2,183,708 49,301,656 (6,534,761) 17,401,567
16	Total Unit 2 Net In-Service Investment	(35,141,869)
17	Unit 1 Net In-Service Investment:	
18 19 20 21 22 23 24 25 26 27 28 29 30 31	Electric Plant In-Service - Accumulated Depreciation + Materials & Supplies + Prepayments + Plant Held For Future Use (A/C 105) * + Other Deferred Debits (A/C 186) * + Other Working Capital ** + Unamortized Debt Expense (A/C 181) + Deferred ASH pond cost (A/C182.3) - Asset Retirement Obligation (A/C 230) - Other Deferred Credits (A/C 253) - Accumulated Deferred FIT - Accumulated Deferred ITC Total Unit 1 Net In-Service Investment Total Net In-Service Investment	657,232,168 433,764,688 35,788,013 36,625 0 0 (3,789,401) 71,037 1,427,893 2,183,708 0 43,340,852 13,538
33	Net In-Service Investment Ratio:	
34	Unit 2 (Line 16 / Line 32)	-19.9300%
35	Unit 1 (Line 31 / Line 32)	119.9300%
	* As Permitted By FERC	100.0000%

^{**} Accounts 128, 131, 135, 143, 146, 171 and 174, Less Accounts 232-234, 236, 237, 238, 241 and 242

AEP GENERATING COMPANY ROCKPORT POWER BILL CALCULATION OF RETURNS ON COMMON EQUITY & OTHER CAPITAL

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Line No.		UNIT 2 <u>February, 2014</u>
1	Net Capitalization:	
2 3 4 5 6	Long-Term Debt + Short-Term Debt + Preferred Stock + Common Equity - Temporary Cash Investments Net Capitalization	64,834,718 64,319,252 0 91,157,874 0
8	40% of Net Capitalization	88,124,738
9	Return on Common Equity:	
10 11 12 13 14 15	Lesser of Line 5 or Line 8 x Equity Return (Monthly Rate) = Equity Return x Operating Ratio x Net In-Service Investment Ratio = Subtotal	88,124,738 1.01333% 892,994 79.2530% -19.9300% (141,049)
16 17 18 19 20 21	Excess of Line 5 Over Line 8 x Weighted Cost of Debt (Monthly Rate) = Return on Equity over 40% of Capitalization x Operating Ratio x Net In-Service Investment Ratio = Subtotal	3,033,136 0.1151% 3,491 79.2530% -19.9300% (551)
22	Unit 2 Return on Equity (Line 15 + Line 21)	(141,600)
23	Return on Other Capital:	
24 25 26 27	Long-Term Debt Interest Expense (A/C 427-429) + Short-Term Debt Interest Expense (a/c 430) + Other Interest Expense (a/c 431) - Temporary Cash Investment Income *	132,903 37,825 0 0
28 29	Net Interest Expense+ Preferred Stock Dividends (a/c 437)	170,728 0
30 31 32	Net Cost of Other Capitalx Operating Ratiox Net In-Service Investment Ratio	170,728 79.2530% -19.9300%
33	= Unit 2 Return on Other Capital	(26,967)

AEP GENERATING COMPANY ROCKPORT POWER BILL DETERMINATION OF WEIGHTED COST OF DEBT

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Line <u>No.</u>		UNIT 2 <u>February, 2014</u>
1	Debt Balances (Prior Month Ending) :	
2 3 4	Long-Term Debt (Accts 221 thru 226) + Short-Term Debt (Accts 231 + 233) + Other Debt (Accts 132 thru 136 + 145)	64,834,718 64,319,252 0
5	Total Debt Balances (Prior Month Ending)	129,153,970
6	Weighting of Debt Balances :	
7 8 9	Long-Term Debt (LTD bal/Total Debt bal) + Short-Term Debt (STD bal/Total Debt bal) + Other Debt	50.1996% 49.8004% 0.0000%
10	Total Debt Balances	100.0000%
11	<u>Debt Cost Rates</u> :	
12 13 14	Long-Term Debt (avg LTD int rate) Short-Term Debt (avg Money Pool STD int rate) Other Debt	2.6722% 0.3186% 0.0000%
15	Weighted Cost of Debt :	
16 17 18	Long-Term Debt (LTD % x avg LTD int rate) + Short-Term Debt (STD % x avg MP STD int rate) + Other Debt	1.3414% 0.1587% 0.0000%
19	Total Weighted Cost of Debt	1.5001%

AEP GENERATING COMPANY ROCKPORT POWER BILL DETERMINATION OF UNIT 2 MATERIALS AND SUPPLIES

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UNIT 2

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INCLUDE A/C 431 ON PG 5

Lima	INOLODE A/O 431 ON 1 G 5	ONIT 2
Line No.		February, 2014
1	Unit 2 Materials and Supplies:	
2 3 4 5 6 7	Fuel Stock - Coal (per Line 23) Fuel Stock Expenses - Undistributed (152) Fuel Stock - Oil (151) Plant Materials & Operating Supplies Merchandise Undistributed Stores Expense	11,965,429 619,542 1,969,308 12,366,973 0
8	Total Materials & Supplies	26,921,252
9	Support of Coal Inventory Value:	
10 11	Actual Coal Inventory (a/c 151.10) + Equivalent Inventory re: Deferred Return	11,965,429 1,023,491,504
12	= Imputed Coal Inventory	1,035,456,933
13	Coal Inventory W/68 Day Supply Cap	
14 15 16 17	Tons Consumed - CHANGE ANNUALLY FROM DEC PG 24 / Hours Available * CHG ANNUALLY FROM GADS RPT 511 = Tons Consumed per Hour x 24 Hours per Day	2,539,993 7927.0 320.42 24
18 19	= Tons Consumed Per Day x 68 days	7690.08 68
20 21	= 68 day Supply (Tons) x Coal Cost per Ton (per a/c 151.10 at End of Prior Month)	522,925 39.383
22	= 68 day Coal Inventory	20,594,355
23	Lesser of Imputed or Capped Coal Inventory	20,594,355
24	Imputed Inventory Minus Line 23	1,014,862,578
25	Accumulated Deferred Inventory Return - Unit 2 (Memo Item):	
26 27 28 29	Beginning Balance + Current Month Return on Beginning Balance + Current Month Deferral - Current Month Recovery	6,723,483 44,460 59,971 0
30	= Ending Balance **	6,827,914
	* Excludes Forced Outages,Scheduled Outages,and Curtailments ** May Not Be Less Than Zero	
	Total Unit 2 Monthly Power Bill with Actual Total Unit 2 Monthly Power Bill with 68 Day Capped Difference	16,549,027 16,608,998 59,971

AEP GENERATING COMPANY ROCKPORT POWER BILL DETAIL OF OTHER OPERATING REVENUES

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Line	Account		UNIT 2 <u>February, 2014</u>
No.	No.	<u>Description</u>	<u>1 ebitual y, 2014</u>
1	450	Forfeited Discounts	0
2	451	Miscellaneous Service Revenues	0
3	453	Sales of Water and Water Power	0
4	454	Rent From Electric Property - Associated Companies	0
5	454.20	Rent From Electric Property - Non-Associated Companies	0
6	455	Interdepartmental Rents	0
7	456	Other Electric Revenues	(8,750)
8	411.8	Proceeds/Gains From Sale of Emission Allowances	0
9		Total Other Operating Revenues	(8,750)

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ROCKPORT POWER BILL DETAIL OF OPERATION & MAINTENANCE EXPENSES

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Line No.	Account <u>No.</u>	Description	UNIT 2 February, 2014
1 2 3	500,502-508 501 510-515	Steam Power Generation - Operation Fuel - Operation Steam Power Generating - Maintenance	6,374,703 8,817,359 676,412
4		Total Steam Power Generation Expenses	15,868,474
5	555-557	Other Power Supply Expenses	5,991
6 7	560-567.1 568-574	Transmission Expenses - Operation Transmission Expenses - Maintenance	0
8		Total Transmission Expenses	0
9 10	580-589 590-598	Distribution Expenses - Operation Distribution Expennse - Maintenance	0 0
11		Total Distribution Expenese	0
12	901-905	Customer Accounts Expenses - Operation	0
13	906-910	Customer Service and Informational Expenses - Operation	0
14	911-917	Sales Expenses - Operation	0
15	920-933	Administrative and General Expenses - Operation	94,380
16	935	Administrative and General Expenses - Maintenance	9,997
17		Total Administrative & General Exp.	104,377
18		Total Operation & Maintenance Expenses	15,978,842

AEP GENERATING COMPANY ROCKPORT POWER BILL DETAIL OF DEPRECIATION & AMORTIZATION EXPENSES

KPSC Case No. 2014-00225 KIUC's First Set of Data Requests Dated September 5, 2014 Pg 10 of 18 Item No. 4 Attachment 1 Page 176 of 350

Line	Account		UNIT 2 <u>February, 2014</u>
<u>No.</u>	No.	<u>Description</u>	
1	403	Depreciation Expense *	447,851
1a	403.1	ARO Depreciation Expense	3,343
2	404	Amortization of Limited-Term Electric Plant **	553,126
3	405	Amortization of Other Electric Plant	0
4	406	Amortization of Electric Plant Acquistion Adjustments	0
5	407	Amortization of Property Losses, Unrecovered Plant and Regulatory	0
		Study Costs	U
			_
6		Total Depreciation Exp. & Amortization	1,004,320
			=
7	411.10	ARO Accretion Expense	16,315
8		Total Depreciation, Amortization & Accretion Expenses	1,020,635

^{*} Rockport 2 Capitalized Spare Parts book depreciation rate = 3.52%

 ^{*} Rockport 2 Associated Equipment (not sold in Sale/Leaseback transaction) book depreciation rate = 3.07 %

^{**} Rockport 2 Leasehold Improvements Amortization rate = 3.03%

AEP GENERATING COMPANY ROCKPORT POWER BILL DETAIL OF TAXES OTHER THAN FEDERAL INCOME TAXES

KPSC Case No. 2014-00225 KIUC's First Set of Data Requests Dated September 5, 2014 Pg 11 of 18 Item No. 4 Attachment 1

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Line No.	Account <u>No.</u>	<u>Description</u>	UNIT 2 <u>February, 2014</u>
1	408.1	Taxes Other Than Federal Income Taxes, Utility Operating Income	161,303
2	409.1	State Income Taxes	(15,500)
3		Total Taxes Other than Federal Income Taxes	145,803

AEP GENERATING COMPANY ROCKPORT POWER BILL DETAIL OF UNIT 2 SCHEDULE `M' ADJUSTMENTS AND DEFERRED FEDERAL INCOME TAX

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Line No.	Account <u>No.</u>	_Description_	TOTAL	KPCO SHARE	I&M <u>Share</u>
1		Unit 2 Schedule `M' Adjustments*			
2	N/A	Excess ACRS Over Normalization Base Depreciation	14,000	4,200	9,800
3	N/A	Excess Normalization Base Over Book Depreciation	498,500	149,550	348,950
4	N/A	Other Unit 2 Schedule `M' Adjustments	(403,017)	(120,905)	(282,112)
5	***	Total Unit 2 Schedule `M' Adjustments	109,483	32,845 ====================================	76,638
6		Unit 2 Deferred Federal Income Tax			
7	410.1	Excess ACRS Over Norm. Base Depr. (Line 2 x FIT Rate * -1)	(36,339)	(10,902)	(25,437)
8	10.1&411	.Other Unit 2 Schedule `M' Adjustments -			
9	411.1	Feedback of Accumulated DFIT re: ABFUDC - Unit 2 Negative Amount Denotes Reduction.	12,024	3,607	8,416
10	411.1	Feedback of Accumulated DFIT re: Overheads Capitalized - Unit 2	181	54	126
11	411.1	Feedback of Accumulated DFIT re: Other Schedule `M' AdjUtility	110,985	33,295	77,689
12	***	Total Unit 2 Deferred Federal Income Tax	86,850 ====================================	26,055 ===================================	60,795
		ve Amount Denotes Increase In Taxable Income, e Amount Denotes Reduction.			
		Check Figure on Tax Page for Sch M Check Figure on Tax Page for DFIT	109,483 86,850		

NOTE: If the words SEE NOTE appear in this schedule, then the bill has not been properly identified as

the ESTIMATE or ACTUAL on the INSTRUCTIONS tab (L6), and should be type in all capital lett

AEP GENERATING COMPANY ROCKPORT POWER BILL DETAIL OF NET IN-SERVICE INVESTMENT UNIT 2

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Line	Account		UNIT 2 February, 2014
No.	No.	<u>Description</u>	
1		ELECTRIC PLANT IN SERVICE	
2	101	Electric Plant In Service	138,844,996
3	102	Electric Plant Purchased	0
4	103	Experimental Elec. Plant Unclassified	0
5	103.1	Electric Plant In Process of Reclassification	0
6	104	Electric Plant Leased to Others	0
7	106	Completed Construction Not Classified	2,964,913
8	114	Electric Plant Acquisition Adjustments	0
9	116	Other Electric Plant Adjustments	0
10	118	Other Utility Plant	0
11		Total Electric Plant In Service	141,809,910
12	105	Plant Held For Future Use	0
13		ACCUMULATED DEPRECIATION	
14	108	Accumulated Provision for Depreciation	444.004.000
15	110	of Electric Utility Plant Accumulated Provision for Depreciation	114,894,988
13	110	and Amort. of Elec. Utility Plant	0
16	111	Accumulated Provision for Amortization	•
		of Electric Utility Plant	22,225,757
17	115	Accumulated Provision for Amortization of Electric Plant Acquisition	
		Adjustments	0
18	119	Accumulated Provision for Depreciation	
		and Amortization of Other Utility Plant	0
		Tidit	
19		Total Accumulated Depreciation	137,120,744
20		MATERIAL AND SUPPLIES	
21	151	Fuel Stock	13,934,737
22	152	Fuel Stock Expenses - Undistributed	619,542
23	153	Residuals	0
24	154	Plant Materials and Operating Supplies	12,366,973
25	155	Merchandise	0
26 27	156 163	Other Materials and Supplies Stores Expense Undistributed	0
28	100	Total Materials and Supplies	
_0		(In-Service Portion)	26,921,252
29	165	Prepayments	36,625
30	186	Other Deferred Debits	0

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ROCKPORT POWER BILL OTHER WORKING CAPITAL, UNAMORTIZED DEBT EXPENSE, AND OTHER DEFERRED CREDITS

AEP GENERATING COMPANY

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Line No.	Account <u>No.</u>	_Description *	UNIT 2 <u>February, 2014</u>
1	128	Other Special Funds	0
2	131	Cash	0
3	135	Other Intra Company Adjustments	0
4	143	Accounts Receivable-Miscellaneous	0
5	146	Accounts Receivable-Associated Company	16,611,691
6	171	Interest and Dividends Receivable	588
7	174	Miscellaneous Current and Accrued Assets	0
8	232	Accounts Payable-General	(13,149)
9	234	Accounts Payable-Associated Company	(13,116,478)
10	236	Taxes Accrued	(967,998)
11	237	Interest Accrued	(242,279)
12	238	Dividends Declared	0
13	241	Tax Collections Payable	0
14	242	Misc Current and Accrued Liabilities	(8,208,047)
15		Total Other Working Capital	(5,935,673)
16	181	Unamortized Debt Expense	71,037
17	253	Other Deferred Credits	49,301,656
	1.1.9	Pr	

AEP GENERATING COMPANY ROCKPORT POWER BILL DETAIL OF NET IN-SERVICE INVESTIMENT UNIT 2(Cont'd)

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Line No.	Account No.	<u>Description</u>	February, 2014
31		ACCUMULATED DEFERRED INCOME TAXES	
32 33	190 281	-Accumulated Deferred Income Taxes +Accumulated Deferred Income Taxes -	20,846,001
0.4		Accelerated Amortization Property	0
34	282	+Accumulated Deferred Income Taxes - Other Property	13,341,898
35	283	+Accumulated Deferred Income Taxes - Other	969,341
36		Total Accumulated Deferred Income Taxes (In-Service Portion)	(6,534,761)
37	255	+Accumulated Deferred Investment Tax Credits	17,401,567
38	186.50	-Accumulated Deferred Investment Tax Credit	0
39		Total Accumulated Deferred Investment Tax Credits	 17,401,567
40		Total Net In-Service Investment -	
		Unit 2	(34,386,054)

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AEP GENERATING COMPANY ROCKPORT POWER BILL

DETAIL OF NON-IN-SERVICE INVESTMENT - CWIP AND OTHER

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Line	Account	OF NON-IN-SERVICE INVESTMENT - CWIP AND	UNIT 2 February, 2014
No.	No.		<u>10014419, 2011</u>
		Non-In-Service Investment - CWIP	
1	107	Construction Work In Process	54,242,465
2		MATERIAL AND SUPPLIES	
3 4 5 6 7 8 9 10	151 152 153 154 155 156 163	Fuel Stock Fuel Stock Expenses - Undistributed Residuals Plant Materials and Operating Supplies Merchandise Other Material and Supplies Stores Expense Undistributed Total Material and Supplies (CWIP Portion)	0 0 0 0 0 0
11		ACCUMULATED DEFERRED INCOME TAXES	
12 13	190 281	-Accumulated Deferred Income Taxes +Accumulated Deferred Income Taxes -	0
14	282	Accelerated Amortization Property +Accumulated Deferred Income Taxes -	0
15	283	Other Property +Accumulated Deferred Income Taxes -	0
16		Other Total Accumulated Deferred Income Taxes (CWIP Portion)	0
17		TOTAL NON-IN-SERVICE INVESTMENT - CWIP	54,242,465
		Non-In-Service Investment - Other	=======================================
18	105	Plant Held for Future Use	0
19	186	Other Deferred Debits	782,118
20	151.10	0 Fuel Inventory Over Allowed Level *	(8,866,760)
21		Total Non-In-Service Investment - Other	(8,084,642)
	* INCLU	JDES ROCKPORT 1 AND 2 UNIT 1 UNIT 2	(8,866,760)
		TOTAL	(8,866,760)

AEP GENERATING COMPANY ROCKPORT POWER BILL DETAIL OF NET CAPITALIZATION

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		DETAIL OF NET CAPITALIZATION	UNIT 2
Line	Account		February, 2014
<u>No.</u>	No.	Description	
1		COMMON CAPITAL STOCK	
2	201	Common Stock Issued	383,000
3	202	Common Stock Subscribed	0
4	203	Common Stock Liability for Conversion	0
5	209	Reduction In Par or Stated Value	•
6	210	of Capital Stock Gain on Resale or Cancellation of	0
O	210	Reacquired Capital Stock	0
7	212	Installments Received on Capital Stock	0
8	214	Capital Stock Expense	0
9	217	Reacquired Capital Stock	0
10		Total Common Capital Stock	383,000
11		OTHER PAID-IN CAPITAL	
12	207	Premium on Capital Stock	0
13	208	Donations Received from Stockholders	87,478,987
14	211	Miscellaneous Paid-In Capital	0
15	213	Discount on Capital Stock	0
16		Total Other Paid-In Capital	87,478,987
17		RETAINED EARNINGS	
18	215	Appropriated Retained Earnings	0
19	215.1	Appropriated Retained Earnings-	
00	040	Amortization Reserve, Federal	0
20	216	Unappropriated Retained Earnings	3,295,886
21		Total Retained Earnings	3,295,886
22		Total Common Equity	91,157,874
23		PREFERRED CAPITAL STOCK	
24	204	Preferred Stock Issued	0
25	205	Preferred Stock Subscribed	0
26	206	Preferred Stock Liability	_
		for Conversion	0
27		Total Preferred Capital Stock	0

AEP GENERATING COMPANY ROCKPORT POWER BILL DETAIL OF NET CAPITALIZATION (Cont'd)

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Line	Account	DETAIL OF NET CAPITALIZATION (COILE)	UNIT 2 February, 2014
No.	No.	<u>Description</u>	
28		LONG-TERM DEBT	
29	221	Bonds	0
30	222	Reacquired Bonds	0
31	223	Advances from Associated Companies	0
32	224	Other Long-Term Debt	64,834,718
33	225	Unamortized Premium on	
		Long-Term Debt-Credit	0
34	226	Unamortized Discount on Long-Term Debt-Debit	0
35		Total Long-Term Debt	64,834,718
36a 36b	231.02 231.03 233.00	SHORT-TERM DEBT Notes Payable (Short-Term Debt) Unamortized Discount Notes Payable, Assoc Co(Money Pool)	0 0 64,319,252
38		Total Short-Term Debt	64,319,252
39		TEMPORARY CASH INVESTMENTS	
40	132	Interest Special Deposits	0
41	133	Dividend Special Deposits	0
42	134	Other Special Deposits	0
43	136, 145	Temporary Cash Investments	0
44	, -	Total Temporary Cash Investments	
• •		. Star remperary each invocation to	
45		NET CAPITALIZATION	220,311,844

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AEP GENERATING COMPANY ROCKPORT POWER BILL DETERMINATION OF RATE OF RETURN (Net & Pre-Tax)

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Line No.	_	UNIT 2 <u>February, 2014</u>
1	Capitalization Balances (Prior Month Ending) :	
2	Long-Term Debt (Accts 221 thru 226)	64,834,718
3	+ Short-Term Debt (Accts 231 + 233)	64,319,252
4	+ Preferred Stock	0
5	+ Common Equity (Accts 201 thru 216)	91,157,874
6	- Capitalization Offsets	0
7	Total Capitalization Balances	220,311,844
8	Weighting of Capitalization Balances:	
9	Long-Term Debt (LTD/Total Capital)	29.4286%
10	+ Short-Term Debt (STD/Total Capital)	29.1946%
11	+ Preferred Stock	0.0000%
12	+ Common Equity (Common Equity/Total Capital)	41.3767%
13	- Capitalization Offsets	-0.0001%
14	Total Capitalization	100.0000%
15	<u>Capitalization Cost Rates :</u>	
16	Long-Term Debt (avg LTD int rate)	2.6722%
17	Short-Term Debt (avg money pool STD int rate)	0.3186%
18	Preferred Stock	0.0000%
19	Common Equity (FERC fixed rate)	12.1600%
20	Capitalization Offsets (sum of weighted costs of debt)	1.5001%
21	Rate of Return (Net of Tax) :	
22	Long-Term Debt (LTD % x avg LTD int rate)	0.7864%
23	+ Short-Term Debt (STD % x avg MP STD int rate)	0.0930%
24	+ Preferred Stock	0.0000%
25	+ Common Equity (CE % x FERC fixed rate)	5.0314%
26	- Capitalization Offsets	0.0000%
27	Total Rate of Return (Net of Tax)	5.9108% ======
28	Weighted Net Cost of Debt (LTD Rate of Return + STD RR - Cap Offsets RR)	0.8794%
29	+ Pre-Tax Common Equity (Line 25 / .65)	7.7406%
30	(Common Equity Rate of Return grossed up for tax) = Rate of Return (Pre-Tax)	8.6200% ======

A E P GENERATING COMPANY

ESTIMATE

KPSC Case No. 2014-00225 February, 2014 KIUC's First Set of Data Requests
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ROCKPORT OPERATION & MAINTENANCE EXPENSES UNIT 2 50% OWNERSHIP INTEREST OF ROCKPORT PLANT

500 501 502 503 504 505 506 507 508 509	SUPERVISION AND ENGINEERING FUEL STEAM EXPENSES STEAM FROM OTHER SOURCES STEAM TRANSFERRED - CR ELECTRIC EXPENSES MISC. STEAM POWER EXPENSES RENTS OPERATION SUPPLIES AND EXPENSES CARRYING CHARGES - ALLOWANCES TOTAL OPERATION EXPENSE	128,187 8,817,359 38,017 0 0 81,205 437,041 5,690,253 0 0
510 511 512 513 514 515	MAINTENANCE SUPER. AND ENGINEERING MAINTENANCE OF STRUCTURES MAINTENANCE OF BOILER PLANT MAINTENANCE OF ELECTRIC PLANT MAINTENANCE OF MISC. STEAM PLANT MAINTENANCE NORMALIZING	69,383 7,986 470,051 108,805 20,186
555	TOTAL MAINTENANCE EXPENSES PURCHASED POWER	676,412 0
556 557	SYSTEM CONTROL AND LOAD DISPATCHING OTHER POWER SUPPLY EXPENSES TOTAL OTHER SUPPLY EXPENSES	2,535 3,456 5,991

IS FUEL IN BALANCE ON PAGE 2	AMOUNT MUST BE ZERO 0
BE SURE THIS IS CORRECT	
NO OF DAYS IN CURRENT MO >	28
NO OF DAYS IN CURRENT YEAR >	365
CURRENT YEAR IS	2014
CURRENT MONTH IS	2
THIS BILLING IS FOR MONTH OF	February, 2014

February, 2014 Dated September 5, 2014

ESTIMATE

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ROCKPORT OPERATION & MAINTENANCE EXPENSES UNIT 2 50% OWNERSHIP INTEREST OF ROCKPORT PLANT

901 902 903 904	SUPERVISION METER READING EXPENSES CUSTOMER RECORDS AND COLLECTION EXPENSES UNCOLLECTIBLE ACCOUNTS	0 0 0 0
905	MISCELLANEOUS CUSTOMER ACCOUNTS EXPENSES	0
	TOTAL CUSTOMER ACCOUNTS EXPENSES	0
906 907 908 909	CUSTOMER SERVICE AND INFORMATIONAL EXP SUPERVISION CUSTOMER ASSISTANCE EXPENSES INFORMATIONAL AND INSTRUCTIONAL ADVERTISING EXPENSES	0 0 0
910	MISCELLANEOUS CUSTOMER SERVICE AND INFORMATIONAL EXPENSES	0
	TOTAL CUSTOMER SERVICES EXPENSES	0
911 912 913 916 917	SUPERVISION DEMONSTRATION AND SELLING EXPENSES ADVERTISING EXPENSES MISCELLANEOUS SALES EXPENSES (MAJOR) SALES EXPENSES (NON-MAJOR)	0 0 0 0
	TOTAL SALES EXPENSES	0
920 921 922 923 924 925 926 927 928 929 930 931 933	ADMIN. & GENERAL SALARIES OFFICE SUPPLIES AND EXPENSES ADMINISTRATIVE EXPENSES TRANSF - CR OUTSIDE SERVICES PROPERTY INSURANCE INJURIES AND DAMAGES EMPLOYEE PENSIONS AND BENEFITS FRANCHISE REQUIREMENTS REGULATORY COMMISSION DUPLICATE CHARGES-CREDIT MISCELLANEOUS GENERAL EXPENSES RENTS TRANSPORTATION EXPENSE	35,082 3,786 0 (34,826) 10,541 2,651 71,214 0 0 0 5,174 759
	TOTAL ADM & GEN EXPENSES OPERATION	94,380
935	MAINTENANCE OF GENERAL PLANT	9,997
	TOTAL ADM & GEN EXPENSES	104,377
ACCOU	AEG OPERATION & MAINTENANCE EXPENSES NT 40190 TOTAL FOR CROSS FOOT -DIFFERENCE	15,978,842 15,978,842 0

AEP GENERATING COMPANY ONE RIVERSIDE PLAZA, COLUMBUS, OH 43215 TELEPHONE (614) 716-3724

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KENTUCKY POWER COMPANY 17TH ST. & CENTRAL AVE. ASHLAND, KY 41101 ESTIMATE 05-Apr-14

UNIT 1

POWER BILL -- March, 2014

IN ACCORDANCE WITH POWER AGREEMENT DATED OCTOBER 1, 1984 (AS AMENDED)

ENERGY DELIVERED FOR THE MONTH OF March, 2014

KWH FOR THE MONTH 143,800,000

	SUMMARY	<u>TOTAL</u>
Current Month Bill	:	
	Return on Common Equity	252,800
	Return on Other Capital	119,135
	Total Return	371,935
	Fuel Purchased Power Other Operating Revenues Other Operation and Maintenance Exp Depreciation Expense Taxes Other Than Federal Income Tax Federal Income Tax TOTAL CURRENT UNIT POWER BILL	3,345,188 0 (2,625) 420,658 495,114 44,111 211,152
	stment: Return on Common Equity & Other Capital Fuel Expense Other Expenses (Includes taxes & interest)	0 0 (53,000)
	TOTAL PRIOR MONTH'S ADJUSTMENTS	(53,000)
	TOTAL UNIT POWER BILL	4,832,533
AMOUNTS WILL BE	PAID DIRECT FROM GENERAL FLINDS	==========

AMOUNTS WILL BE PAID DIRECT FROM GENERAL FUNDS.

DUE DATE - - - April 18, 2014

Cc: Steve Hornyak - Columbus Kurt C Cooper - Ft Wayne

Dave Hille - Ft. Wayne Shannon Listebarger - Columbus

Mike Stout - Ft. Wayne Mike Giardina - Columbus

Sid Lyons - Columbus Michelle Howell - Columbus

Diane Keegan - Columbus

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AEP GENERATING COMPANY ONE RIVERSIDE PLAZA, COLUMBUS, OH 43215 TELEPHONE (614) 716-3724

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INDIANA MICHIGAN POWER COMPANY P. O. BOX 60 FORT WAYNE, IN 46801 ESTIMATE 05-Apr-14

UNIT 1

POWER BILL - - March, 2014

IN ACCORDANCE WITH POWER AGREEMENT DATED OCTOBER 1, 1984 (AS AMENDED)

ENERGY DELIVERED FOR THE MONTH OF March, 2014

KWH FOR THE MONTH 335,532,000

	KWH FOR THE MONTH	335,532,000
	SUMMARY	<u>TOTAL</u>
Current Month	Bill:	
	Return on Common Equity	589,866
	Return on Other Capital	277,980
	Total Return	867,846
	Fuel Purchased Power Other Operating Revenues Other Operation and Maintenance Exp Depreciation Expense Taxes Other Than Federal Income Tax Federal Income Tax	7,805,440 0 (6,125) 981,535 1,155,264 102,926 492,682
	TOTAL UNIT POWER BILL	11,399,568
Prior Month's A	djustment: Return on Common Equity & Other Capital Fuel Other Expenses (Includes taxes & interest)	0 0 (123,663)
	TOTAL PRIOR MONTH'S ADJUSTMENTS	(123,663)
	TOTAL UNIT POWER BILL	11,275,905
AMOUNTS WILL	BE PAID DIRECT FROM GENERAL FUNDS.	===========

AMOUNTS WILL BE PAID DIRECT FROM GENERAL FUNDS.

DUE DATE - - - April 18, 2014

Cc: Steve Hornyak - Columbus Kurt C Cooper - Ft Wayne

Dave Hille - Ft. Wayne Shannon Listebarger - Columbus

Mike Stout - Ft. Wayne

Mike Giardina - Columbus Kevin Amburgey-Columbus Sid Lyons - Columbus Michelle Howell - Columbus

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AEP GENERATING COMPANY ROCKPORT POWER BILL SUMMARY OF MONTHLY POWER BILL

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March, 2014

	TOTAL UNIT 1 POWER BILL	KPCO SHARE	I&M Share
Return on Common Equity	842,666	252,800	589,866
Return on Other Capital	397,115	119,135	277,980
Total Return	1,239,781	371,935	867,846
 + Fuel + Purchased Power - Other Operating Revenues + Other Operation and Maintenance Exp + Depreciation Expense + Taxes Other Than Federal Income Tax + Federal and State Income Tax 	11,150,628 0 (8,750) 1,402,193 1,650,378 147,037 703,835	3,345,188 0 (2,625) 420,658 495,114 44,111 211,152	7,805,440 0 (6,125) 981,535 1,155,264 102,926 492,682
= Total Unit 1 Monthly Power Bill	16,285,102	4,885,533 	11,399,568
<u>Determination of Federal Income Tax :</u>			
Total Return (Line 3) + Unit 1 Schedule M Adjustments + Unit 1 Deferred Federal Income Taxes - Unit 1 Interest Expense Deduction *	1,239,781 636,203 (56,768) 406,667	371,935 190,861 (17,030) 122,000	867,846 445,342 (39,739) 284,667
 Subtotal x Gross-Up (FIT Rate / 1-FIT Rate) Unit 1 Current Federal Income Tax Unit 1 Def Fed & State Income Taxes 	1,412,549 0.538462 760,603 (56,768)	423,766 0.538462 228,182 (17,030)	0.538462 532,421 (39,739)
= Total Unit 1 Fed&State Income Taxes	703,835	211,152	492,682
Proof of Federal Income Tax :		=======================================	=======================================
Total Unit 1 Monthly Power Bill - Operation and Maintenance Expenses - Depreciation Expense - Taxes Other Than Federal Income Tax - Unit 1 Interest Expense Deduction * - Other Operating Revenues	16,285,102 12,552,821 1,650,378 147,037 406,667 (8,750)	4,885,533 3,765,846 495,114 44,111 122,000 (2,625)	11,399,568 8,786,975 1,155,264 102,926 284,667 (6,125)
= Pre-Tax Book Income + Unit 1 Schedule M Adjustments	1,536,949 636,203	461,087 190,861	1,075,861 445,342
 = Unit 1 Taxable Income x Current Federal Income Tax Rate = Unit 1 Current Federal Income Tax + Unit 1 Def Fed & State Income Taxes 	2,173,152 35% 760,603 (56,769)	651,948 35% 228,182 (17,030)	1,521,203 35% 532,421 (39,739)
= Total Unit 1 Fed&State Income Taxes	703,834	211,152	492,682

^{*} From Page 5 of 18 : Line 21 + (Line 28 x Line 31 x Line 32)

AEP GENERATING COMPANY ROCKPORT POWER BILL OPERATING RATIO

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Line <u>No.</u>		UNIT 1 <u>March, 2014</u>
1	Operating Ratio:	
2	Net In-Service Investment:	
3	Electric Plant In-Service	799,419,236
4	- Accumulated Depreciation	572,939,624
5	+ Materials & Supplies	64,613,368
6	+ Prepayments	57,041
7	+ Plant Held For Future Use (A/C 105) *	0
8	+ Other Deferred Debits (A/C 186) * + Other Working Capital ***	(21.041.228)
9 10	+ Other Working Capital + Unamortized Debt Expense (A/C 181)	(21,041,228) 130,544
11	+ Deferred ASH pond cost (A/C182.3)	2,847,962
12	- Asset Retirement Obligation (A/C 230)	4,395,196
13	- Other Deferred Credits (A/C 253)	48,837,410
14	- Accumulated Deferred FIT	37,127,625
15	- Accumulated Deferred ITC	17,250,704
16	Total Net In-Service Investment	165,476,366
17	Non-In-Service Investment - CWIP :	
18	Construction Work In Progress	58,141,178
19	+ Materials & Supplies	0
20	- Accumulated Deferred FIT	0
21	Total Non-In-Service Investment - CWIP	58,141,178
22	Non-In-Service Investment - Other :	
23	Plant Held for Future Use (A/C 105) **	1,034,099
24	+ Other Deferred Debits (A/C 186) **	421,608
25	+ Fuel Inventory Over Allowed Level ****	(7,810,283)
26	Total Non-In-Service Investment - Other	(6,354,576)
27	Total Investment (Lines 16+21+26)	217,262,967 ======
28	Operating Ratio (Line 16/Line 27)	76.1641%
29	Non-In-Service Investment-CWIP Ratio (Line 21/Line 27)	26.7607%
30	Non-In-Service Investment-Other Ratio (Line 26/Line 27)	-2.9248%
	Total Investment ermitted By FERC	100.0000%
*** Acco	iding Amounts on Lines 7 and 8 unts 128, 131, 135, 143, 146, 171 and 174, Less Accounts 232-23 des Rockport 1 and 2	4, 236, 237, 238, 241 and

AEP GENERATING COMPANY ROCKPORT POWER BILL NET IN-SERVICE INVESTMENT RATIO

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Line No.		UNIT 1 <u>March, 2014</u>
1	Net In-Service Investment Ratio:	
2	Unit 1 Net In-Service Investment:	
3 4 5 6 7 8 9 10 11 12 13 14 15	Electric Plant In-Service - Accumulated Depreciation + Materials & Supplies + Prepayments + Plant Held For Future Use (A/C 105) * + Other Deferred Debits (A/C 186) * + Other Working Capital ** + Unamortized Debt Expense (A/C 181) + Deferred ASH pond cost (A/C182.3) - Asset Retirement Obligation (A/C 230) - Other Deferred Credits (A/C 253) - Accumulated Deferred ITC	657,472,786 433,892,257 36,211,826 28,520 0 (6,370,228) 65,272 1,423,981 2,197,598 0 43,572,752 13,302
16	Total Unit 1 Net In-Service Investment	209,156,248
17	Unit 2 Net In-Service Investment:	209,130,240
18 19 20 21 22 23 24 25 26 27 28 29 30 31	Electric Plant In-Service - Accumulated Depreciation + Materials & Supplies + Prepayments + Plant Held For Future Use (A/C 105) * + Other Deferred Debits (A/C 186) * + Other Working Capital ** + Unamortized Debt Expense (A/C 181) + Deferred ASH pond cost (A/C182.3) - Asset Retirement Obligation (A/C 230) - Other Deferred Credits (A/C 253) - Accumulated Deferred FIT - Accumulated Deferred ITC Total Unit 2 Net In-Service Investment	141,946,451 139,047,367 28,401,543 28,520 0 (14,670,999) 65,272 1,423,981 2,197,598 48,837,410 (6,445,128) 17,237,402
33	Net In-Service Investment Ratio:	
34	Unit 1 (Line 16 / Line 32)	126.4000%
35	Unit 2 (Line 31 / Line 32)	-26.4000%
	* As Permitted By FERC ** Accounts 128, 131, 135, 143, 146, 171 and 174, Less Accounts 232-234, 236, 237, 238, 241 and 242	100.0000%

AEP GENERATING COMPANY ROCKPORT POWER BILL CALCULATION OF RETURNS ON COMMON EQUITY & OTHER CAPITAL

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Line No.		UNIT 1 <u>March, 2014</u>
1	Net Capitalization:	
2 3	Long-Term Debt + Short-Term Debt	64,834,718 55,914,926
4	+ Preferred Stock	0 33,914,920
5	+ Common Equity	92,749,435
6	- Temporary Cash Investments	0
7	Net Capitalization	213,499,080
8	40% of Net Capitalization	85,399,632
9	Return on Common Equity:	
10	Lesser of Line 5 or Line 8	85,399,632
11 12	x Equity Return (Monthly Rate) = Equity Return	1.01333% 865,380
13	x Operating Ratio	76.1641%
14	x Net In-Service Investment Ratio	126.4000%
15	= Subtotal	833,114
16	Excess of Line 5 Over Line 8	7,349,803
17 18	x Weighted Cost of Debt (Monthly Rate) = Return on Equity over 40% of Capitalization	0.1350% 9,922
19	x Operating Ratio	76.1641%
20	x Net In-Service Investment Ratio	126.4000%
21	= Subtotal	9,552
22	Unit 1 Return on Equity (Line 15 + Line 21)	842,666
		=========
23	Return on Other Capital:	
24 25	Long-Term Debt Interest Expense (A/C 427-429) + Short-Term Debt Interest Expense (a/c 430)	147,922
26 26	+ Other Interest Expense (a/c 430)	264,573 0
27	- Temporary Cash Investment Income *	0
28	= Net Interest Expense	412,495
29	+ Preferred Stock Dividends (a/c 437)	0
30	= Net Cost of Other Capital	412,495
31 32	x Operating Ratio x Net In-Service Investment Ratio	76.1641% 126.4000%
33	Unit 1 Return on Other Capital* Line 6 x Line 19 from Pg 6 of 18	397,115
	g x g 0 0 10	

AEP GENERATING COMPANY ROCKPORT POWER BILL DETERMINATION OF WEIGHTED COST OF DEBT

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Line No.		UNIT 1 <u>March, 2014</u>
1	<u>Debt Balances (Prior Month Ending)</u> :	
2 3 4	Long-Term Debt (Accts 221 thru 226) + Short-Term Debt (Accts 231 + 233) + Other Debt (Accts 132 thru 136 + 145)	64,834,718 55,914,926 0
5	Total Debt Balances (Prior Month Ending)	120,749,644
6	Weighting of Debt Balances :	
7 8 9	Long-Term Debt (LTD bal/Total Debt bal) + Short-Term Debt (STD bal/Total Debt bal) + Other Debt	53.6935% 46.3065% 0.0000%
10	Total Debt Balances	100.0000%
11	<u>Debt Cost Rates :</u>	
12 13 14	Long-Term Debt (avg LTD int rate) Short-Term Debt (avg Money Pool STD int rate) Other Debt	2.6863% 0.3171% 0.0000%
15	Weighted Cost of Debt :	
16 17 18	Long-Term Debt (LTD % x avg LTD int rate) + Short-Term Debt (STD % x avg MP STD int rate + Other Debt	1.4424% 0.1468% 0.0000%
19	Total Weighted Cost of Debt	1.5892% =======

AEP GENERATING COMPANY ROCKPORT POWER BILL DETERMINATION OF UNIT 1 MATERIALS AND SUPPLIES

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UNIT 1

Line		· · · · ·
No.		March, 2014
1	Unit 1 Materials and Supplies:	
2	Fuel Stock - Coal (per Line 23)	20,765,540
3	Fuel Stock Expenses - Undistributed (152)	622,296
4	Fuel Stock - Oil (151)	2,365,940
5	Plant Materials & Operating Supplies	12,458,050
6	Merchandise	0
7	Undistributed Stores Expense	0
8	Total Materials & Supplies	36,211,826
9	Support of Coal Inventory Value:	
10	Actual Coal Inventory (a/c 151.10)	12,955,257
11	+ Equivalent Inventory re: Deferred Return	19,503,724,172
12	= Imputed Coal Inventory	19,516,679,429
13	Coal Inventory W/68 Day Supply Cap	
14	Tons Consumed - CHANGE ANNUALLY FROM DEC PG 24	2,603,238
15	/ Hours Available * CHG ANNUALLY FROM GADS RPT 511	8031.6
16	= Tons Consumed per Hour	324.12
17	x 24 Hours per Day	24
18	= Tons Consumed Per Day	7778.88
19	x 68 days	68
20	= 68 day Supply (Tons)	528,964
21	x Coal Cost per Ton (per a/c 151.10 at End of Prior Month)	39.257
22	= 68 day Coal Inventory	20,765,540
23	Lesser of Imputed or Capped Coal Inventory	20,765,540
24	Imputed Inventory Minus Line 23	19,495,913,889 =======
25	Accumulated Deferred Inventory Return - Unit 1 (Memo Item):	
26	Beginning Balance	148,374,873
27	+ Current Month Return on Beginning Balance	1,137,417
28	+ Current Month Deferral	0
29	- Current Month Recovery	63,385
30	= Ending Balance **	149,448,905
		=======================================

^{*} Excludes Forced Outages, Scheduled Outages, and Curtailments

^{**} May Not Be Less Than Zero

AEP GENERATING COMPANY ROCKPORT POWER BILL DETAIL OF OTHER OPERATING REVENUES

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Line No.	Account No.	Description	UNIT 1 <u>March, 2014</u>
1	450	Forfeited Discounts	0
2	451	Miscellaneous Service Revenues	0
3	453	Sales of Water and Water Power	0
4	454	Rent From Electric Property - Associated Companies	0
5	454.20	Rent From Electric Property - Non-Associated Companies	0
6	455	Interdepartmental Rents	0
7	456	Other Electric Revenues	(8,750)
8	411.8	Proceeds/gains From Sale of Emission Allowances	0
9		Total Other Operating Revenues	(8,750)

AEP GENERATING COMPANY ROCKPORT POWER BILL DETAIL OF OPERATION & MAINTENANCE EXPENSES

KPSC Case No. 2014-00225 KIUC's First Set of Data Requests Pg 9 of 18 September 5, 2014 Item No. 4 Attachment 1 Page 199 of 350

Line No.	Account <u>No.</u>	<u>Description</u>	UNIT 1 <u>March, 2014</u>
1 2 3	500,502-508 501 510-515	Steam Power Generation - Operation Fuel - Operation Steam Power Generating - Maintenance	718,117 11,150,628 597,491
4		Total Steam Power Generation Expenses	12,466,235
5	555-557	Other Power Supply Expenses	442
6 7	560-567.1 568-574	Transmission Expenses - Operation Transmission Expenses - Maintenance	0
8		Total Transmission Expenses	0
9 10	580-589 590-598	Distribution Expenses - Operation Distribution Expenses - Maintenance	0
11		Total Distribution Expenses	0
12	901-905	Customer Accounts Expenses - Operation	0
13	906-910	Customer Service and Informational Expenses - Operation	0
14	911-917	Sales Expenses - Operation	0
15	920-933	Administrative and General Expenses -	01 077
16	935	Operation Administrative and General Expenses - Maintenance	81,277 4,867
17		Total Administrative & General Exp.	86,144
18		Total Operation & Maintenance Expenses	12,552,821

AEP GENERATING COMPANY ROCKPORT POWER BILL DETAIL OF DEPRECIATION EXPENSE AND AMORTIZATION EXPENSES

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	Line	Account		UNIT 1 March, 2014
_	No.	No.	<u>Description</u>	<u> </u>
1a	1	403 403.1	Depreciation Expense ARO Depreciation Expense	1,630,629 3,343
	2	404	Amortization of Limited-Term Electric Plant	0
	3	405	Amortization of Other Electric Plant	0
	4	406	Amortization of Electric Plant Acquistion Adjustments	0
	5	407	Amortization of Property Losses, Unrecovered Plant and Regulatory	•
			Study Costs	0
	6		Total Depreciation Exp. & Amortization	1,633,972
	7	411.10	ARO Accretion Expense	16,407
	8		Total Depreciation, Amortization & Accretion Expenses	1,650,378

AEP GENERATING COMPANY ROCKPORT POWER BILL

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DETAIL OF TAXES OTHER THAN FEDERAL INCOME TAXES

Line No. BS1	Account <u>No.</u>	<u>Description</u>	UNIT 1 <u>March, 2014</u>
1	408.1	Taxes Other Than Federal Income Taxes, Utility Operating Income	132,037
2	409.1	State Income Taxes	15,000
3		Total Taxes Other than FIT	147,037

AEP GENERATING COMPANY ROCKPORT POWER BILL DETAIL OF UNIT 1 SCHEDULE 'M' ADJUSTMENTS AND DEFERRED FEDERAL INCOME TAX

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UNIT 1 March, 2014

Line No.	Account <u>No.</u>	Description	<u>TOTAL</u>	KPCO SHARE	I&M SHARE
1		Unit 1 Schedule `M' Adjustments*			
2	N/A	Excess ACRS Over Normalization Base Depreciation	8,500	2,550	5,950
3	N/A	Excess Normalization Base Over Book Depreciation	(18,000)	(5,400)	(12,600)
4	N/A	Other Unit 1 Schedule `M' Adjustments	645,703	193,711	451,992
5	***	Total Unit 1 Schedule `M' Adjustments	636,203		445,342
6 7	410.1	Unit 1 Deferred Federal Income Tax Excess ACRS Over Norm. Base Depr. (Line 2 x FIT Rate * -1)	23,129	6,939	16,190
8	410.1&411.1	Other Unit 1 Schedule `M' Adjustments -			
9	411.1	Feedback of Accumulated DFIT re: ABFUDC - Unit 1 Negative Amount Denotes Reduction.	(2,279)	(684)	(1,595)
10	411.1	Feedback of Accumulated DFIT re: Overheads Capitalized - Unit 1	(51)	(15)	(36)
11	411.1	Feedback of Accumulated DFIT re: Other Schedule `M' AdjUtility	(77,568)	(23,270)	(54,298)
12	***	Total Unit 1 Deferred Federal Income Tax	(56,768)	(17,030)	(39,739)

^{***} Positive Amount Denotes Increase In Taxable Income, Negative Amount Denotes Reduction.

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ROCKPORT POWER BILL DETAIL OF NET IN-SERVICE INVESTMENT UNIT 1

DETAIL OF NET IN-SERVICE INVESTMENT UNIT 1			
Line No.	Account		UNIT 1 <u>March, 2014</u>
1		ELECTRIC PLANT IN SERVICE	
2 3 4 5	101 102 103 103.1	Electric Plant In Service Electric Plant Purchased Experimental Elec. Plant Unclassified Electric Plant In Process of	654,056,412 0 0
6 7 8 9	104 106 114 116 118	Reclassification Electric Plant Leased to Others Completed Construction Not Classified Electric Plant Acquisition Adjustments Other Electric Plant Adjustments Other Utility Plant	0 0 3,416,373 0 0 0
11		Total Electric Plant In Service	657,472,786
12	105	Plant Held For Future Use	0
13		ACCUMULATED DEPRECIATION	
14	108	Accumulated Provision for Depreciation of Electric Utility Plant	433,420,479
15	110	Accumulated Provision for Depreciation and Amort. of Elec. Utility Plant	0
16	111	Accumulated Provision for Amortization of Electric Utility Plant	471,778
17	115	Accumulated Provision for Amortization of Electric Plant Acquisition Adjustments	0
18	119	Accumulated Provision for Depreciation and Amortization of Other Utility Plant	0
19		Total Accumulated Depreciation	433,892,257
20		MATERIAL AND SUPPLIES	
21 22 23	151 152 153	Fuel Stock Fuel Stock Expenses - Undistributed Residuals	23,131,480 622,296 0
24 25 26 27 28	154 155 156 163	Plant Materials and Operating Supplies Merchandise Other Materials and Supplies Stores Expense Undistributed Total Materials and Supplies	12,458,050 0 0 0
		(In-Service Portion)	36,211,826
29	165	Prepayments	28,520
30	186	Other Deferred Debits	0

KPSC Case No. 2014-00225 KIUC's First Set of Data Requests

AEP GENERATING COMPANY ROCKPORT POWER BILL Pg 13a of 18 OTHER WORKING CAPITAL, UNAMORTIZED DEBT EXPENSE,

AND OTHER DEFERRED CREDITS

Dated September 5, 2014 Item No. 4 Attachment 1 Page 205 of 350

UNIT 1 Line March, 2014 Account No. No. Description * 128 Other Special Funds 0 1 0 2 131 Cash 3 Other Intra Company Adjustments 0 135 Accounts Receivable-Miscellaneous 4 143 0 5 146 Accounts Receivable-Associated Company 15,061,961 6 171 Interest and Dividends Receivable 588 7 174 Miscellaneous Current and Accrued Assets 0 Accounts Payable-General 8 232 (24,551)234 Accounts Payable-Associated Company 9 (14,301,847)Taxes Accrued 10 236 (3,614,971)Interest Accrued 11 237 (294,494)Dividends Declared 12 238 0 13 241 Tax Collections Payable 0 242 Misc Current and Accrued Liabilities (3,196,914)14 15 **Total Other Working Capital** (6,370,228)========= 16 **Unamortized Debt Expense** 181 65.272 17 253 Other Deferred Credits 0

^{*} debit <credit>

AEP GENERATING COMPANY ROCKPORT POWER BILL DETAIL OF NET IN-SERVICE INVESTMENT UNIT 1

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UNIT 1

Line <u>No.</u>	Account <u>No.</u>	<u>Description</u>	March, 2014
31		ACCUMULATED DEFERRED INCOME TAXES	
32	190	-Accumulated Deferred Income Taxes	2,140,425
33	281	+Accumulated Deferred Income Taxes - Accelerated Amortization Property	0
34	282	+Accumulated Deferred Income Taxes - Other Property	44,858,119
35	283	+Accumulated Deferred Income Taxes - Other	855,058
36		Total Accumulated Deferred Income	
		Taxes (In-Service Portion)	43,572,752
37	255	+Accumulated Deferred Investment Tax Credits	13,302
38	186.50	-Accumulated Deferred Investment Tax Credit	0
39		Total Accumulated Deferred Investment Tax Credits	13,302
40		Total Net In-Service Investment -	
		Unit 1	209,929,865
			==========

AEP GENERATING COMPANY ROCKPORT POWER BILL DETAIL OF NON-IN-SERVICE INVESTMENT - CWIP AND OTHER

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Line	Account		UNIT 1 Page <u>March, 2014</u>
No.	No.	<u>Description</u>	
		Non-In-Service Investment - CWIP	
1	107	Construction Work In Process	58,141,178
2		MATERIAL AND SUPPLIES	
3	151	Fuel Stock	0
4	152	Fuel Stock Expenses - Undistributed	0
5	153	Residuals	0
6	154	Plant Materials and Operating Supplies	0
7	155	Merchandise	0
8	156	Other Material and Supplies	0
9	163	Stores Expense Undistributed	0
10		Total Material and Supplies	
		(CWIP Portion)	0
11		ACCUMULATED DEFERRED INCOME TAXES	
12	190	-Accumulated Deferred Income Taxes	0
13	281	+Accumulated Deferred Income Taxes -	_
	000	Accelerated Amortization Property	0
14	282	+Accumulated Deferred Income Taxes -	•
1 5	000	Other Property	0
15	283	+Accumulated Deferred Income Taxes - Other	0
16		Total Accumulated Deferred Income	
10		Taxes (CWIP Portion)	0
17		TOTAL NON-IN-SERVICE INVESTMENT -	
		CWIP	58,141,178
			=========
		Non-In-Service Investment - Other	
18	105	Plant Held for Future Use	1,034,099
19	186	Other Deferred Debits	421,608
20	151.10	Fuel Inventory Over Allowed Level *	(7,810,283)
21		Total Non-In-Service Investment -	
		Other	(6,354,576) ======
	* INCLUE	DES ROCKPORT 1 AND 2	
		UNIT 1	(7,810,283)
		UNIT 2	0
		TOTAL	(7,810,283)

AEP GENERATING COMPANY ROCKPORT POWER BILL DETAIL OF NET CAPITALIZATION

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UNIT 1

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Line No.	Account No.	_Description_	March, 2014
1		COMMON CAPITAL STOCK	
2	201	Common Stock Issued	383,000
3	202	Common Stock Subscribed	0
4	203	Common Stock Liability for Conversion	0
5	209	Reduction In Par or Stated Value of Capital Stock	0
6	210	Gain on Resale or Cancellation of Reacquired Capital Stock	0
7	212	Installments Received on Capital Stock	0
8	214	Capital Stock Expense	0
9	217	Reacquired Capital Stock	0
10		Total Common Capital Stock	383,000
11		OTHER PAID-IN CAPITAL	
12	207	Premium on Capital Stock	0
13	208	Donations Received from Stockholders	89,478,987
14	211	Miscellaneous Paid-In Capital	0
15	213	Discount on Capital Stock	0
16		Total Other Paid-In Capital	89,478,987
17		RETAINED EARNINGS	
18	215	Appropriated Retained Earnings	0
19	215.1	Appropriated Retained Earnings- Amortization Reserve, Federal	0
20	216	Unappropriated Retained Earnings	2,887,448
21		Total Retained Earnings	2,887,448
22		Total Common Equity	92,749,435
23		PREFERED CAPITAL STOCK	
24	204	Preferred Stock Issued	0
25	205	Preferred Stock Subscribed	0
26	206	Preferred Stock Liability	
		for Conversion	0
27		Total Preferred Capital Stock	0

AEP GENERATING COMPANY ROCKPORT POWER BILL DETAIL OF NET CAPITALIZATION (Cont'd)

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Line <u>No.</u>	Account <u>No.</u>	<u>Description</u>	March, 2014
28		LONG-TERM DEBT	
29 30 31 32 33	221 222 223 224 225	Bonds Reacquired Bonds Advances from Associated Companies Other Long-Term Debt Unamortized Premium on	0 0 0 64,834,718
34	226	Long-Term Debt-Credit Unamortized Discount on Long-Term Debt-Debit	0
35		Total Long-Term Debt	64,834,718
36a 36b 37	231.02 231.03 233.00	SHORT-TERM DEBT Notes Payable (Short-Term Debt) Unamortized Discount Notes Payable, Assoc Co(Money Pool)	0 0 55,914,926
38		Total Short-Term Debt	55,914,926
39		TEMPORARY CASH INVESTMENTS	
40 41 42 43	132 133 134 136, 145	Interest Special Deposits Dividend Special Deposits Other Special Deposits Temporary Cash Investments	0 0 0 0
44		Total Temporary Cash Investments	0
45		NET CAPITALIZATION	213,499,080

AEP GENERATING COMPANY ROCKPORT POWER BILL DETERMINATION OF RATE OF RETURN (Net & Pre-Tax)

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UNIT 1
March, 2014

Line No.	•	March, 2014
1	Capitalization Balances (Prior Month Ending):	
2	Long-Term Debt (Accts 221 thru 226)	64,834,718
3	+ Short-Term Debt (Accts 231 + 233)	55,914,926
4 5	+ Preferred Stock	02 740 425
6	+ Common Equity (Accts 201 thru 216)- Capitalization Offsets	92,749,435 0
7	Total Capitalization Balances	213,499,080
8	Weighting of Capitalization Balances:	
9	Long-Term Debt (LTD/Total Capital)	30.3677%
10	+ Short-Term Debt (STD/Total Capital)	26.1898%
11	+ Preferred Stock	0.0000%
12	+ Common Equity (Common Equity/Total Capital)	43.4425%
13	- Capitalization Offsets	0.0000%
14	Total Capitalization	100.0000%
15	Capitalization Cost Rates :	
16	Long-Term Debt (avg LTD int rate)	2.6863%
17	Short-Term Debt (avg money pool STD int rate)	0.3171%
18	Preferred Stock	0.0000%
19	Common Equity (FERC fixed rate)	12.1600%
20	Capitalization Offsets (sum of weighted costs of debt)	1.5892%
21	Rate of Return (Net of Tax) :	
22	Long-Term Debt (LTD % x avg LTD int rate)	0.8158%
23	+ Short-Term Debt (STD % x avg MP STD int rate)	0.0830%
24	+ Preferred Stock	0.0000%
25	+ Common Equity (CE % x FERC fixed rate)	5.2826%
26	- Capitalization Offsets	0.0000%
27	Total Rate of Return (Net of Tax)	6.1814%
28	Weighted Net Cost of Debt	0.8988%
29	(LTD Rate of Return + STD RR - Cap Offsets RR) + Pre-Tax Common Equity (Line 25 / .65)	8.1271%
30	(Common Equity Rate of Return grossed up for tax) = Rate of Return (Pre-Tax)	9.0259%
		=======================================

A E P GENERATING COMPANY

March, 2014-00225

March, 2014-0025

March, 2014-0025

Dated September 5, 2014

ESTIMATE

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ROCK PORT OPERATION & MAINTENANCE EXPENSES UNIT 1 50% OWNERSHIP INTEREST OF ROCKPORT PLANT

500 501 502 503 504 505 506 507 508 509	SUPERVISION AND ENGINEERING FUEL STEAM EXPENSES STEAM FROM OTHER SOURCES STEAM TRANSFERRED - CR ELECTRIC EXPENSES MISC. STEAM POWER EXPENSES RENTS OPERATION SUPPLIES AND EXPENSES CARRYING CHARGES - ALLOWANCES TOTAL OPERATION EXPENSE	165,729 11,150,628 207,350 0 0 52,164 292,874 0 0 11,868,745
510 511 512 513 514 515	MAINTENANCE SUPER. AND ENGINEERING MAINTENANCE OF STRUCTURES MAINTENANCE OF BOILER PLANT MAINTENANCE OF ELECTRIC PLANT MAINTENANCE OF MISC. STEAM PLANT MAINTENANCE NORMALIZING	72,774 33,384 424,338 (12,127) 79,123 0
	TOTAL MAINTENANCE EXPENSES	597,491
555 556 557	PURCHASED POWER SYSTEM CONTROL AND LOAD DISPATCHING OTHER POWER SUPPLY EXPENSES	0 1,271 (829)
	TOTAL OTHER SUPPLY EXPENSES	442

IS FUEL IN BALANCE ON PAGE 2	AMOUNT MUST BE ZERO 0
NO OF DAYS IN CURRENT MO	31
NO OF DAYS IN CURRENT YEAR	365
CURRENT YEAR IS	2014
CURRENT MONTH IS	3
THIS BILLING IS FOR MONTH OF	March, 2014

A E P GENERATING COMPANY

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March, 2014-first Set of Data Requests
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ROCK PORT OPERATION & MAINTENANCE EXPENSES UNIT 1 50% OWNERSHIP INTEREST OF ROCKPORT PLANT

901	SUPERVISION METER READING EXPENSES	0
902 903	METER READING EXPENSES CUSTOMER RECORDS AND COLLECTION EXPENSES	0
904	UNCOLLECTIBLE ACCOUNTS	0
905	MISCELLANEOUS CUSTOMER ACCOUNTS EXPENSES	0
	TOTAL CUSTOMER ACCOUNTS EXPENSES	0
906	CUSTOMER SERVICE AND INFORMATIONAL EXP	0
907	SUPERVISION	0
908 909	CUSTOMER ASSISTANCE EXPENSES INFORMATIONAL AND INSTRUCTIONAL	0
303	ADVERTISING EXPENSES	0
910	MISCELLANEOUS CUSTOMER SERVICE	-
	AND INFORMATIONAL EXPENSES	0
	TOTAL CUSTOMER SERVICES EXPENSES	0
911	SUPERVISION	0
912	DEMONSTRATION AND SELLING EXPENSES	0
913	ADVERTISING EXPENSES	0
916	()	0
917	SALES EXPENSES (NON-MAJOR)	0
	TOTAL SALES EXPENSES	0
920	ADMIN. & GENERAL SALARIES	47,581
921	OFFICE SUPPLIES AND EXPENSES	7,010
922	ADMINISTRATIVE EXPENSES TRANSF - CR	0
923	OUTSIDE SERVICES	(371)
924	PROPERTY INSURANCE	10,753
925	INJURIES AND DAMAGES EMPLOYEE PENSIONS AND BENEFITS	621
926 927	FRANCHISE REQUIREMENTS	65,672 0
928	REGULATORY COMMISSION	0
929	DUPLICATE CHARGES-CREDIT	0
930	MISCELLANEOUS GENERAL EXPENSES	(50,750)
931	RENTS	761
933	TRANSPORTATION EXPENSE	0
	TOTAL ADM & GEN EXPENSES OPERATION	81,277
935	MAINTENANCE OF GENERAL PLANT	4,867
	TOTAL ADM & GEN EXPENSES	86,144
ACCOU	AEG OPERATION & MAINTENANCE EXPENSES NT 40190 TOTAL FOR CROSS FOOT DIFFERENCE	12,552,821 12,552,821 0

AEP GENERATING COMPANY ONE RIVERSIDE PLAZA, COLUMBUS, OH 43215 TELEPHONE (614) 716-3724

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INDIANA MICHIGAN POWER COMPANY P. O. BOX 60 FORT WAYNE, IN 46801 ESTIMATE 05-Apr-14

UNIT 2

POWER BILL - - March, 2014

IN ACCORDANCE WITH POWER AGREEMENT DATED OCTOBER 1, 1984 (AS AMENDED)

ENERGY DELIVERED FOR THE MONTH OF March, 2014

KWH FOR THE MONTH 323,467,000

SUMMARY TOTAL Current Month Bill: Return on Common Equity (123,789)Return on Other Capital (58,337)Total Return (182, 126)Fuel 7,524,944 **Purchased Power** Other Operating Revenues (6,125)Other Operation and Maintenance Exp 4,747,708 Depreciation Expense 715,179 Taxes Other Than Federal Income Tax 108,982 Federal Income Tax 20,325 TOTAL CURRENT UNIT POWER BILL 12,928,886 Prior Month's Adjustment: Return on Common Equity & Other Capital 0 Fuel Expense n Other Expenses (Includes taxes & interest) 9,604 TOTAL PRIOR MONTH'S ADJUSTMENTS 9,604

TOTAL UNIT POWER BILL

12,938,490

==========

AMOUNTS WILL BE PAID DIRECT FROM GENERAL FUNDS.

DUE DATE - · April 18, 2014

Cc: Steve Hornyak - Columbus Dave Hille - Ft. Wayne Kurt C Cooper - Ft Wayne Shannon Listebarger - Columbus

Mike Stout - Ft. Wayne

Mike Giardina - Columbus

Sid Lyons - Columbus Michelle Howell - Columbus

AEP GENERATING COMPANY ONE RIVERSIDE PLAZA, COLUMBUS, OH 43215 TELEPHONE (614) 716-3724

KPSC Case No. 2014-00225 KIUC's First Set of Data Requests Dated September 5, 2014 Item No. 4 Attachment 1 Page 214 of 350

KENTUCKY POWER COMPANY 17TH ST. & CENTRAL AVE. ASHLAND, KY 41101 ESTIMATE 05-Apr-14

UNIT 2 POWER BILL - - March, 2014

IN ACCORDANCE WITH POWER AGREEMENT DATED OCTOBER 1, 1984 (AS AMENDED) ENERGY DELIVERED FOR THE MONTH OF March, 2014

KWH FOR THE MONTH 138,629,000

	SUMMARY	TOTAL
Current Mon	th Bill:	
F	Return on Common Equity	(53,053)
F	Return on Other Capital	(25,001)
ר	otal Return	(78,054)
7 0 0 1	Fuel Purchased Power Other Operating Revenues Other Operation and Maintenance Exp Depreciation Expense Faxes Other Than Federal Income Tax Federal Income Tax TOTAL CURRENT UNIT POWER BILL	3,224,976 0 (2,625) 2,034,732 306,506 46,707 8,710 5,540,952
F F	s Adjustment: Return on Common Equity & Other Capital Fuel Expense Other Expenses (Includes taxes & interest)	0 0 4,116
	TOTAL PRIOR MONTH'S ADJUSTMENTS	4,116

-----5,545,068

TOTAL UNIT POWER BILL

AMOUNTS WILL BE PAID DIRECT FROM GENERAL FUNDS.

DUE DATE - · April 18, 2014

Cc: Steve Hornyak - Columbus Kurt C Cooper - Ft Wayne

Dave Hille - Ft. Wayne Shannon Listebarger - Columbus

Mike Stout - Ft. Wayne Mike Giardina - Columbus

Sid Lyons - Columbus Michelle Howell - Columbus

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March, 2014

Return on Olher Capital (83,338) (25,001) (58,337) Return on Olher Capital Return (260,180) (78,054) (182,126) Return on Olher Capital Return (260,180) (78,054) (182,126) Return on Olher Capital Return (9,000) (9,000) Return on Olher Operating Revenues (9,000) (2,625) (6,125) (6,125) Return on Olher Operating Revenues (8,750) (2,625) (6,125) (6,125) Return on Olher Capital Revenues (9,722) (2,685) (6,125) (6,125) Return on Olher Than Federal Income Tax (1,685) (306,506) (715,179) Return on Olher Than Federal Income Tax (1,685) (3,666) (715,179) Return on Olher Than Federal Income Tax (1,685) (3,666) (1,686) (1,6		TOTAL UNIT 2 POWER BILL	KPCO SHARE	I&M SHARE	
Total Return (260,180) (78,054) (182,126) + Fuel	Return on Common Equity	(176,842)	(53,053)	(123,789)	
+ Fuel	Return on Other Capital	(83,338)	(25,001)	(58,337)	
- Purchased Power Other Operating Revenues (8,750) (2,625) (6,125) Other Operation and Maintenance Exp + Cother Operation and Maintenance Exp + Depreciation Expense + Taxes Other Than Federal Income Tax + Federal and State Income Tax + Federal and State Income Tax = Total Unit 2 Monthly Power Bill Determination of Federal Income Tax: Total Return (Line 3) + Unit 2 Schedule M Adjustments + Unit 2 Deterred Federal Income Taxes - Unit 2 Interest Expense Deduction + Unit 2 Interest Expense Defeated Income Tax = Total Unit 2 Interest Expense Defeated Income Tax Total Return (Line 3) = Subtotal - Unit 2 Interest Expense Defeated Income Tax = Subtotal - Unit 2 Interest Expense Defeated Income Tax - Unit 2 Deferred Federal Income Tax - Unit 2 Defeated Income Tax - Unit 2 Fed&State Income Tax - Unit 2 Fed&State Income Tax - Unit 2 Fed&State Income Tax - Unit 2 Monthly Power Bill - Operation and Maintenance Expenses - Unit 2 Interest Expense - Unit 2 Unit 2 Expense - Unit 2 Expense - Unit 2 Expense - Unit 2	Total Return	(260,180)	(78,054)	(182,126)	
Determination of Federal Income Tax : Total Return (Line 3)	 + Purchased Power - Other Operating Revenues + Other Operation and Maintenance Exp + Depreciation Expense + Taxes Other Than Federal Income Tax 	0 (8,750) 6,782,440 1,021,685 155,689	0 (2,625) 2,034,732 306,506 46,707	0 (6,125) 4,747,708 715,179 108,982	
Total Return (Line 3)	= Total Unit 2 Monthly Power Bill				
+ Unit 2 Schedule M Adjustments + Unit 2 Deferred Federal Income Taxes - Unit 2 Interest Expense Deduction * (85,343) (25,603) (59,740) = Subtotal Subtotal Substitution Federal Income Tax (115,836) Substitution First Expense Deduction * (115,836) Substitution First Expense Deduction * (115,836) Substitution First Expense Deduction * (115,836) Substitution First Expense Deduction First Expense Deduction Expense Expense Expense Deduction Expense Expense Expense	<u>Determination of Federal Income Tax :</u>				
x Gross-Up (FIT Rate / 1-FIT Rate) 0.538462 0.538462 0.538462 = Unit 2 Current Federal Income Tax (62,373) (18,712) (43,661) + Unit 2 Def Fed & State Income Taxes 91,409 27,423 63,986 = Total Unit 2 Fed&State Income Taxes 29,035 8,710 20,325 Proof of Federal Income Tax : Total Unit 2 Monthly Power Bill 18,469,838 5,540,952 12,928,886 - Operation and Maintenance Expenses 17,532,360 5,259,708 12,272,652 - Depreciation Expense 1,021,685 306,506 715,179 - Taxes Other Than Federal Income Tax 155,689 46,707 108,982 - Unit 2 Interest Expense Deduction * (85,343) (25,603) (59,740) - Other Operating Revenues (8,750) (2,625) (6,125) = Pre-Tax Book Income (145,802) (43,741) (102,061) + Unit 2 Schedule M Adjustments (32,408) (9,722) (22,686) = Unit 2 Taxable Income Tax Rate 35% 35% 35% - Unit 2 Current Federal Income Tax (62,373) (18,712) (43,661) + Unit 2 Def Fed & State Income Taxe 91,409 27,423 63,986	+ Unit 2 Schedule M Adjustments+ Unit 2 Deferred Federal Income Taxes	(32,408) 91,409	(9,722) 27,423	(22,686) 63,986	
Proof of Federal Income Tax : Total Unit 2 Monthly Power Bill 18,469,838 5,540,952 12,928,886 - Operation and Maintenance Expenses 17,532,360 5,259,708 12,272,652 - Depreciation Expense 1,021,685 306,506 715,179 - Taxes Other Than Federal Income Tax 155,689 46,707 108,982 - Unit 2 Interest Expense Deduction * (85,343) (25,603) (59,740) - Other Operating Revenues (8,750) (2,625) (6,125) = Pre-Tax Book Income (145,802) (43,741) (102,061) + Unit 2 Schedule M Adjustments (32,408) (9,722) (22,686) = Unit 2 Taxable Income (178,210) (53,463) (124,747) x Current Federal Income Tax Rate 35% 35% 35% = Unit 2 Current Federal Income Tax (62,373) (18,712) (43,661) + Unit 2 Def Fed & State Income Taxes 91,409 27,423 63,986	x Gross-Up (FIT Rate / 1-FIT Rate) = Unit 2 Current Federal Income Tax	0.538462 (62,373)	0.538462 (18,712)	0.538462 (43,661)	
Proof of Federal Income Tax : Total Unit 2 Monthly Power Bill 18,469,838 5,540,952 12,928,886 - Operation and Maintenance Expenses 17,532,360 5,259,708 12,272,652 - Depreciation Expense 1,021,685 306,506 715,179 - Taxes Other Than Federal Income Tax 155,689 46,707 108,982 - Unit 2 Interest Expense Deduction * (85,343) (25,603) (59,740) - Other Operating Revenues (8,750) (2,625) (6,125) = Pre-Tax Book Income (145,802) (43,741) (102,061) + Unit 2 Schedule M Adjustments (32,408) (9,722) (22,686) = Unit 2 Taxable Income (178,210) (53,463) (124,747) x Current Federal Income Tax Rate 35% 35% 35% = Unit 2 Current Federal Income Tax (62,373) (18,712) (43,661) + Unit 2 Def Fed & State Income Taxes 91,409 27,423 63,986	= Total Unit 2 Fed&State Income Taxes		,	,	
- Operation and Maintenance Expenses 17,532,360 5,259,708 12,272,652 - Depreciation Expense 1,021,685 306,506 715,179 - Taxes Other Than Federal Income Tax 155,689 46,707 108,982 - Unit 2 Interest Expense Deduction * (85,343) (25,603) (59,740) - Other Operating Revenues (8,750) (2,625) (6,125) = Pre-Tax Book Income (145,802) (43,741) (102,061) + Unit 2 Schedule M Adjustments (32,408) (9,722) (22,686) = Unit 2 Taxable Income Tax Rate 35% 35% 35% = Unit 2 Current Federal Income Tax (62,373) (18,712) (43,661) + Unit 2 Def Fed & State Income Taxes 91,409 27,423 63,986	Proof of Federal Income Tax :				
+ Unit 2 Schedule M Adjustments (32,408) (9,722) (22,686) = Unit 2 Taxable Income (178,210) (53,463) (124,747) x Current Federal Income Tax Rate 35% 35% 35% = Unit 2 Current Federal Income Tax (62,373) (18,712) (43,661) + Unit 2 Def Fed & State Income Taxes 91,409 27,423 63,986	 Operation and Maintenance Expenses Depreciation Expense Taxes Other Than Federal Income Tax Unit 2 Interest Expense Deduction * 	17,532,360 1,021,685 155,689 (85,343)	5,259,708 306,506 46,707 (25,603)	12,272,652 715,179 108,982 (59,740)	
x Current Federal Income Tax Rate 35% 35% 35% 35% = Unit 2 Current Federal Income Tax (62,373) (18,712) (43,661) + Unit 2 Def Fed & State Income Taxes 91,409 27,423 63,986					
= Total Unit 2 Fed&State Income Taxes 29,036 8,711 20,325	x Current Federal Income Tax Rate = Unit 2 Current Federal Income Tax	35% (62,373)	35% (18,712)	35% (43,661)	
	= Total Unit 2 Fed&State Income Taxes	29,036	8,711 ===================================	20,325	========

^{*} From Page 5 of 18 : Line 21 + (Line 28 x Line 31 x Line 32)

AEP GENERATING COMPANY ROCKPORT POWER BILL OPERATING RATIO

KPSC Case No. 2014-00225 KIUC's First Set of Data Requests Dated September 5, 2014 Item No. 4 Attachment 1 Page 216 of 350

Line No.		UNIT 2 <u>March, 2014</u>
1	Operating Ratio:	
2	Net In-Service Investment:	
3 4 5 6 7 8 9 10 11 12 13 14 15	Electric Plant In-Service - Accumulated Depreciation + Materials & Supplies + Prepayments + Plant Held For Future Use (A/C 105) * + Other Deferred Debits (A/C 186) * + Other Working Capital *** + Unamortized Debt Expense (A/C 181) + Deferred ASH pond cost (A/C182.3) - Asset Retirement Obligation (A/C 230) - Other Deferred Credits (A/C 253) - Accumulated Deferred ITC	799,419,236 572,939,624 64,613,368 57,041 0 0 (21,041,228) 130,544 2,847,962 4,395,196 48,837,410 37,127,625 17,250,704
16	Total Net In-Service Investment	165,476,366
17	Non-In-Service Investment - CWIP :	
18 19 20	Construction Work In Progress + Materials & Supplies - Accumulated Deferred FIT	58,141,178 0 0
21	Total Non-In-Service Investment - CWIP	58,141,178
22	Non-In-Service Investment - Other :	
23 24 25 26	Plant Held for Future Use (A/C 105) ** + Other Deferred Debits (A/C 186) ** + Fuel Inventory Over Allowed Level **** Total Non-In-Service Investment - Other	0 421,608 (7,810,283) (7,388,675)
27	Total Investment (Lines 16+21+26)	216,228,868
28	Operating Ratio (Line 16/Line 27)	76.5283%
29	Non-In-Service Investment-CWIP Ratio (Line 21/Line 27)	26.8887%
30	Non-In-Service Investment-Other Ratio (Line 26/Line 27)	-3.4170%
31	Total Investment * As Permitted By FERC ** Excluding Amounts on Lines 7 and 8 *** Accounts 128, 131, 135, 143, 146, 171 and 174, Less Accounts 232-234, 236, 237, 238, 241 and 242 **** Includes Rockport 1 and 2	100.0000%

AEP GENERATING COMPANY ROCKPORT POWER BILL NET IN-SERVICE INVESTMENT RATIO

KPSC Case No. 2014-00225 KIUC's First Set of Data Requests Dated September 5, 2014 Item No. 4 Attachment 1 Page 217 of 350

Line No.		UNIT 2 <u>March, 2014</u>
1	Net In-Service Investment Ratio:	
2	_Unit 2 Net In-Service Investment:	
3 4 5 6 7 8 9 10 11 12 13	Electric Plant In-Service - Accumulated Depreciation + Materials & Supplies + Prepayments + Plant Held For Future Use (A/C 105) * + Other Deferred Debits (A/C 186) * + Other Working Capital ** + Unamortized Debt Expense (A/C 181) + Deferred ASH pond cost (A/C182.3) - Asset Retirement Obligation (A/C 230) - Other Deferred Credits (A/C 253) - Accumulated Deferred FIT	141,946,451 139,047,367 28,401,543 28,520 0 (14,670,999) 65,272 1,423,981 2,197,598 48,837,410 (6,445,128)
15	- Accumulated Deferred ITC	17,237,402
16 17	Total Unit 2 Net In-Service Investment Unit 1 Net In-Service Investment:	(43,679,882)
18 19 20 21 22 23 24 25 26 27 28 29 30 31	Electric Plant In-Service - Accumulated Depreciation + Materials & Supplies + Prepayments + Plant Held For Future Use (A/C 105) * + Other Deferred Debits (A/C 186) * + Other Working Capital ** + Unamortized Debt Expense (A/C 181) + Deferred ASH pond cost (A/C182.3) - Asset Retirement Obligation (A/C 230) - Other Deferred Credits (A/C 253) - Accumulated Deferred FIT - Accumulated Deferred ITC Total Unit 1 Net In-Service Investment Total Net In-Service Investment	657,472,786 433,892,257 36,211,826 28,520 0 0 (6,370,228) 65,272 1,423,981 2,197,598 0 43,572,752 13,302
33	Net In-Service Investment Ratio:	
34	Unit 2 (Line 16 / Line 32)	-26.4000%
35	Unit 1 (Line 31 / Line 32)	126.4000%
	* As Permitted By FERC	100.0000%

^{**} Accounts 128, 131, 135, 143, 146, 171 and 174, Less Accounts 232-234, 236, 237, 238, 241 and 242

AEP GENERATING COMPANY ROCKPORT POWER BILL CALCULATION OF RETURNS ON COMMON EQUITY & OTHER CAPITAL

KPSC Case No. 2014-00225 KIUC's First Set of Data Requests Dated September 5, 2014 Item No. 4 Attachment 1 Page 218 of 350

Line No.		UNIT 2 <u>March, 2014</u>
1	Net Capitalization:	
2 3 4	Long-Term Debt + Short-Term Debt + Preferred Stock	64,834,718 55,914,926 0
5 6	+ Common Equity - Temporary Cash Investments	92,749,435 0
7	Net Capitalization	213,499,080
8	40% of Net Capitalization	85,399,632
9	Return on Common Equity:	
10 11 12 13 14 15	Lesser of Line 5 or Line 8 x Equity Return (Monthly Rate) = Equity Return x Operating Ratio x Net In-Service Investment Ratio = Subtotal	85,399,632 1.01333% 865,380 76.5283% -26.4000% (174,837)
16 17 18 19 20 21	Excess of Line 5 Over Line 8 x Weighted Cost of Debt (Monthly Rate) = Return on Equity over 40% of Capitalization x Operating Ratio x Net In-Service Investment Ratio = Subtotal	7,349,803 0.1350% 9,922 76.5283% -26.4000% (2,005)
22	Unit 2 Return on Equity (Line 15 + Line 21)	(176,842)
23	Return on Other Capital:	
24 25 26 27	Long-Term Debt Interest Expense (A/C 427-429) + Short-Term Debt Interest Expense (a/c 430) + Other Interest Expense (a/c 431) - Temporary Cash Investment Income *	147,922 264,573 0 0
28 29	Net Interest Expense+ Preferred Stock Dividends (a/c 437)	412,495 0
30 31 32	Net Cost of Other Capitalx Operating Ratiox Net In-Service Investment Ratio	412,495 76.5283% -26.4000%
33	= Unit 2 Return on Other Capital	(83,338)

AEP GENERATING COMPANY ROCKPORT POWER BILL DETERMINATION OF WEIGHTED COST OF DEBT

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KPSC Case No. 2014-00225 KIUC's First Set of Data Requests Dated September 5, 2014 Item No. 4 Attachment 1 Page 219 of 350

Line <u>No.</u>		UNIT 2 <u>March, 2014</u>
1	Debt Balances (Prior Month Ending) :	
2 3 4	Long-Term Debt (Accts 221 thru 226) + Short-Term Debt (Accts 231 + 233) + Other Debt (Accts 132 thru 136 + 145)	64,834,718 55,914,926 0
5	Total Debt Balances (Prior Month Ending)	120,749,644
6	Weighting of Debt Balances :	
7 8 9	Long-Term Debt (LTD bal/Total Debt bal) + Short-Term Debt (STD bal/Total Debt bal) + Other Debt	53.6935% 46.3065% 0.0000%
10	Total Debt Balances	100.0000%
11	<u>Debt Cost Rates :</u>	
12 13 14	Long-Term Debt (avg LTD int rate) Short-Term Debt (avg Money Pool STD int rate) Other Debt	2.6863% 0.3171% 0.0000%
15	Weighted Cost of Debt :	
16 17 18	Long-Term Debt (LTD % x avg LTD int rate) + Short-Term Debt (STD % x avg MP STD int rate) + Other Debt	1.4424% 0.1468% 0.0000%
19	Total Weighted Cost of Debt	1.5892%

AEP GENERATING COMPANY ROCKPORT POWER BILL DETERMINATION OF UNIT 2 MATERIALS AND SUPPLIES

KPSC Case No. 2014-00225 KIUC's First Set of Data Requests Dated September 5, 2014 Pg 7 of 18 Item No. 4 Attachment 1

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INCLUDE A/C 431 ON PG 5

UNIT 2

Line No.		<u>March, 2014</u>
1	Unit 2 Materials and Supplies:	
2 3 4 5 6 7	Fuel Stock - Coal (per Line 23) Fuel Stock Expenses - Undistributed (152) Fuel Stock - Oil (151) Plant Materials & Operating Supplies Merchandise Undistributed Stores Expense	12,955,257 622,296 2,365,940 12,458,050 0
8	Total Materials & Supplies	28,401,543
9	Support of Coal Inventory Value:	========
10 11	Actual Coal Inventory (a/c 151.10) + Equivalent Inventory re: Deferred Return	12,955,257 897,522,260
12	= Imputed Coal Inventory	910,477,517
13	Coal Inventory W/68 Day Supply Cap	
14 15 16 17 18 19 20	Tons Consumed - CHANGE ANNUALLY FROM DEC PG 24 / Hours Available * CHG ANNUALLY FROM GADS RPT 511 = Tons Consumed per Hour x 24 Hours per Day = Tons Consumed Per Day x 68 days = 68 day Supply (Tons)	2,539,993 7927.0 320.42 24 7690.08 68 522,925
21	x Coal Cost per Ton (per a/c 151.10 at End of Prior Month)	39.257
22	= 68 day Coal Inventory	20,528,467
23	Lesser of Imputed or Capped Coal Inventory	20,528,467
24	Imputed Inventory Minus Line 23	889,949,050 =====
25	Accumulated Deferred Inventory Return - Unit 2 (Memo Item):	
26 27 28 29	Beginning Balance + Current Month Return on Beginning Balance + Current Month Deferral - Current Month Recovery	6,827,914 52,342 61,542 0
30	= Ending Balance **	6,941,798
	* Excludes Forced Outages,Scheduled Outages,and Curtailments ** May Not Be Less Than Zero	
	Total Unit 2 Monthly Power Bill with Actual Total Unit 2 Monthly Power Bill with 68 Day Capped Difference	16,413,251 16,474,793 61,542

AEP GENERATING COMPANY ROCKPORT POWER BILL DETAIL OF OTHER OPERATING REVENUES

KPSC Case No. 2014-00225 KIUC's First Set of Data Requests Dated September 5, 2014 Pg 8 of 18 Item No. 4 Attachment 1 Page 221 of 350

Line No.	Account <u>No.</u>	<u>Description</u>	UNIT 2 <u>March, 2014</u>
1	450	Forfeited Discounts	0
2	451	Miscellaneous Service Revenues	0
3	453	Sales of Water and Water Power	0
4	454	Rent From Electric Property - Associated Companies	0
5	454.20	Rent From Electric Property - Non-Associated Companies	0
6	455	Interdepartmental Rents	0
7	456	Other Electric Revenues	(8,750)
8	411.8	Proceeds/Gains From Sale of Emission Allowances	0
9		Total Other Operating Revenues	(8,750)

KPSC Case No. 2014-00225 KIUC's First Set of Data Requests Dated September 5, 2014 Pg 9 of 18 Item No. 4

AEP GENERATING COMPANY ROCKPORT POWER BILL DETAIL OF OPERATION & MAINTENANCE EXPENSES

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Line No.	Account <u>No.</u>		UNIT 2 <u>March, 2014</u>
1	500.502-508	Steam Power Generation - Operation	6,183,780
2	501	Fuel - Operation	10,749,920
3	510-515	Steam Power Generating - Maintenance	451,841
4		Total Steam Power Generation Expenses	17,385,541
5	555-557	Other Power Supply Expenses	442
6	560-567.1	Transmission Expenses - Operation	0
7	568-574	Transmission Expenses - Maintenance	0
8		Total Transmission Expenses	0
9	580-589	Distribution Expenses - Operation	0
10	590-598	Distribution Expennse - Maintenance	0
11		Total Distribution Expenese	0
12	901-905	Customer Accounts Expenses - Operation	0
13	906-910	Customer Service and Informational	
		Expenses - Operation	0
14	911-917	Sales Expenses - Operation	0
15	920-933	Administrative and General Expenses -	
16	935	Operation	141,510
10	935	Administrative and General Expenses - Maintenance	4,867
17		Total Administrative & General Exp.	146,377
18		Total Operation & Maintenance Expenses	17,532,360
			=========

AEP GENERATING COMPANY ROCKPORT POWER BILL DETAIL OF DEPRECIATION & AMORTIZATION EXPENSES

KPSC Case No. 2014-00225 KIUC's First Set of Data Requests Dated September 5, 2014 Pg 10 of 18 Item No. 4 Attachment 1 Page 223 of 350

No. No. Description 1 403 Depreciation Expense * 448, 1a 403.1 ARO Depreciation Expense 3, 2 404 Amortization of Limited-Term Electric Plant ** 553, 3 405 Amortization of Other Electric Plant 4 406 Amortization of Electric Plant Acquistion Adjustments 5 407 Amortization of Property Losses, Unrecovered Plant and Regulatory Study Costs	
1a 403.1 ARO Depreciation Expense 3, 2 404 Amortization of Limited-Term Electric Plant ** 553, 3 405 Amortization of Other Electric Plant 4 406 Amortization of Electric Plant Acquistion Adjustments 5 407 Amortization of Property Losses, Unrecovered Plant and Regulatory	
1a 403.1 ARO Depreciation Expense 3, 2 404 Amortization of Limited-Term Electric Plant ** 553, 3 405 Amortization of Other Electric Plant 4 406 Amortization of Electric Plant Acquistion Adjustments 5 407 Amortization of Property Losses, Unrecovered Plant and Regulatory	
2 404 Amortization of Limited-Term Electric Plant ** 553, 3 405 Amortization of Other Electric Plant 4 406 Amortization of Electric Plant Acquistion Adjustments 5 407 Amortization of Property Losses, Unrecovered Plant and Regulatory	•
Plant ** 553, 3 405 Amortization of Other Electric Plant 4 406 Amortization of Electric Plant	,343
 405 Amortization of Other Electric Plant 406 Amortization of Electric Plant Acquistion Adjustments 5 407 Amortization of Property Losses,	
 4 406 Amortization of Electric Plant Acquistion Adjustments 5 407 Amortization of Property Losses,	,236
Acquistion Adjustments 5 407 Amortization of Property Losses, Unrecovered Plant and Regulatory	0
5 407 Amortization of Property Losses, Unrecovered Plant and Regulatory	
Unrecovered Plant and Regulatory	0
Unrecovered Plant and Regulatory	
· ·	
	0
,	_
6 Total Depreciation Exp. & Amortization 1,005,	,279
	=
7 444 40 ADO Accyclica Evacues	407
7 411.10 ARO Accretion Expense 16,	,407
8 Total Depreciation, Amortization & Accretion Expenses 1,021,	,685

^{*} Rockport 2 Capitalized Spare Parts book depreciation rate = 3.52%

 ^{*} Rockport 2 Associated Equipment (not sold in Sale/Leaseback transaction) book depreciation rate = 3.07 %

^{**} Rockport 2 Leasehold Improvements Amortization rate = 3.03%

AEP GENERATING COMPANY ROCKPORT POWER BILL DETAIL OF TAXES OTHER THAN FEDERAL INCOME TAXES

KPSC Case No. 2014-00225 KIUC's First Set of Data Requests Dated September 5, 2014 Pg 11 of 18 Item No. 4 Attachment 1

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Line No.	Account <u>No.</u>	<u>Description</u>	UNIT 2 <u>March, 2014</u>
1	408.1	Taxes Other Than Federal Income Taxes, Utility Operating Income	140,689
2	409.1	State Income Taxes	15,000
3		Total Taxes Other than Federal Income Taxes	155,689

AEP GENERATING COMPANY ROCKPORT POWER BILL DETAIL OF UNIT 2 SCHEDULE `M' ADJUSTMENTS AND DEFERRED FEDERAL INCOME TAX

KPSC Case No. 2014-00225 KIUC's First Set of Data Requests Pg 12 of 18 Item No. 4 Item No. 4 UNIT 2 Attachment 1 March, 20174age 225 of 350

Line No.	Account <u>No.</u>	_Description_	<u>TOTAL</u>	KPCO <u>SHARE</u>	I&M <u>Share</u>	
1		Unit 2 Schedule `M' Adjustments*				
2	N/A	Excess ACRS Over Normalization Base Depreciation	8,500	2,550	5,950	
3	N/A	Excess Normalization Base Over Book Depreciation	373,000	111,900	261,100	
4	N/A	Other Unit 2 Schedule `M' Adjustments	(413,908)	(124,172)	(289,736)	
5	***	Total Unit 2 Schedule `M' Adjustments	(32,408)	(9,722) ===================================	(22,686)	
6		Unit 2 Deferred Federal Income Tax				
7	410.1	Excess ACRS Over Norm. Base Depr. (Line 2 x FIT Rate * -1)	(34,112)	(10,234)	(23,878)	
8	10.1&411	Other Unit 2 Schedule `M' Adjustments -				
9	411.1	Feedback of Accumulated DFIT re: ABFUDC - Unit 2 Negative Amount Denotes Reduction.	(12,024)	(3,607)	(8,416)	
10	411.1	Feedback of Accumulated DFIT re: Overheads Capitalized - Unit 2	(181)	(54)	(126)	
11	411.1	Feedback of Accumulated DFIT re: Other Schedule `M' AdjUtility	137,725	41,317 	96,407	
12	***	Total Unit 2 Deferred Federal Income Tax	91,409	27,423 ====================================	63,986	
	*** Positive Amount Denotes Increase In Taxable Income, Negative Amount Denotes Reduction.					

Negative Amount Denotes Reduction.

Check Figure on Tax Page for Sch M (32,408)Check Figure on Tax Page for DFIT 91,409

NOTE: If the words SEE NOTE appear in this schedule, then the bill has not been properly identified as the ESTIMATE or ACTUAL on the INSTRUCTIONS tab (L6), and should be type in all capital lett

AEP GENERATING COMPANY ROCKPORT POWER BILL DETAIL OF NET IN-SERVICE INVESTMENT UNIT 2

KPSC Case No. 2014-00225 KIUC's First Set of Data Requests Dated September 5, 2014 Pg 13 of 18 Item No. 4 Attachment 1

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Line	Account		UNIT 2 March, 2014
No.	No.	Description	<u> Maicii, 2014</u>
1		ELECTRIC PLANT IN SERVICE	
2	101	Electric Plant In Service	138,803,844
3	102	Electric Plant Purchased	0
4	103	Experimental Elec. Plant Unclassified	0
5	103.1	Electric Plant In Process of	
		Reclassification	0
6	104	Electric Plant Leased to Others	0
7	106	Completed Construction Not Classified	3,142,607
8	114	Electric Plant Acquisition Adjustments	0
9	116	Other Electric Plant Adjustments	0
10	118	Other Utility Plant	0
11		Total Electric Plant In Service	141,946,451
12	105	Plant Held For Future Use	0
13		ACCUMULATED DEPRECIATION	
14	108	Accumulated Provision for Depreciation of Electric Utility Plant	116,247,991
15	110	Accumulated Provision for Depreciation	110,247,331
		and Amort. of Elec. Utility Plant	0
16	111	Accumulated Provision for Amortization	
		of Electric Utility Plant	22,799,376
17	115	Accumulated Provision for Amortization	
		of Electric Plant Acquisition	
		Adjustments	0
18	119	Accumulated Provision for Depreciation	
		and Amortization of Other Utility	
		Plant	0
19		Total Accumulated Depreciation	139,047,367
20		MATERIAL AND SUPPLIES	
21	151	Fuel Stock	15,321,197
22	152	Fuel Stock Expenses - Undistributed	622,296
23	153	Residuals	0
24	154	Plant Materials and Operating Supplies	12,458,050
25	155	Merchandise	0
26	156	Other Materials and Supplies	0
27	163	Stores Expense Undistributed	0
28		Total Materials and Supplies (In-Service Portion)	28,401,543
29	165	Prepayments	28,520
30	186	Other Deferred Debits	0

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ROCKPORT POWER BILL OTHER WORKING CAPITAL, UNAMORTIZED DEBT EXPENSE, AND OTHER DEFERRED CREDITS

AEP GENERATING COMPANY

Line No.	Account <u>No.</u>	Description *	UNIT 2 <u>March, 2014</u>
1	128	Other Special Funds	0
2	131	Cash	0
3	135	Other Intra Company Adjustments	0
4	143	Accounts Receivable-Miscellaneous	0
5	146	Accounts Receivable-Associated Company	15,383,786
6	171	Interest and Dividends Receivable	588
7	174	Miscellaneous Current and Accrued Assets	0
8	232	Accounts Payable-General	(24,551)
9	234	Accounts Payable-Associated Company	(14,241,845)
10	236	Taxes Accrued	(1,234,547)
11	237	Interest Accrued	(294,494)
12	238	Dividends Declared	0
13	241	Tax Collections Payable	0
14	242	Misc Current and Accrued Liabilities	(14,259,935)
15		Total Other Working Capital	(14,670,999)
16	181	Unamortized Debt Expense	65,272
17	253	Other Deferred Credits	48,837,410

AEP GENERATING COMPANY ROCKPORT POWER BILL DETAIL OF NET IN-SERVICE INVESTIMENT UNIT 2(Cont'd)

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0

17,237,402

(42,906,265)

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Line No.	Account <u>No.</u>		UNIT 2 <u>March, 2014</u>
31		ACCUMULATED DEFERRED INCOME TAXES	
32	190	-Accumulated Deferred Income Taxes	20,682,069
33	281	+Accumulated Deferred Income Taxes - Accelerated Amortization Property	0
34	282	+Accumulated Deferred Income Taxes - Other Property	13,273,495
35	283	+Accumulated Deferred Income Taxes - Other	963,446
36		Total Accumulated Deferred Income	
		Taxes (In-Service Portion)	(6,445,128)
37	255	+Accumulated Deferred Investment Tax Credits	17,237,402
38	186.50	-Accumulated Deferred Investment Tax	

Total Accumulated Deferred Investment

Total Net In-Service Investment -

Credit

Unit 2

Tax Credits

39

40

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AEP GENERATING COMPANY ROCKPORT POWER BILL

DETAIL OF NON-IN-SERVICE INVESTMENT - CWIP AND OTHER

Line No.	Account	Description	UNIT 2 <u>March, 2014</u>
110.	140.	<u> </u>	
		Non-In-Service Investment - CWIP	
1	107	Construction Work In Process	58,141,178
2		MATERIAL AND SUPPLIES	
3 4 5 6 7 8 9	151 152 153 154 155 156 163	Fuel Stock Fuel Stock Expenses - Undistributed Residuals Plant Materials and Operating Supplies Merchandise Other Material and Supplies Stores Expense Undistributed Total Material and Supplies	0 0 0 0 0 0
		(CWIP Portion)	0
11		ACCUMULATED DEFERRED INCOME TAXES	
12 13	190	-Accumulated Deferred Income Taxes	0
13	281	+Accumulated Deferred Income Taxes - Accelerated Amortization Property	0
	282	+Accumulated Deferred Income Taxes - Other Property	0
15	283	+Accumulated Deferred Income Taxes - Other	0
16		Total Accumulated Deferred Income Taxes (CWIP Portion)	0
17		TOTAL NON-IN-SERVICE INVESTMENT - CWIP	58,141,178
		Non-In-Service Investment - Other	
18	105	Plant Held for Future Use	0
19	186	Other Deferred Debits	421,608
20	151.10	Fuel Inventory Over Allowed Level *	(7,810,283)
21		Total Non-In-Service Investment - Other	(7,388,675)
	* INCLU	DES ROCKPORT 1 AND 2 UNIT 1 UNIT 2	(7,810,283) 0
		TOTAL	(7,810,283)

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AEP GENERATING COMPANY ROCKPORT POWER BILL DETAIL OF NET CAPITALIZATION

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Lina	A	DETAIL OF NET CAPITALIZATION	UNIT 2
Line No.	Account No.	<u>Description</u>	<u>March, 2014</u>
1		COMMON CAPITAL STOCK	
2	201	Common Stock Issued	383,000
3	202	Common Stock Subscribed	0
4	203	Common Stock Liability for Conversion	0
5	209	Reduction In Par or Stated Value	
6	210	of Capital Stock Gain on Resale or Cancellation of	0
0	210	Reacquired Capital Stock	0
7	212	Installments Received on Capital Stock	0
8	214	Capital Stock Expense	0
9	217	Reacquired Capital Stock	0
10		Total Common Capital Stock	383,000
11		OTHER PAID-IN CAPITAL	
12	207	Premium on Capital Stock	0
13	208	Donations Received from Stockholders	89,478,987
14	211	Miscellaneous Paid-In Capital	0
15	213	Discount on Capital Stock	0
16		Total Other Paid-In Capital	89,478,987
17		RETAINED EARNINGS	
18	215	Appropriated Retained Earnings	0
19	215.1	Appropriated Retained Earnings-	•
20	216	Amortization Reserve, Federal	0 007 440
20	210	Unappropriated Retained Earnings	2,887,448
21		Total Retained Earnings	2,887,448
22		Total Common Equity	92,749,435
23		PREFERRED CAPITAL STOCK	
24	204	Preferred Stock Issued	0
25	205	Preferred Stock Subscribed	0
26	206	Preferred Stock Liability	^
		for Conversion	0
27		Total Preferred Capital Stock	0

AEP GENERATING COMPANY ROCKPORT POWER BILL DETAIL OF NET CAPITALIZATION (Cont'd)

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Line No.	Account No.	<u>Description</u>	UNIT 2 <u>March, 2014</u>
28		LONG-TERM DEBT	
29	221	Bonds	0
30	222	Reacquired Bonds	0
31	223	Advances from Associated Companies	0
32	224	Other Long-Term Debt	64,834,718
33	225	Unamortized Premium on	
		Long-Term Debt-Credit	0
34	226	Unamortized Discount on Long-Term	
		Debt-Debit	0
35		Total Long-Term Debt	64,834,718
		SHORT-TERM DEBT	
36a	231.02	Notes Payable (Short-Term Debt)	0
36b	231.03	Unamortized Discount	0
	233.00	Notes Payable, Assoc Co(Money Pool)	55,914,926
38		Total Short-Term Debt	55,914,926
39		TEMPORARY CASH INVESTMENTS	
40	132	Interest Special Deposits	0
41	133	Dividend Special Deposits	0
42	134	Other Special Deposits	0
43	136, 145	Temporary Cash Investments	0
44		Total Temporary Cash Investments	0
45		NET CAPITALIZATION	213,499,080
			==========

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AEP GENERATING COMPANY ROCKPORT POWER BILL DETERMINATION OF RATE OF RETURN (Net & Pre-Tax)

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Line No.	<u>.</u>	UNIT 2 <u>March, 2014</u>
1	Capitalization Balances (Prior Month Ending) :	
2	Long-Term Debt (Accts 221 thru 226)	64,834,718
3	+ Short-Term Debt (Accts 231 + 233)	55,914,926
4 5	+ Preferred Stock	02 740 425
6	+ Common Equity (Accts 201 thru 216) - Capitalization Offsets	92,749,435 0
7	Total Capitalization Balances	213,499,080
8	Weighting of Capitalization Balances :	
9	Long-Term Debt (LTD/Total Capital)	30.3677%
10	+ Short-Term Debt (STD/Total Capital)	26.1898%
11	+ Preferred Stock	0.0000%
12	+ Common Equity (Common Equity/Total Capital)	43.4425%
13	- Capitalization Offsets	0.0000%
14	Total Capitalization	100.0000%
15	<u>Capitalization Cost Rates :</u>	
16	Long-Term Debt (avg LTD int rate)	2.6863%
17	Short-Term Debt (avg money pool STD int rate)	0.3171%
18	Preferred Stock	0.0000%
19	Common Equity (FERC fixed rate)	12.1600%
20	Capitalization Offsets (sum of weighted costs of debt)	1.5892%
21	Rate of Return (Net of Tax) :	
22	Long-Term Debt (LTD % x avg LTD int rate)	0.8158%
23	+ Short-Term Debt (STD % x avg MP STD int rate)	0.0830%
24	+ Preferred Stock	0.0000%
25	+ Common Equity (CE % x FERC fixed rate)	5.2826%
26	- Capitalization Offsets	0.0000%
27	Total Rate of Return (Net of Tax)	6.1814%
		=========
28	Weighted Net Cost of Debt	0.8988%
29	(LTD Rate of Return + STD RR - Cap Offsets RR) + Pre-Tax Common Equity (Line 25 / .65)	8.1271%
	(Common Equity Rate of Return grossed up for tax)	
30	= Rate of Return (Pre-Tax)	9.0259%

A E P GENERATING COMPANY

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ROCKPORT OPERATION & MAINTENANCE EXPENSES UNIT 2 50% OWNERSHIP INTEREST OF ROCKPORT PLANT

500 501 502 503 504 505 506 507 508 509	SUPERVISION AND ENGINEERING FUEL STEAM EXPENSES STEAM FROM OTHER SOURCES STEAM TRANSFERRED - CR ELECTRIC EXPENSES MISC. STEAM POWER EXPENSES RENTS OPERATION SUPPLIES AND EXPENSES CARRYING CHARGES - ALLOWANCES TOTAL OPERATION EXPENSE	152,140 10,749,920 66,181 0 0 50,070 225,136 5,690,253 0 0
510 511 512 513 514 515	MAINTENANCE SUPER. AND ENGINEERING MAINTENANCE OF STRUCTURES MAINTENANCE OF BOILER PLANT MAINTENANCE OF ELECTRIC PLANT MAINTENANCE OF MISC. STEAM PLANT MAINTENANCE NORMALIZING	73,519 10,395 280,009 33,111 54,806
555 556 557	TOTAL MAINTENANCE EXPENSES PURCHASED POWER SYSTEM CONTROL AND LOAD DISPATCHING OTHER POWER SUPPLY EXPENSES	451,841 0 1,271 (829)
	TOTAL OTHER SUPPLY EXPENSES	442

IS FUEL IN BALANCE ON PAGE 2	AMOUNT MUST BE ZERO 0
BE SURE THIS IS CORRECT	
NO OF DAYS IN CURRENT MO >	31
NO OF DAYS IN CURRENT YEAR >	365
CURRENT YEAR IS	2014
CURRENT MONTH IS	3
THIS BILLING IS FOR MONTH OF	March, 2014

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March, 2014 Dated September 5, 2014

ESTIMATE September 5, 2014

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ROCKPORT OPERATION & MAINTENANCE EXPENSES UNIT 2 50% OWNERSHIP INTEREST OF ROCKPORT PLANT

901 902	SUPERVISION METER READING EXPENSES	0
903	CUSTOMER RECORDS AND COLLECTION EXPENSES	0
904	UNCOLLECTIBLE ACCOUNTS	0
905	MISCELLANEOUS CUSTOMER ACCOUNTS EXPENSES	0
	TOTAL CUSTOMER ACCOUNTS EXPENSES	0
906	CUSTOMER SERVICE AND INFORMATIONAL EXP	0
907 908	SUPERVISION CUSTOMER ASSISTANCE EXPENSES	0
909	INFORMATIONAL AND INSTRUCTIONAL	0
	ADVERTISING EXPENSES	0
910	MISCELLANEOUS CUSTOMER SERVICE	
	AND INFORMATIONAL EXPENSES	0
	TOTAL CUSTOMER SERVICES EXPENSES	0
911	SUPERVISION	0
912	DEMONSTRATION AND SELLING EXPENSES	0
913	ADVERTISING EXPENSES	0
916	MISCELLANEOUS SALES EXPENSES (MAJOR)	0
917	SALES EXPENSES (NON-MAJOR)	0
	TOTAL SALES EXPENSES	0
920	ADMIN. & GENERAL SALARIES	56,191
921	OFFICE SUPPLIES AND EXPENSES	7,018
922	ADMINISTRATIVE EXPENSES TRANSF - CR	0
923 924	OUTSIDE SERVICES PROPERTY INSURANCE	51,244 10,753
925	INJURIES AND DAMAGES	621
926	EMPLOYEE PENSIONS AND BENEFITS	65,672
927	FRANCHISE REQUIREMENTS	0
928	REGULATORY COMMISSION	0
929	DUPLICATE CHARGES-CREDIT	0
930	MISCELLANEOUS GENERAL EXPENSES RENTS	(50,750)
931 933	TRANSPORTATION EXPENSE	761 0
	TOTAL ADM & GEN EXPENSES OPERATION	141,510
935	MAINTENANCE OF GENERAL PLANT	4,867
	TOTAL ADM & GEN EXPENSES	146,377
ΤΩΤΔΙ	AEG OPERATION & MAINTENANCE EXPENSES	17,532,360
	NT 40190 TOTAL FOR CROSS FOOT	17,532,360
		•

-----DIFFERENCE-----

AEP GENERATING COMPANY ONE RIVERSIDE PLAZA, COLUMBUS, OH 43215 TELEPHONE (614) 716-3724

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KENTUCKY POWER COMPANY 17TH ST. & CENTRAL AVE. ASHLAND, KY 41101 ESTIMATE 07-May-14

UNIT 1

POWER BILL -- April, 2014

IN ACCORDANCE WITH POWER AGREEMENT DATED OCTOBER 1, 1984 (AS AMENDED)

ENERGY DELIVERED FOR THE MONTH OF April, 2014

KWH FOR THE MONTH 109,938,000

	SUMMARY	<u>TOTAL</u>
Current Month Bill	:	
	Return on Common Equity	254,330
	Return on Other Capital	49,741
	Total Return	304,071
	Fuel	2,889,005
	Purchased Power	(0.005)
	Other Operation and Maintenance Fyr	(2,625)
	Other Operation and Maintenance Exp Depreciation Expense	542,275 495,273
	Taxes Other Than Federal Income Tax	41,156
	Federal Income Tax	212,423
	TOTAL CURRENT UNIT POWER BILL	4,481,578
Prior Month's Adju	stment:	
	Return on Common Equity & Other Capital	0
	Fuel Expense	0
	Other Expenses (Includes taxes & interest)	(47,794)
	TOTAL BRIOD MONTHIO AD ILIOTMENTO	(47.704)
	TOTAL PRIOR MONTH'S ADJUSTMENTS	(47,794)
	TOTAL UNIT POWER BILL	4,433,784
AMOUNTS WILL BE	PAID DIRECT FROM GENERAL FLINDS	==========

AMOUNTS WILL BE PAID DIRECT FROM GENERAL FUNDS.

DUE DATE - - - May 19, 2014

Cc: Steve Hornyak - Columbus Kurt C Cooper - Ft Wayne

Dave Hille - Ft. Wayne Shannon Listebarger - Columbus

Mike Stout - Ft. Wayne Mike Giardina - Columbus

Sid Lyons - Columbus Michelle Howell - Columbus

Diane Keegan - Columbus

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AEP GENERATING COMPANY ONE RIVERSIDE PLAZA, COLUMBUS, OH 43215 **TELEPHONE (614) 716-3724**

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INDIANA MICHIGAN POWER COMPANY P. O. BOX 60 FORT WAYNE, IN 46801

ESTIMATE 07-May-14

UNIT 1

POWER BILL -- April, 2014

IN ACCORDANCE WITH POWER AGREEMENT DATED OCTOBER 1, 1984 (AS AMENDED)

ENERGY DELIVERED FOR THE MONTH OF April, 2014

KWH FOR THE MONTH 256,522,000

	<u>SUMMARY</u>	<u>TOTAL</u>
Current Month B	ill:	
	Return on Common Equity	593,436
	Return on Other Capital	116,062
	Total Return	709,498
	Fuel Purchased Power Other Operating Revenues Other Operation and Maintenance Exp Depreciation Expense Taxes Other Than Federal Income Tax Federal Income Tax	6,741,013 0 (6,125) 1,265,307 1,155,637 96,032 495,653
	TOTAL UNIT POWER BILL	10,457,014
Prior Month's Ad	justment: Return on Common Equity & Other Capital Fuel Other Expenses (Includes taxes & interest)	0 0 (111,514)
	TOTAL PRIOR MONTH'S ADJUSTMENTS	(111,514)
	TOTAL UNIT POWER BILL	10,345,500 ======
AMOUNTS WILL B	E PAID DIRECT FROM GENERAL FUNDS.	

DUE DATE - - -May 19, 2014

Cc: Steve Hornyak - Columbus Kurt C Cooper - Ft Wayne

Dave Hille - Ft. Wayne Shannon Listebarger - Columbus

Mike Stout - Ft. Wayne

Mike Giardina - Columbus Kevin Amburgey-Columbus Michelle Howell - Columbus Sid Lyons - Columbus

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AEP GENERATING COMPANY ROCKPORT POWER BILL SUMMARY OF MONTHLY POWER BILL

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April, 2014

	TOTAL UNIT 1 POWER BILL	KPCO SHARE	I&M <u>Share</u>
Return on Common Equity	847,766	254,330	593,436
Return on Other Capital	165,803	49,741	116,062
Total Return	1,013,569	304,071	709,498
 + Fuel + Purchased Power - Other Operating Revenues + Other Operation and Maintenance Exp + Depreciation Expense + Taxes Other Than Federal Income Tax + Federal and State Income Tax 	9,630,018 0 (8,750) 1,807,582 1,650,910 137,188 708,076	2,889,005 0 (2,625) 542,275 495,273 41,156 212,423	6,741,013 0 (6,125) 1,265,307 1,155,637 96,032 495,653
= Total Unit 1 Monthly Power Bill	14,938,592	4,481,578	10,457,014
<u>Determination of Federal Income Tax :</u>		=======================================	
Total Return (Line 3) + Unit 1 Schedule M Adjustments + Unit 1 Deferred Federal Income Taxes - Unit 1 Interest Expense Deduction *	1,013,569 630,886 (54,875) 172,668	304,071 189,266 (16,463) 51,800	709,498 441,620 (38,413) 120,868
 Subtotal x Gross-Up (FIT Rate / 1-FIT Rate) Unit 1 Current Federal Income Tax Unit 1 Def Fed & State Income Taxes 	1,416,911 0.538462 762,952 (54,875)	425,074 0.538462 228,886 (16,463)	991,837 0.538462 534,066 (38,413)
= Total Unit 1 Fed&State Income Taxes	708,076	212,423	495,653
Proof of Federal Income Tax :	=======================================	=======================================	
Total Unit 1 Monthly Power Bill - Operation and Maintenance Expenses - Depreciation Expense - Taxes Other Than Federal Income Tax - Unit 1 Interest Expense Deduction * - Other Operating Revenues	14,938,592 11,437,600 1,650,910 137,188 172,668 (8,750)	4,481,578 3,431,280 495,273 41,156 51,800 (2,625)	10,457,014 8,006,320 1,155,637 96,032 120,868 (6,125)
= Pre-Tax Book Income + Unit 1 Schedule M Adjustments	1,548,977 630,886	464,694 189,266	1,084,283 441,620
 = Unit 1 Taxable Income x Current Federal Income Tax Rate = Unit 1 Current Federal Income Tax + Unit 1 Def Fed & State Income Taxes 	2,179,863 35% 762,952 (54,876)	653,960 35% 228,886 (16,463)	1,525,903 35% 534,066 (38,413)
= Total Unit 1 Fed&State Income Taxes	708,076	212,423	495,653

^{*} From Page 5 of 18 : Line 21 + (Line 28 x Line 31 x Line 32)

AEP GENERATING COMPANY ROCKPORT POWER BILL OPERATING RATIO

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Line No.		UNIT 1 <u>April, 2014</u>
1	Operating Ratio:	
2	Net In-Service Investment:	
3 4 5 6 7 8 9 10 11 12	Electric Plant In-Service - Accumulated Depreciation + Materials & Supplies + Prepayments + Plant Held For Future Use (A/C 105) * + Other Deferred Debits (A/C 186) * + Other Working Capital *** + Unamortized Debt Expense (A/C 181) + Deferred ASH pond cost (A/C182.3) - Asset Retirement Obligation (A/C 230) - Other Deferred Credits (A/C 253)	800,105,537 575,386,688 64,972,045 42,781 0 0 (22,107,737) 119,013 2,840,138 4,423,159 48,373,164
14 15	Accumulated Deferred FIT Accumulated Deferred ITC	37,170,707 17,086,303
16	Total Net In-Service Investment	163,531,755
17	Non-In-Service Investment - CWIP :	
18 19 20	Construction Work In Progress + Materials & Supplies - Accumulated Deferred FIT	63,389,481
21	Total Non-In-Service Investment - CWIP	63,389,481
22	Non-In-Service Investment - Other :	
23 24 25	Plant Held for Future Use (A/C 105) ** + Other Deferred Debits (A/C 186) ** + Fuel Inventory Over Allowed Level ****	1,034,099 3,059,194 (8,163,032)
26	Total Non-In-Service Investment - Other	(4,069,739)
27	Total Investment (Lines 16+21+26)	222,851,497
28	Operating Ratio (Line 16/Line 27)	73.3815%
29	Non-In-Service Investment-CWIP Ratio (Line 21/Line 27)	28.4447%
30	Non-In-Service Investment-Other Ratio (Line 26/Line 27)	-1.8262%
	Total Investment ermitted By FERC	100.0000%
** Acco	iding Amounts on Lines 7 and 8 unts 128, 131, 135, 143, 146, 171 and 174, Less Accounts 232-234, 23 des Rockport 1 and 2	36, 237, 238, 241 and

AEP GENERATING COMPANY ROCKPORT POWER BILL NET IN-SERVICE INVESTMENT RATIO

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Line No.		UNIT 1 <u>April, 2014</u>
1	Net In-Service Investment Ratio:	
2	Unit 1 Net In-Service Investment:	
3 4 5 6 7 8 9 10 11 12 13	Electric Plant In-Service - Accumulated Depreciation + Materials & Supplies + Prepayments + Plant Held For Future Use (A/C 105) * + Other Deferred Debits (A/C 186) * + Other Working Capital ** + Unamortized Debt Expense (A/C 181) + Deferred ASH pond cost (A/C182.3) - Asset Retirement Obligation (A/C 230) - Other Deferred Credits (A/C 253) - Accumulated Deferred FIT	658,142,325 435,491,981 36,567,538 21,390 0 (3,826,233) 59,506 1,420,069 2,211,579 0 43,518,548
15	- Accumulated Deferred ITC	13,066
16	Total Unit 1 Net In-Service Investment	211,149,422
17	Unit 2 Net In-Service Investment:	
18 19 20 21 22 23 24 25 26 27 28 29 30 31	Electric Plant In-Service - Accumulated Depreciation + Materials & Supplies + Prepayments + Plant Held For Future Use (A/C 105) * + Other Deferred Debits (A/C 186) * + Other Working Capital ** + Unamortized Debt Expense (A/C 181) + Deferred ASH pond cost (A/C182.3) - Asset Retirement Obligation (A/C 230) - Other Deferred Credits (A/C 253) - Accumulated Deferred FIT - Accumulated Deferred ITC Total Unit 2 Net In-Service Investment Total Net In-Service Investment	141,963,211 139,894,707 28,404,506 21,390 0 (18,281,503) 59,506 1,420,069 2,211,579 48,373,164 (6,347,841) 17,073,237 (47,617,666) 163,531,755
33	Net In-Service Investment Ratio:	
34	Unit 1 (Line 16 / Line 32)	129.1200%
35	Unit 2 (Line 31 / Line 32)	-29.1200%
		100.0000%
	* As Permitted By FERC ** Accounts 128, 131, 135, 143, 146, 171 and 174, Less Accounts 232-234, 236, 237, 238, 241 and 242	========

AEP GENERATING COMPANY ROCKPORT POWER BILL CALCULATION OF RETURNS ON COMMON EQUITY & OTHER CAPITAL

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Line No.		UNIT 1 <u>April, 2014</u>
1	Net Capitalization:	
2	Long-Term Debt	64,421,495
3 4	+ Short-Term Debt + Preferred Stock	61,140,909 0
5	+ Common Equity	93,392,100
6	- Temporary Cash Investments	0
7	Net Capitalization	218,954,504
8	40% of Net Capitalization	87,581,802
9	Return on Common Equity:	
10	Lesser of Line 5 or Line 8	87,581,802
11	x Equity Return (Monthly Rate)	1.01333%
12 13	Equity Returnx Operating Ratio	887,493 73.3815%
14	x Net In-Service Investment Ratio	129.1200%
15	= Subtotal	840,901
16	Excess of Line 5 Over Line 8	5,810,298
17	x Weighted Cost of Debt (Monthly Rate)	0.1247%
18 19	 Return on Equity over 40% of Capitalization x Operating Ratio 	7,245 73.3815%
20	x Net In-Service Investment Ratio	129.1200%
21	= Subtotal	6,865
22	Unit 1 Return on Equity (Line 15 + Line 21)	847,766
		==========
23	Return on Other Capital:	
24	Long-Term Debt Interest Expense (A/C 427-429)	142,776
25 26	+ Short-Term Debt Interest Expense (a/c 430) + Other Interest Expense (a/c 431)	32,214
27	- Temporary Cash Investment Income *	0
28	= Net Interest Expense	174,990
29	+ Preferred Stock Dividends (a/c 437)	0
30	= Net Cost of Other Capital	174,990
31	x Operating Ratio	73.3815%
32	x Net In-Service Investment Ratio	129.1200%
33	= Unit 1 Return on Other Capital	165,803

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* Line 6 x Line 19 from Pg 6 of 18

AEP GENERATING COMPANY ROCKPORT POWER BILL DETERMINATION OF WEIGHTED COST OF DEBT

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Line No.		UNIT 1 <u>April, 2014</u>
1	<u>Debt Balances (Prior Month Ending)</u> :	
2 3 4	Long-Term Debt (Accts 221 thru 226) + Short-Term Debt (Accts 231 + 233) + Other Debt (Accts 132 thru 136 + 145)	64,421,495 61,140,909 0
5	Total Debt Balances (Prior Month Ending)	125,562,404
6	Weighting of Debt Balances :	
7 8 9	Long-Term Debt (LTD bal/Total Debt bal) + Short-Term Debt (STD bal/Total Debt bal) + Other Debt	51.3064% 48.6936% 0.0000%
10	Total Debt Balances	100.0000%
11	<u>Debt Cost Rates :</u>	
12 13 14	Long-Term Debt (avg LTD int rate) Short-Term Debt (avg Money Pool STD int rate) Other Debt	2.6965% 0.2745% 0.0000%
15	Weighted Cost of Debt :	
16 17 18	Long-Term Debt (LTD % x avg LTD int rate) + Short-Term Debt (STD % x avg MP STD int rate + Other Debt	1.3835% 0.1337% 0.0000%
19	Total Weighted Cost of Debt	1.5172%

AEP GENERATING COMPANY ROCKPORT POWER BILL DETERMINATION OF UNIT 1 MATERIALS AND SUPPLIES

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UNIT 1

Line		ONIT
No.		<u>April, 2014</u>
1	Unit 1 Materials and Supplies:	
2	Fuel Stock - Coal (per Line 23)	21,034,253
3	Fuel Stock Expenses - Undistributed (152)	584,441
4	Fuel Stock - Oil (151) Plant Materials & Operating Supplies	2,312,430
5 6	Merchandise	12,636,414 0
7	Undistributed Stores Expense	0
8	Total Materials & Supplies	36,567,538
9	Support of Coal Inventory Value:	
10	Actual Coal Inventory (a/c 151.10)	12,871,221
11	+ Equivalent Inventory re: Deferred Return	20,696,083,904
12	= Imputed Coal Inventory	20,708,955,125
13	Coal Inventory W/68 Day Supply Cap	
14	Tons Consumed - CHANGE ANNUALLY FROM DEC PG 24	2,603,238
15	/ Hours Available * CHG ANNUALLY FROM GADS RPT 511	8031.6
16	= Tons Consumed per Hour	324.12
17	x 24 Hours per Day	24
18	= Tons Consumed Per Day	7778.88
19	x 68 days	68
20	= 68 day Supply (Tons)	528,964
21	x Coal Cost per Ton (per a/c 151.10 at End of Prior Month)	39.765
22	= 68 day Coal Inventory	21,034,253
23	Lesser of Imputed or Capped Coal Inventory	21,034,253
24	Imputed Inventory Minus Line 23	20,687,920,872
		=======================================
25	Accumulated Deferred Inventory Return - Unit 1 (Memo Item):	
26	Beginning Balance	149,448,905
27	+ Current Month Return on Beginning Balance	1,087,038
28	+ Current Month Deferral	0
29	- Current Month Recovery	56,617
30	= Ending Balance **	150,479,326

^{*} Excludes Forced Outages, Scheduled Outages, and Curtailments

^{**} May Not Be Less Than Zero

AEP GENERATING COMPANY ROCKPORT POWER BILL DETAIL OF OTHER OPERATING REVENUES

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Line No.	Account <u>No.</u>	<u>Description</u>	UNIT 1 <u>April, 2014</u>
1	450	Forfeited Discounts	0
2	451	Miscellaneous Service Revenues	0
3	453	Sales of Water and Water Power	0
4	454	Rent From Electric Property - Associated Companies	0
5	454.20	Rent From Electric Property - Non-Associated Companies	0
6	455	Interdepartmental Rents	0
7	456	Other Electric Revenues	(8,750)
8	411.8	Proceeds/gains From Sale of Emission Allowances	0
9		Total Other Operating Revenues	(8,750)

AEP GENERATING COMPANY ROCKPORT POWER BILL DETAIL OF OPERATION & MAINTENANCE EXPENSES

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Line No.	Account No.	_Description_	UNIT 1 <u>April, 2014</u>
1		Steam Power Generation - Operation	493,996
2 3	501 510-515	Fuel - Operation Steam Power Generating - Maintenance	9,630,018 1,173,011
4		Total Steam Power Generation Expenses	11,297,025
5	555-557	Other Power Supply Expenses	2,572
6 7	560-567.1 568-574	Transmission Expenses - Operation Transmission Expenses - Maintenance	0 0
8		Total Transmission Expenses	0
9 10	580-589 590-598	Distribution Expenses - Operation Distribution Expenses - Maintenance	0
11		Total Distribution Expenses	0
12	901-905	Customer Accounts Expenses - Operation	0
13	906-910	Customer Service and Informational Expenses - Operation	0
14	911-917	Sales Expenses - Operation	0
15	920-933	Administrative and General Expenses - Operation	130,422
16	935	Administrative and General Expenses - Maintenance	7,580
17		Total Administrative & General Exp.	138,003
18		Total Operation & Maintenance Expenses	11,437,600

AEP GENERATING COMPANY ROCKPORT POWER BILL DETAIL OF DEPRECIATION EXPENSE AND AMORTIZATION EXPENSES

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Line <u>No.</u>	Account No.		UNIT 1 <u>April, 2014</u>
1a	1 403 403.1	Depreciation Expense ARO Depreciation Expense	1,631,068 3,343
	2 404	Amortization of Limited-Term Electric Plant	0
(3 405	Amortization of Other Electric Plant	0
4	406	Amortization of Electric Plant Acquistion Adjustments	0
ţ	5 407	Amortization of Property Losses, Unrecovered Plant and Regulatory Study Costs	0
(6	Total Depreciation Exp. & Amortization	1,634,411
-	7 411.10	ARO Accretion Expense	16,499
8	3	Total Depreciation, Amortization & Accretion Expenses	1,650,910

AEP GENERATING COMPANY ROCKPORT POWER BILL

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DETAIL OF TAXES OTHER THAN FEDERAL INCOME TAXES

Line No. BS1	Account <u>No.</u>	<u>Description</u>	UNIT 1 <u>April, 2014</u>
1	408.1	Taxes Other Than Federal Income Taxes, Utility Operating Income	141,688
2	409.1	State Income Taxes	(4,500)
3		Total Taxes Other than FIT	137,188

AEP GENERATING COMPANY ROCKPORT POWER BILL DETAIL OF UNIT 1 SCHEDULE 'M' ADJUSTMENTS AND DEFERRED FEDERAL INCOME TAX

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April, 2014

			_	F , -	- 3 -
Line No.	Account <u>No.</u>	<u>Description</u>	<u>TOTAL</u>	KPCO SHARE	I&M <u>Share</u>
1		Unit 1 Schedule `M' Adjustments*			
2	N/A	Excess ACRS Over Normalization Base Depreciation	8,500	2,550	5,950
3	N/A	Excess Normalization Base Over Book Depreciation	(18,000)	(5,400)	(12,600)
4	N/A	Other Unit 1 Schedule `M' Adjustments	640,386	192,116	448,270
5	***	Total Unit 1 Schedule `M' Adjustments	630,886	189,266 	441,620
6		Unit 1 Deferred Federal Income Tax			
7	410.1	Excess ACRS Over Norm. Base Depr. (Line 2 x FIT Rate * -1)	23,129	6,939	16,190
8	410.1&411.1	Other Unit 1 Schedule `M' Adjustments -			
9	411.1	Feedback of Accumulated DFIT re: ABFUDC - Unit 1 Negative Amount Denotes Reduction.	(2,279)	(684)	(1,595)
10	411.1	Feedback of Accumulated DFIT re: Overheads Capitalized - Unit 1	(51)	(15)	(36)
11	411.1	Feedback of Accumulated DFIT re: Other Schedule `M' AdjUtility	(75,675)	(22,703)	(52,972)
4.0	***	T. 111 24 B (15 1 11 T	(54.075)	(40,400)	(00.440)

^{***} Positive Amount Denotes Increase In Taxable Income, Negative Amount Denotes Reduction.

Total Unit 1 Deferred Federal Income Tax

(54,875)

(16,463)

(38,413)

12

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ROCKPORT POWER BILL DETAIL OF NET IN-SERVICE INVESTMENT UNIT 1

	<u> </u>	ETAIL OF NET IN-SERVICE INVESTMENT UNIT	<u>-'</u> UNIT 1
Line	Account		April, 2014
No.	No.	<u>Description</u>	
1		ELECTRIC PLANT IN SERVICE	
2	101	Electric Plant In Service	653,967,849
3	102	Electric Plant Purchased	0
4	103	Experimental Elec. Plant Unclassified	0
5	103.1	Electric Plant In Process of Reclassification	0
6	104	Electric Plant Leased to Others	0
7	106	Completed Construction Not Classified	4,174,476
8	114	Electric Plant Acquisition Adjustments	0
9	116	Other Electric Plant Adjustments	0
10	118	Other Utility Plant	0
11		Total Electric Plant In Service	658,142,325
12	105	Plant Held For Future Use	0
13		ACCUMULATED DEPRECIATION	
14	108	Accumulated Provision for Depreciation of Electric Utility Plant	435,020,203
15	110	Accumulated Provision for Depreciation	+00,020,200
		and Amort. of Elec. Utility Plant	0
16	111	Accumulated Provision for Amortization of Electric Utility Plant	471,778
17	115	Accumulated Provision for Amortization	171,770
		of Electric Plant Acquisition Adjustments	0
18	119	Accumulated Provision for Depreciation	-
		and Amortization of Other Utility	_
		Plant	0
19		Total Accumulated Depreciation	435,491,981
20		MATERIAL AND SUPPLIES	
21	151	Fuel Stock	23,346,683
22	152	Fuel Stock Expenses - Undistributed	584,441
23	153	Residuals	0
24	154	Plant Materials and Operating Supplies	12,636,414
25	155	Merchandise	0
26	156	Other Materials and Supplies	0
27	163	Stores Expense Undistributed	0
28		Total Materials and Supplies	
		(In-Service Portion)	36,567,538
29	165	Prepayments	21,390
30	186	Other Deferred Debits	0

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AEP GENERATING COMPANY ROCKPORT POWER BILL Pg 13a of 18

OTHER WORKING CAPITAL, UNAMORTIZED DEBT EXPENSE, AND OTHER DEFERRED CREDITS

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			UNIT 1
Line	Account		April, 2014
No.	No.	Description *	
1	128	Other Special Funds	0
2	131	Cash	0
3	135	Other Intra Company Adjustments	0
4	143	Accounts Receivable-Miscellaneous	0
5	146	Accounts Receivable-Associated Company	21,387,986
6	171	Interest and Dividends Receivable	600
7	174	Miscellaneous Current and Accrued Assets	0
8	232	Accounts Payable-General	(17,663)
9	234	Accounts Payable-Associated Company	(16,673,714)
10	236	Taxes Accrued	(5,360,632)
11	237	Interest Accrued	(33,891)
12	238	Dividends Declared	` 0
13	241	Tax Collections Payable	0
14	242	Misc Current and Accrued Liabilities	(3,128,919)
15		Total Other Working Capital	(3,826,233)
16	181	Unamortized Debt Expense	59,506
17	253	Other Deferred Credits	0

^{*} debit <credit>

AEP GENERATING COMPANY ROCKPORT POWER BILL DETAIL OF NET IN-SERVICE INVESTMENT UNIT 1

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Line <u>No.</u>	Account <u>No.</u>	<u>Description</u>	UNIT 1 <u>April, 2014</u>
31		ACCUMULATED DEFERRED INCOME TAXES	
32	190	-Accumulated Deferred Income Taxes	2,174,082
33	281	+Accumulated Deferred Income Taxes - Accelerated Amortization Property	0
34	282	+Accumulated Deferred Income Taxes -	U
		Other Property	44,842,438
35	283	+Accumulated Deferred Income Taxes - Other	850,193
36		Total Accumulated Deferred Income	
		Taxes (In-Service Portion)	43,518,548
37	255	+Accumulated Deferred Investment Tax Credits	13,066
38	186.50	-Accumulated Deferred Investment Tax Credit	0
39		Total Accumulated Deferred Investment	
4.0		Tax Credits	13,066
40		Total Net In-Service Investment - Unit 1	211,940,932
			==========

AEP GENERATING COMPANY ROCKPORT POWER BILL DETAIL OF NON-IN-SERVICE INVESTMENT - CWIP AND OTHER

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			UNIT 1 Pag
Line No.	Account <u>No.</u>		April, 2014
NO.	<u>INO.</u>	Description	
		Non-In-Service Investment - CWIP	
1	107	Construction Work In Process	63,389,481
2		MATERIAL AND SUPPLIES	
3	151	Fuel Stock	0
4 5	152 153	Fuel Stock Expenses - Undistributed Residuals	0
6	154	Plant Materials and Operating Supplies	0
7	155	Merchandise	0
8	156	Other Material and Supplies	0
9 10	163	Stores Expense Undistributed Total Material and Supplies	0
10		(CWIP Portion)	0
11		ACCUMULATED DEFERRED INCOME TAXES	
12	190	-Accumulated Deferred Income Taxes	0
13	281	+Accumulated Deferred Income Taxes - Accelerated Amortization Property	0
14	282	+Accumulated Deferred Income Taxes -	O
		Other Property	0
15	283	+Accumulated Deferred Income Taxes - Other	0
16		Total Accumulated Deferred Income	
		Taxes (CWIP Portion)	0
17		TOTAL NON-IN-SERVICE INVESTMENT - CWIP	63,389,481
		GWIF	=========
		Non-In-Service Investment - Other	
18	105	Plant Held for Future Use	1,034,099
19	186	Other Deferred Debits	3,059,194
20	151.10	Fuel Inventory Over Allowed Level *	(8,163,032)
21		Total Non-In-Service Investment -	
		Other	(4,069,739) ======
	* INCLUI	DES ROCKPORT 1 AND 2	
		UNIT 1	(8,163,032)
		UNIT 2	0
		TOTAL	(8,163,032)
			========

AEP GENERATING COMPANY ROCKPORT POWER BILL DETAIL OF NET CAPITALIZATION

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UNIT 1

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Line No.	Account <u>No.</u>	<u>Description</u>	<u>April, 2014</u>
1		COMMON CAPITAL STOCK	
2 3 4	201 202 203	Common Stock Issued Common Stock Subscribed Common Stock Liability for Conversion	383,000 0 0
5	209	Reduction In Par or Stated Value of Capital Stock	0
6	210	Gain on Resale or Cancellation of Reacquired Capital Stock	0
7 8	212 214	Installments Received on Capital Stock Capital Stock Expense	0
9	217	Reacquired Capital Stock	0
10		Total Common Capital Stock	383,000
11		OTHER PAID-IN CAPITAL	
12 13 14 15	207 208 211 213	Premium on Capital Stock Donations Received from Stockholders Miscellaneous Paid-In Capital Discount on Capital Stock	0 89,478,987 0 0
16		Total Other Paid-In Capital	89,478,987
17		RETAINED EARNINGS	
18 19	215 215.1	Appropriated Retained Earnings Appropriated Retained Earnings- Amortization Reserve, Federal	0
20	216	Unappropriated Retained Earnings	3,530,113
21		Total Retained Earnings	3,530,113
22		Total Common Equity	93,392,100
23		PREFERED CAPITAL STOCK	
24 25	204 205	Preferred Stock Issued Preferred Stock Subscribed	0
26	206	Preferred Stock Liability for Conversion	0
27		Total Preferred Capital Stock	0

AEP GENERATING COMPANY ROCKPORT POWER BILL DETAIL OF NET CAPITALIZATION (Cont'd)

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Line No.	Account No.	<u>Description</u>	<u>April, 2014</u>
28		LONG-TERM DEBT	
29 30 31 32 33	221 222 223 224 225	Bonds Reacquired Bonds Advances from Associated Companies Other Long-Term Debt Unamortized Premium on Long-Term Debt-Credit Unamortized Discount on Long-Term Debt-Debit	0 0 0 64,421,495 0
35		Total Long-Term Debt	64,421,495
36a 36b 37	231.02 231.03 233.00	SHORT-TERM DEBT Notes Payable (Short-Term Debt) Unamortized Discount Notes Payable, Assoc Co(Money Pool)	0 0 61,140,909
38		Total Short-Term Debt	61,140,909
39		TEMPORARY CASH INVESTMENTS	
40 41 42 43	132 133 134 136, 145	Interest Special Deposits Dividend Special Deposits Other Special Deposits Temporary Cash Investments Total Temporary Cash Investments	0 0 0 0
45		NET CAPITALIZATION	218,954,504 ======

AEP GENERATING COMPANY ROCKPORT POWER BILL DETERMINATION OF RATE OF RETURN (Net & Pre-Tax)

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Line No.	•	UNIT 1 <u>April, 2014</u>
1	Capitalization Balances (Prior Month Ending):	
2 3 4 5	Long-Term Debt (Accts 221 thru 226) + Short-Term Debt (Accts 231 + 233) + Preferred Stock	64,421,495 61,140,909 0
6	+ Common Equity (Accts 201 thru 216) - Capitalization Offsets	93,392,100
7	Total Capitalization Balances	218,954,504
8	Weighting of Capitalization Balances :	
9 10 11 12 13	Long-Term Debt (LTD/Total Capital) + Short-Term Debt (STD/Total Capital) + Preferred Stock + Common Equity (Common Equity/Total Capital) - Capitalization Offsets	29.4223% 27.9240% 0.0000% 42.6537% 0.0000%
14	Total Capitalization	100.0000%
15	Capitalization Cost Rates :	
16 17 18 19 20	Long-Term Debt (avg LTD int rate) Short-Term Debt (avg money pool STD int rate) Preferred Stock Common Equity (FERC fixed rate) Capitalization Offsets (sum of weighted costs of debt)	2.6965% 0.2745% 0.0000% 12.1600% 1.5172%
21	Rate of Return (Net of Tax) :	
22 23 24 25 26	Long-Term Debt (LTD % x avg LTD int rate) + Short-Term Debt (STD % x avg MP STD int rate) + Preferred Stock + Common Equity (CE % x FERC fixed rate) - Capitalization Offsets	0.7934% 0.0767% 0.0000% 5.1867% 0.0000%
27	Total Rate of Return (Net of Tax)	6.0568%
28	Weighted Net Cost of Debt (LTD Rate of Return + STD RR - Cap Offsets RR)	0.8701%
29	+ Pre-Tax Common Equity (Line 25 / .65) (Common Equity Rate of Return grossed up for tax)	7.9795%
30	= Rate of Return (Pre-Tax)	8.8496%

A E P GENERATING COMPANY

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April, 2014 UC's First Set of Data Requests
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ESTIMATE

ROCK PORT OPERATION & MAINTENANCE EXPENSES UNIT 1 50% OWNERSHIP INTEREST OF ROCKPORT PLANT

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500 501 502 503 504 505 506 507 508 509	SUPERVISION AND ENGINEERING FUEL STEAM EXPENSES STEAM FROM OTHER SOURCES STEAM TRANSFERRED - CR ELECTRIC EXPENSES MISC. STEAM POWER EXPENSES RENTS OPERATION SUPPLIES AND EXPENSES CARRYING CHARGES - ALLOWANCES TOTAL OPERATION EXPENSE	139,549 9,630,018 118,030 0 80,579 155,838 0 0 10,124,014
510 511 512 513 514 515	MAINTENANCE SUPER. AND ENGINEERING MAINTENANCE OF STRUCTURES MAINTENANCE OF BOILER PLANT MAINTENANCE OF ELECTRIC PLANT MAINTENANCE OF MISC. STEAM PLANT MAINTENANCE NORMALIZING	72,227 42,813 734,592 259,049 64,331
	TOTAL MAINTENANCE EXPENSES	1,173,011
555 556 557	PURCHASED POWER SYSTEM CONTROL AND LOAD DISPATCHING OTHER POWER SUPPLY EXPENSES	0 582 1,990
	TOTAL OTHER SUPPLY EXPENSES	2,572

IS FUEL IN BALANCE ON PAGE 2	AMOUNT MUST BE ZERO 0
NO OF DAYS IN CURRENT MO NO OF DAYS IN CURRENT YEAR CURRENT YEAR IS CURRENT MONTH IS THIS BILLING IS FOR MONTH OF	30 365 2014 4 April, 2014

A E P GENERATING COMPANY

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ESTIMATE

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ROCK PORT OPERATION & MAINTENANCE EXPENSES UNIT 1 50% OWNERSHIP INTEREST OF ROCKPORT PLANT

901	SUPERVISION	0
902	METER READING EXPENSES	0
903	CUSTOMER RECORDS AND COLLECTION EXPENSES	0
904	UNCOLLECTIBLE ACCOUNTS MISCELLANEOUS CUSTOMER ACCOUNTS EXPENSES	0
905	MISCELLANEOUS CUSTOMER ACCOUNTS EXPENSES	0
	TOTAL CUSTOMER ACCOUNTS EXPENSES	0
906	CUSTOMER SERVICE AND INFORMATIONAL EXP	0
907 908	SUPERVISION CUSTOMER ASSISTANCE EXPENSES	0
909	INFORMATIONAL AND INSTRUCTIONAL	-
040	ADVERTISING EXPENSES	0
910	MISCELLANEOUS CUSTOMER SERVICE AND INFORMATIONAL EXPENSES	0
	AND IN CHIMATIONAL EXI LINGLS	O
	TOTAL CUSTOMER SERVICES EXPENSES	0
911	SUPERVISION	0
912	DEMONSTRATION AND SELLING EXPENSES	0
913	ADVERTISING EXPENSES	0
916 917	MISCELLANEOUS SALES EXPENSES (MAJOR) SALES EXPENSES (NON-MAJOR)	0
917	SALES EXPENSES (NON-IVIAJON)	U
	TOTAL SALES EXPENSES	0
920	ADMIN. & GENERAL SALARIES	41,097
921	OFFICE SUPPLIES AND EXPENSES	7,115
922	ADMINISTRATIVE EXPENSES TRANSF - CR	0
923 924	OUTSIDE SERVICES PROPERTY INSURANCE	11,727 10,753
925	INJURIES AND DAMAGES	1,970
926	EMPLOYEE PENSIONS AND BENEFITS	57,586
927	FRANCHISE REQUIREMENTS	0
928	REGULATORY COMMISSION	0
929	DUPLICATE CHARGES-CREDIT	0 (F70)
930 931	MISCELLANEOUS GENERAL EXPENSES RENTS	(578) 753
933	TRANSPORTATION EXPENSE	0
	TOTAL ADM & GEN EXPENSES OPERATION	130,422
935	MAINTENANCE OF GENERAL PLANT	7,580
	TOTAL ADM & CENTEVERNOES	100,000
	TOTAL ADM & GEN EXPENSES	138,003
TOTAL A	AEG OPERATION & MAINTENANCE EXPENSES	11,437,600
	NT 40190 TOTAL FOR CROSS FOOT	11,437,600
	DIFFERENCE	0

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AEP GENERATING COMPANY ONE RIVERSIDE PLAZA, COLUMBUS, OH 43215 TELEPHONE (614) 716-3724

INDIANA MICHIGAN POWER COMPANY P. O. BOX 60 FORT WAYNE, IN 46801 ESTIMATE 07-May-14

UNIT 2 POWER BILL - - April, 2014

IN ACCORDANCE WITH POWER AGREEMENT DATED OCTOBER 1, 1984 (AS AMENDED)

ENERGY DELIVERED FOR THE MONTH OF April, 2014

KWH FOR THE MONTH 210,056,350

SUMMARY	TOTAL
Current Month Bill:	
Return on Common Equity	(134,459)
Return on Other Capital	(26,297)
Total Return	(160,756)
Fuel Purchased Power Other Operating Revenues Other Operation and Maintenance Exp Depreciation Expense Taxes Other Than Federal Income Tax Federal Income Tax	5,715,516 0 (6,125) 4,876,991 714,901 102,088 14,443
TOTAL CURRENT UNIT POWER BILL	11,257,058
Prior Month's Adjustment: Return on Common Equity & Other Capital Fuel Expense Other Expenses (Includes taxes & interest)	0 0 61,168
TOTAL PRIOR MONTH'S ADJUSTMENTS	61,168
TOTAL UNIT POWER BILL	11,318,226
AMOUNTS WILL BE PAID DIRECT FROM GENERAL FUNDS.	===========

AMOUNTS WILL BE PAID DIRECT FROM GENERAL FUNDS.

DUE DATE - - May 19, 2014

Cc: Steve Hornyak - Columbus

Dave Hille - Ft. Wayne

Mike Stout - Ft. Wayne Mike Giardina - Columbus Sid Lyons - Columbus Kurt C Cooper - Ft Wayne

Shannon Listebarger - Columbus

Michelle Howell - Columbus

AEP GENERATING COMPANY ONE RIVERSIDE PLAZA, COLUMBUS, OH 43215 TELEPHONE (614) 716-3724

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KENTUCKY POWER COMPANY 17TH ST. & CENTRAL AVE. ASHLAND, KY 41101 ESTIMATE 07-May-14

UNIT 2 POWER BILL - - April, 2014

IN ACCORDANCE WITH POWER AGREEMENT DATED OCTOBER 1, 1984 (AS AMENDED)
ENERGY DELIVERED FOR THE MONTH OF April, 2014
KWH FOR THE MONTH
90,024,150

SUMMARY_	TOTAL
Current Month Bill:	
Return on Common Equity	(57,626)
Return on Other Capital	(11,270)
Total Return	(68,896)
Fuel Purchased Power Other Operating Revenues Other Operation and Maintenance Exp Depreciation Expense Taxes Other Than Federal Income Tax Federal Income Tax TOTAL CURRENT UNIT POWER BILL	2,449,507 0 (2,625) 2,090,139 306,386 43,752 6,190
Prior Month's Adjustment:	
Return on Common Equity & Other Capital	0
Fuel Expense Other Expenses (Includes taxes & interest)	26,214
TOTAL PRIOR MONTH'S ADJUSTMENTS	26,214
TOTAL UNIT POWER BILL	4,850,667
AMOUNTS WILL BE PAID DIRECT FROM GENERAL FUNDS	

AMOUNTS WILL BE PAID DIRECT FROM GENERAL FUNDS.

DUE DATE - · May 19, 2014

Cc: Steve Hornyak - Columbus

Dave Hille - Ft. Wayne Mike Stout - Ft. Wayne

Mike Giardina - Columbus

Sid Lyons - Columbus

Kurt C Cooper - Ft Wayne

Shannon Listebarger - Columbus

Michelle Howell - Columbus

AEP GENERATING COMPANY ROCKPORT POWER BILL SUMMARY OF MONTHLY POWER BILL

KPSC Case No. 2014-00225
KIUC's First Set of Data Requests
Dated September 5, 2014
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April, 2014

07-May-14

	TOTAL UNIT 2 POWER BILL	KPCO SHARE	I&M <u>SHARE</u>	
Return on Common Equity	(192,085)	(57,626)	(134,459)	
Return on Other Capital	(37,567)	(11,270)	(26,297)	
Total Return	(229,652)	(68,896)	(160,756)	
 + Fuel + Purchased Power - Other Operating Revenues + Other Operation and Maintenance Exp + Depreciation Expense + Taxes Other Than Federal Income Tax + Federal and State Income Tax 	8,165,023 0 (8,750) 6,967,130 1,021,287 145,840 20,634	2,449,507 0 (2,625) 2,090,139 306,386 43,752 6,190	5,715,516 0 (6,125) 4,876,991 714,901 102,088 14,443	
= Total Unit 2 Monthly Power Bill	16,081,512	4,824,453	11,257,058	
Determination of Federal Income Tax:				
Total Return (Line 3) + Unit 2 Schedule M Adjustments + Unit 2 Deferred Federal Income Taxes - Unit 2 Interest Expense Deduction *	(229,652) (49,225) 97,326 (39,122)	(68,896) (14,767) 29,198 (11,737)	(34,457) 68,128	
 Subtotal x Gross-Up (FIT Rate / 1-FIT Rate) Unit 2 Current Federal Income Tax Unit 2 Def Fed & State Income Taxes 	(142,428) 0.538462 (76,692) 97,326	0.538462	0.538462 (53,685)	
⇒ Total Unit 2 Fed&State Income Taxes	20,634	6,190	14,443	gryfen yn, ger oef oedd hyfeld oed old blâd dad dad dad dag
Proof of Federal Income Tax:				
Total Unit 2 Monthly Power Bill - Operation and Maintenance Expenses - Depreciation Expense - Taxes Other Than Federal Income Tax - Unit 2 Interest Expense Deduction * - Other Operating Revenues	16,081,512 15,132,153 1,021,287 145,840 (39,122) (8,750)	4,824,453 4,539,646 306,386 43,752 (11,737) (2,625)	11,257,058 10,592,507 714,901 102,088 (27,385) (6,125)	
= Pre-Tax Book Income + Unit 2 Schedule M Adjustments	(169,896) (49,225)	(50,969) (14,767)	(118,928) (34,457)	
 Unit 2 Taxable Income x Current Federal Income Tax Rate Unit 2 Current Federal Income Tax + Unit 2 Def Fed & State Income Taxes 	(219,121) 35% (76,693) 97,326	(65,736) 35% (23,008) 29,198	(153,385) 35% (53,685) 68,128	
= Total Unit 2 Fed&State Income Taxes	20,633	6,190	14,443	

^{*} From Page 5 of 18 : Line 21 + (Line 28 x Line 31 x Line 32)

AEP GENERATING COMPANY ROCKPORT POWER BILL OPERATING RATIO_

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Line No.		UNIT 2 <u>April, 2014</u>
1	Operating Ratio:	
2	Net In-Service Investment:	
3 4 5 6 7 8 9	Electric Plant In-Service - Accumulated Depreciation + Materials & Supplies + Prepayments + Plant Held For Future Use (A/C 105) * + Other Deferred Debits (A/C 186) * + Other Working Capital *** + Unamortized Debt Expense (A/C 181)	800,105,537 575,386,688 64,972,045 42,781 0 0 (22,107,737) 119,013
11 12	+ Deferred ASH pond cost (A/C182.3) - Asset Retirement Obligation (A/C 230)	2,840,138 4,423,159
13 14 15	- Other Deferred Credits (A/C 253) - Accumulated Deferred FIT - Accumulated Deferred ITC	48,373,164 37,170,707 17,086,303
16	Total Net In-Service Investment	163,531,755
17	Non-In-Service Investment - CWIP :	
18 19 20	Construction Work In Progress + Materials & Supplies - Accumulated Deferred FIT	63,389,481 0 0
21	Total Non-In-Service Investment - CWIP	63,389,481
22	Non-In-Service Investment - Other :	
23 24 25	Plant Held for Future Use (A/C 105) ** + Other Deferred Debits (A/C 186) ** + Fuel Inventory Over Allowed Level **** Total Nan In Semina Investment Other	0 3,059,194 (8,163,032)
26	Total Non-In-Service Investment - Other	(5,103,838)
27	Total Investment (Lines 16+21+26)	221,817,398
28	Operating Ratio (Line 16/Line 27)	73.7236%
29	Non-In-Service Investment-CWIP Ratio (Line 21/Line 27)	28.5773%
30	Non-In-Service Investment-Other Ratio (Line 26/Line 27)	-2.3009%
31	Total Investment * As Permitted By FERC ** Excluding Amounts on Lines 7 and 8 *** Accounts 128, 131, 135, 143, 146, 171 and 174, Less Accounts 232-234, 236, 237, 238, 241 and 242 **** Includes Rockport 1 and 2	100.0000%

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AEP GENERATING COMPANY	
ROCKPORT POWER BILL	
NET IN-SERVICE INVESTMENT RATIO	

	·	
Line <u>No.</u>		UNIT 2 <u>April, 2014</u>
1	Net In-Service Investment Ratio:	
2	Unit 2 Net In-Service Investment:	
3	Electric Plant In-Service	141,963,211
4	- Accumulated Depreciation	139,894,707
5	+ Materials & Supplies	28,404,506
6	+ Prepayments	21,390
7	+ Plant Held For Future Use (A/C 105) *	0
8 9	+ Other Deferred Debits (A/C 186) * + Other Working Capital **	(18,281,503)
10	+ Unamortized Debt Expense (A/C 181)	59,506
11	+ Deferred ASH pond cost (A/C182.3)	1,420,069
12	- Asset Retirement Obligation (A/C 230)	2,211,579
13	- Other Deferred Credits (A/C 253)	48,373,164
14	- Accumulated Deferred FIT	(6,347,841)
15	- Accumulated Deferred ITC	17,073,237
16	Total Unit 2 Net In-Service Investment	(47,617,666)
17	Unit 1 Net In-Service Investment:	
18	Electric Plant In-Service	658,142,325
19	- Accumulated Depreciation	435,491,981
20	+ Materials & Supplies	36,567,538
21	+ Prepayments	21,390
22	+ Plant Held For Future Use (A/C 105) *	0
23 24	+ Other Deferred Debits (A/C 186) * + Other Working Capital **	0 (3,826,233)
2 4 25	+ Unamortized Debt Expense (A/C 181)	59,506
26	+ Deferred ASH pond cost (A/C182.3)	1,420,069
27	- Asset Retirement Obligation (A/C 230)	2,211,579
28	- Other Deferred Credits (A/C 253)	0
29	- Accumulated Deferred FIT	43,518,548
30	- Accumulated Deferred ITC	13,066
31	Total Unit 1 Net In-Service Investment	211,149,422
32	Total Net In-Service Investment	163,531,755
00	Note to Complete Investor and Dellar	
33	Net In-Service Investment Ratio:	
34	Unit 2 (Line 16 / Line 32)	-29.1200%
35	Unit 1 (Line 31 / Line 32)	129.1200%
	* As Permitted By FERC	100.0000%

^{**} Accounts 128, 131, 135, 143, 146, 171 and 174, Less Accounts 232-234, 236, 237, 238, 241 and 242

AEP GENERATING COMPANY ROCKPORT POWER BILL CALCULATION OF RETURNS ON COMMON EQUITY & OTHER CAPITAL

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Line No.		UNIT 2 <u>April, 2014</u>
1	Net Capitalization:	
2	Long-Term Debt	64,421,495
3 4	+ Short-Term Debt + Preferred Stock	61,140,909 0
5	+ Common Equity	93,392,100
6	- Temporary Cash Investments	0
7	Net Capitalization	218,954,504
8	40% of Net Capitalization	87,581,802
9	Return on Common Equity:	
10	Lesser of Line 5 or Line 8	87,581,802
11 12	x Equity Return (Monthly Rate) = Equity Return	1.01333% 887,493
13	x Operating Ratio	73.7236%
14	x Net In-Service Investment Ratio	-29.1200%
15	= Subtotal	(190,530)
16	Excess of Line 5 Over Line 8	5,810,298
17 18	x Weighted Cost of Debt (Monthly Rate) Return on Equity over 40% of Capitalization	0.1247% 7,245
19	 Return on Equity over 40% of Capitalization x Operating Ratio 	73.7236%
20	x Net In-Service Investment Ratio	-29.1200%
21	= Subtotal	(1,555)
22	Unit 2 Return on Equity (Line 15 + Line 21)	(192,085)
23	Return on Other Capital:	
24 25	Long-Term Debt Interest Expense (A/C 427-429)	142,776 32,214
25 26	+ Short-Term Debt Interest Expense (a/c 430) + Other Interest Expense (a/c 431)	0
27	- Temporary Cash Investment Income *	. 0
28	= Net Interest Expense	174,990
29	+ Preferred Stock Dividends (a/c 437)	0
30	= Net Cost of Other Capital	174,990
31 32	x Operating Ratio x Net In-Service Investment Ratio	73.7236% -29.1200%
33	= Unit 2 Return on Other Capital	(37,567)
	*	=======================================

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AEP GENERATING COMPANY ROCKPORT POWER BILL DETERMINATION OF WEIGHTED COST OF DEBT

Line <u>No.</u>		UNIT 2 <u>April, 2014</u>
1	Debt Balances (Prior Month Ending):	
2 3 4	Long-Term Debt (Accts 221 thru 226) + Short-Term Debt (Accts 231 + 233) + Other Debt (Accts 132 thru 136 + 145)	64,421,495 6 1,140,909 0
5	Total Debt Balances (Prior Month Ending)	125,562,404
6	Weighting of Debt Balances:	
7 8 9	Long-Term Debt (LTD bal/Total Debt bal) + Short-Term Debt (STD bal/Total Debt bal) + Other Debt	51.3064% 48.6936% 0.0000%
10	Total Debt Balances	100.0000%
11	<u>Debt Cost Rates :</u>	
12 13 14	Long-Term Debt (avg LTD int rate) Short-Term Debt (avg Money Pool STD int rate) Other Debt	2.6965% 0.2745% 0.0000%
15	Weighted Cost of Debt :	
16 17 18	Long-Term Debt (LTD % x avg LTD int rate) + Short-Term Debt (STD % x avg MP STD int rate) + Other Debt	1.3835% 0.1337% 0.0000%
19	Total Weighted Cost of Debt	1.5172%

AEP GENERATING COMPANY ROCKPORT POWER BILL DETERMINATION OF UNIT 2 MATERIALS AND SUPPLIES

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6,941,798

50,492

55,319

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	INCLUDE A/C 431 ON PG 5	UNIT 2
Line <u>No.</u>		April, 2014
1	Unit 2 Materials and Supplies:	
2	Fuel Stock - Coal (per Line 23)	12,871,221
3	Fuel Stock Expenses - Undistributed (152)	584,441
4	Fuel Stock - Oil (151)	2,312,430
5	Plant Materials & Operating Supplies	12,636,414
6	Merchandise	0
7	Undistributed Stores Expense	0
8	Total Materials & Supplies	28,404,506
9	Support of Coal Inventory Value:	
10	Actual Coal Inventory (a/c 151.10)	12,871,221
11	+ Equivalent Inventory re: Deferred Return	961,318,745
12	= Imputed Coal Inventory	974,189,966
13	Coal Inventory W/68 Day Supply Cap	
14	Tons Consumed - CHANGE ANNUALLY FROM DEC PG 24	2,539,993
15	/ Hours Available * CHG ANNUALLY FROM GADS RPT 511	7927.0
16	= Tons Consumed per Hour	320.42
17	x 24 Hours per Day	24
18	= Tons Consumed Per Day	7690.08
19	x 68 days	68
20	= 68 day Supply (Tons)	522,925
21	x Coal Cost per Ton (per a/c 151.10 at End of Prior Month)	39.765
22	= 68 day Coal Inventory	20,794,113
23	Lesser of Imputed or Capped Coal Inventory	20,794,113
24	Imputed Inventory Minus Line 23	953,395,853

- Current Month Recovery	0
= Ending Balance **	7,047,609
* Excludes Forced Outages, Scheduled Outages, and Curtailments ** May Not Be Less Than Zero	
Total Unit 2 Monthly Power Bill with Actual Total Unit 2 Monthly Power Bill with 68 Day Capped Difference	18,666,409 18,721,728 55,319

Accumulated Deferred Inventory Return - Unit 2 (Memo item):

+ Current Month Return on Beginning Balance

25

26

27

28 29

30

Beginning Balance

+ Current Month Deferral

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AEP GENERATING COMPANY
ROCKPORT POWER BILL Pg 8 of 18
DETAIL OF OTHER OPERATING REVENUES

Line No.	Account <u>No.</u>	<u>Description</u>	UNIT 2 <u>April, 2014</u>
1	450	Forfeited Discounts	0
2	451	Miscellaneous Service Revenues	0
3	453	Sales of Water and Water Power	0
4	454	Rent From Electric Property - Associated Companies	0
5	454.20	Rent From Electric Property - Non-Associated Companies	0
6	455	Interdepartmental Rents	0
7	456	Other Electric Revenues	(8,750)
8	411.8	Proceeds/Gains From Sale of Emission Allowances	0
9		Total Other Operating Revenues	(8,750)

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AEP GENERATING COMPANY ROCKPORT POWER BILL Pg 9 of 18 DETAIL OF OPERATION & MAINTENANCE EXPENSES

Line	Account		UNIT 2 April, 2014
No.	No.	Description	<u> </u>
1 2 3	500,502-508 501 510-515	Steam Power Generation - Operation Fuel - Operation Steam Power Generating - Maintenance	6,128,791 8,165,023 666,392
4		Total Steam Power Generation Expenses	14,960,205
5	555-557	Other Power Supply Expenses	2,572
6 7	560-567.1 568-574	Transmission Expenses - Operation Transmission Expenses - Maintenance	0 0
8		Total Transmission Expenses	0
9 10	580-589 590-598	Distribution Expenses - Operation Distribution Expense - Maintenance	0
11		Total Distribution Expenese	0
12	901-905	Customer Accounts Expenses - Operation	0
13	906-910	Customer Service and Informational Expenses - Operation	0
14	911-917	Sales Expenses - Operation	0
15	920-933	Administrative and General Expenses - Operation	161,796
16	935	Administrative and General Expenses - Maintenance	7,580
17		Total Administrative & General Exp.	169,376
18		Total Operation & Maintenance Expenses	15,132,153

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AEP GENERATING COMPANY ROCKPORT POWER BILL DETAIL OF DEPRECIATION & AMORTIZATION EXPENSES

Line	Account		UNIT 2 April, 2014
No.	No.		<u>April, 2014</u>
1	403	Depreciation Expense *	448,338
la		ARO Depreciation Expense	3,343
2	404	Amortization of Limited-Term Electric Plant **	EE0 100
3	405	Amortization of Other Electric Plant	553,108 0
4	406	Amortization of Electric Plant	Ū
		Acquistion Adjustments	0
5	407	Amortization of Property Losses,	
		Unrecovered Plant and Regulatory Study Costs	0
		Study Costs	U
			_
6		Total Depreciation Exp. & Amortization	1,004,789
			⇉
7	411.10	ARO Accretion Expense	16,499
***************************************			,
8		Total Depreciation, Amortization & Accretion Expenses	1,021,287
	* Rockp	ort 2 Capitalized Spare Parts book depreciation rate = 3.52%	

^{*} Rockport 2 Associated Equipment (not sold in Sale/Leaseback transaction) book depreciation rate = 3.07 %

^{**} Rockport 2 Leasehold Improvements Amortization rate = 3.03%

AEP GENERATING COMPANY ROCKPORT POWER BILL DETAIL OF TAXES OTHER THAN FEDERAL INCOME TAXES

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Line <u>No.</u>	Account <u>No.</u>	<u>Description</u>	UNIT 2 <u>April, 2014</u>
1	408.1	Taxes Other Than Federal Income Taxes, Utility Operating Income	150,340
2	409. 1	State Income Taxes	(4,500)
3		Total Taxes Other than Federal Income Taxes	145,840 ========

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AEP GENERATING COMPANY ROCKPORT POWER BILL DETAIL OF UNIT 2 SCHEDULE 'M' ADJUSTMENTS AND DEFERRED FEDERAL INCOME TAX...

Line No.	Account No.	Description	TOTAL	KPCO SHARE	I&M <u>Share</u>
1		Unit 2 Schedule `M' Adjustments*			
2	N/A	Excess ACRS Over Normalization Base Depreciation	8,500	2,550	5,950
3	N/A	Excess Normalization Base Over Book Depreciation	373,000	111,900	261,100
4	N/A	Other Unit 2 Schedule 'M' Adjustments	(430,725)	(129,217)	(301,507)
5	***	Total Unit 2 Schedule 'M' Adjustments	(49,225)	(14,767)	
6		Unit 2 Deferred Federal Income Tax			
7	410.1	Excess ACRS Over Norm. Base Depr. (Line 2 x FIT Rate * -1)	(34,112)	(10,234)	(23,878)
8	10.1&411	.Other Unit 2 Schedule `M' Adjustments -			
9	411.1	Feedback of Accumulated DFIT re: ABFUDC - Unit 2 Negative Amount Denotes Reduction.	(12,024)	(3,607)	(8,416)
10	411.1	Feedback of Accumulated DFIT re: Overheads Capitalized - Unit 2	(181)	(54)	(126)
11	411.1	Feedback of Accumulated DFIT re: Other Schedule `M' AdjUtility	143,642	43,093	100,549
12	***	Total Unit 2 Deferred Federal Income Tax	97,326	29,198	68,128
		ve Amount Denotes Increase in Taxable Income, e Amount Denotes Reduction.			
		Check Figure on Tax Page for Sch M Check Figure on Tax Page for DFIT	(49,225) 97,326		

NOTE: If the words SEE NOTE appear in this schedule, then the bill has not been properly identified as the ESTIMATE or ACTUAL on the INSTRUCTIONS tab (L6), and should be type in all capital lett

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AEP GENERATING COMPANY ROCKPORT POWER BILL DETAIL OF NET IN-SERVICE INVESTMENT UNIT 2

		DETAIL OF NET IN-SERVICE INVESTMENT UNIT 2	
Lîne No.	Account	Description	UNIT 2 <u>April, 2014</u>
	_110.	Description	
1		ELECTRIC PLANT IN SERVICE	
2	101	Electric Plant In Service	138,824,938
3	102	Electric Plant Purchased	. 0
4	103	Experimental Elec. Plant Unclassified	0
5	103.1	Electric Plant In Process of Reclassification	0
6	104	Electric Plant Leased to Others	0
7	106	Completed Construction Not Classified	3,138,274
8	114	Electric Plant Acquisition Adjustments	0
9	116	Other Electric Plant Adjustments	0
10	118	Other Utility Plant	0
11		Total Electric Plant In Service	141,963,211
12	105	Plant Held For Future Use	0
13		ACCUMULATED DEPRECIATION	
14	108	Accumulated Provision for Depreciation of Electric Utility Plant	116,559,894
15	110	Accumulated Provision for Depreciation and Amort. of Elec. Utility Plant	. 0
16	111	Accumulated Provision for Amortization	
		of Electric Utility Plant	23,334,814
17	115	Accumulated Provision for Amortization of Electric Plant Acquisition	
		Adjustments	0
18	119	Accumulated Provision for Depreciation and Amortization of Other Utility	
		Plant	0
19		Total Accumulated Depreciation	139,894,707
20		MATERIAL AND SUPPLIES	
21	151	Fuel Stock	15,183,651
22	152	Fuel Stock Expenses - Undistributed	584,441
23	153	Residuals	0
24	154	Plant Materials and Operating Supplies	12,636,414
25	155	Merchandise	0
26	156	Other Materials and Supplies	0
27	163	Stores Expense Undistributed	0
28		Total Materials and Supplies	
		(In-Service Portion)	28,404,506
29	165	Prepayments	21,390

Other Deferred Debits

30

186

AEP GENERATING COMPANY ROCKPORT POWER BILL Pg 13a of 18 OTHER WORKING CAPITAL, UNAMORTIZED DEBT EXPENSE, AND OTHER DEFERRED CREDITS

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Line No.	Account	Description *	UNIT 2 <u>April, 2014</u>
1	128	Other Special Funds	0
2	131	Cash	0
3	135	Other Intra Company Adjustments	0
4	143	Accounts Receivable-Miscellaneous	0
5	146	Accounts Receivable-Associated Company	21,709,811
6	171	Interest and Dividends Receivable	600
7	174	Miscellaneous Current and Accrued Assets	0
8	232	Accounts Payable-General	(17,663)
9	234	Accounts Payable-Associated Company	(16,613,713)
10	236	Taxes Accrued	(2,980,208)
11	237	Interest Accrued	(33,891)
12	238	Dividends Declared	0
13	241	Tax Collections Payable	0
14	242	Misc Current and Accrued Liabilities	(20,346,439)
15		Total Other Working Capital	(18,281,503)
16	181	Unamortized Debt Expense	59,506
17	253	Other Deferred Credits	48,373,164
*	debit <c< td=""><td>redit></td><td></td></c<>	redit>	

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AEP GENERATING COMPANY ROCKPORT POWER BILL

DETAIL OF NET IN-SERVICE INVESTIMENT UNIT 2(Cont'd)

		OF NET IN OCCUPANT ON PRODUCT	
Line <u>No.</u>	Account <u>No.</u>	<u>Description</u>	UNIT 2 <u>April, 2014</u>
31		ACCUMULATED DEFERRED INCOME TAXES	
32	190	-Accumulated Deferred Income Taxes	20,516,463
33	281	+Accumulated Deferred Income Taxes - Accelerated Amortization Property	0
34	282	+Accumulated Deferred Income Taxes - Other Property	13,211,069
35	283	+Accumulated Deferred Income Taxes - Other	957,552
36		Total Accumulated Deferred Income Taxes (In-Service Portion)	(6,347,841)
37	255	+Accumulated Deferred Investment Tax Credits	17,073,237
38	186.50	-Accumulated Deferred Investment Tax Credit	0
39		Total Accumulated Deferred Investment Tax Credits	17,073,237
40		Total Net In-Service Investment -	
		Unit 2	(46,826,156)

AEP GENERATING COMPANY ROCKPORT POWER BILL

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DETAIL OF NON-IN-SERVICE INVESTMENT - CWIP AND OTHER

Line No.	Account	Description	UNIT 2 <u>April, 2014</u>
	<u> 1101</u>		
		Non-In-Service Investment - CWIP	
1	107	Construction Work In Process	63,389,481
2		MATERIAL AND SUPPLIES	
3 4 5 6 7 8 9	151 152 153 154 155 156 163	Fuel Stock Fuel Stock Expenses - Undistributed Residuals Plant Materials and Operating Supplies Merchandise Other Material and Supplies Stores Expense Undistributed Total Material and Supplies	0 0 0 0 0
11		(CWIP Portion) ACCUMULATED DEFERRED INCOME TAXES	
12 13	190 281	-Accumulated Deferred Income Taxes +Accumulated Deferred Income Taxes -	0
14	282	Accelerated Amortization Property +Accumulated Deferred Income Taxes -	0
15	283	Other Property +Accumulated Deferred Income Taxes -	0
16		Other Total Accumulated Deferred Income	0
		Taxes (CWIP Portion)	0
17		TOTAL NON-IN-SERVICE INVESTMENT - CWIP	63,389,481
		Non-In-Service Investment - Other	
18	105	Plant Held for Future Use	0
19	186	Other Deferred Debits	3,059,194
20	151.10	Fuel Inventory Over Allowed Level *	(8,163,032)
21		Total Non-In-Service Investment - Other	(5,103,838)
	* INGLU	IDES ROCKPORT 1 AND 2 UNIT 1 UNIT 2	(8,163,032)
		TOTAL	(8,163,032)

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AEP GENERATING COMPANY ROCKPORT POWER BILL DETAIL OF NET CAPITALIZATION

Line	Account		UNIT 2 April, 2014
No.	No.		<u> </u>
1		COMMON CAPITAL STOCK	
2	201	Common Stock Issued	383,000
3	202	Common Stock Subscribed	0
4	203	Common Stock Liability for Conversion	. 0
5	209	Reduction In Par or Stated Value of Capital Stock	0
6	210	Gain on Resale or Cancellation of Reacquired Capital Stock	0
7	212	Installments Received on Capital Stock	0
8	214	Capital Stock Expense	0
9	217	Reacquired Capital Stock	0
10		Total Common Capital Stock	383,000
11		OTHER PAID-IN CAPITAL	
12	207	Premium on Capital Stock	0
13	208	Donations Received from Stockholders	89,478,987
14	211	Miscellaneous Paid-In Capital	0
15	213	Discount on Capital Stock	0
16		Total Other Paid-In Capital	89,478,987
17		RETAINED EARNINGS	
18	215	Appropriated Retained Earnings	0
19		Appropriated Retained Earnings-	
		Amortization Reserve, Federal	0
20	216	Unappropriated Retained Earnings	3,530,113
21		Total Retained Earnings	3,530,113
22		Total Common Equity	93,392,100
23		PREFERRED CAPITAL STOCK	
24	204	Preferred Stock Issued	0
25	205	Preferred Stock Subscribed	0
26	206	Preferred Stock Liability	
		for Conversion	0
27		Total Preferred Capital Stock	0

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AEP GENERATING COMPANY ROCKPORT POWER BILL DETAIL OF NET CAPITALIZATION (Cont'd)

		DETAIL OF NET CAPITALIZATION (COIR U)	UNIT 2
Line <u>No.</u>	Account <u>No.</u>		April, 2014
28		LONG-TERM DEBT	
29	221	Bonds	0
30	222	Reacquired Bonds	0
31	223	Advances from Associated Companies	0
32	224	Other Long-Term Debt	64,421,495
33	225	Unamortized Premium on	_
		Long-Term Debt-Credit	0
34	226	Unamortized Discount on Long-Term	•
		Debt-Debit	0
35		Total Long-Term Debt	64,421,495
		SHORT-TERM DEBT	
36a	231.02	Notes Payable (Short-Term Debt)	0
36b	231.03	Unamortized Discount	0
OOD	233.00	Notes Payable, Assoc Co(Money Pool)	61,140,909
	200.00	Tiolog Fayable, Floore Se(money Floor)	
38		Total Short-Term Debt	61,140,909
39		TEMPORARY CASH INVESTMENTS	
40	132	Interest Special Deposits	0
41	133	Dividend Special Deposits	0
42	134	Other Special Deposits	0
43	136, 145	Temporary Cash Investments	0
44		Total Temporary Cash Investments	0
45		NET CAPITALIZATION	218,954,504

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AEP GENERATING COMPANY ROCKPORT POWER BILL Page 18 of 18 DETERMINATION OF RATE OF RETURN (Net & Pre-Tax)

Line No.	·	UNIT 2 <u>April, 2014</u>
1	Capitalization Balances (Prior Month Ending):	
2	Long-Term Debt (Accts 221 thru 226)	64,421,495
3	+ Short-Term Debt (Accts 231 + 233)	61,140,909
4	+ Preferred Stock	0
5 6	+ Common Equity (Accts 201 thru 216) - Capitalization Offsets	93,392,100 0
7	Total Capitalization Balances	218,954,504
8	Weighting of Capitalization Balances:	
9	Long-Term Debt (LTD/Total Capital)	29.4223%
10	+ Short-Term Debt (STD/Total Capital)	27.9240%
11	+ Preferred Stock	0.0000%
12	+ Common Equity (Common Equity/Total Capital)	42.6537%
13	- Capitalization Offsets	0.0000%
14	Total Capitalization	100.0000%
15	<u>Capitalization Cost Rates:</u>	# # # # # # # # # # # # # # # # # # #
16	Long-Term Debt (avg LTD int rate)	2.6965%
17	Short-Term Debt (avg money pool STD int rate)	0.2745%
18	Preferred Stock	0.0000%
19	Common Equity (FERC fixed rate)	12.1600%
20	Capitalization Offsets (sum of weighted costs of debt)	1.5172%
21	Rate of Return (Net of Tax):	
22	Long-Term Debt (LTD % x avg LTD int rate)	0.7934%
23	+ Short-Term Debt (STD % x avg MP STD int rate)	0.0767%
24	+ Preferred Stock	0.0000%
25	+ Common Equity (CE % x FERC fixed rate)	5.1867%
26	- Capitalization Offsets	0.0000%
27	Total Rate of Return (Net of Tax)	6.0568%
28	Weighted Net Cost of Debt	0.8701%
	(LTD Rate of Return + STD RR - Cap Offsets RR)	
29	+ Pre-Tax Common Equity (Line 25 / .65) (Common Equity Rate of Return grossed up for tax)	7.9795%
30	= Rate of Return (Pre-Tax)	8.8496%

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A E P GENERATING COMPANY

April, 2014 ESTIMATE

ROCKPORT OPERATION & MAINTENANCE EXPENSES UNIT 2 50% OWNERSHIP INTEREST OF ROCKPORT PLANT

500 501 502 503 504 505 506 507 508 509	SUPERVISION AND ENGINEERING FUEL STEAM EXPENSES STEAM FROM OTHER SOURCES STEAM TRANSFERRED - CR ELECTRIC EXPENSES MISC. STEAM POWER EXPENSES RENTS OPERATION SUPPLIES AND EXPENSES CARRYING CHARGES - ALLOWANCES	137,083 8,165,023 66,314 0 0 78,225 156,916 5,690,253 0
	TOTAL OPERATION EXPENSE	14,293,813
510 511 512 513 514 515	MAINTENANCE SUPER. AND ENGINEERING MAINTENANCE OF STRUCTURES MAINTENANCE OF BOILER PLANT MAINTENANCE OF ELECTRIC PLANT MAINTENANCE OF MISC. STEAM PLANT MAINTENANCE NORMALIZING	70,927 14,738 503,332 45,983 31,412
	TOTAL MAINTENANCE EXPENSES	666,392
555 556 557	PURCHASED POWER SYSTEM CONTROL AND LOAD DISPATCHING OTHER POWER SUPPLY EXPENSES	0 582 1,990
	TOTAL OTHER SUPPLY EXPENSES	2,572

IS FUEL IN BALANCE ON PAGE 2	AMOUNT MUST BE ZERO 0
BE SURE THIS IS CORRECT	
NO OF DAYS IN CURRENT MO >	30
NO OF DAYS IN CURRENT YEAR >	365
CURRENT YEAR IS	2014
CURRENT MONTH IS	4
THIS BILLING IS FOR MONTH OF	April, 2014

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A E P GENERATING COMPANY

April, 2014 ESTIMATE

ROCKPORT OPERATION & MAINTENANCE EXPENSES UNIT 2 50% OWNERSHIP INTEREST OF ROCKPORT PLANT

901 902 903 904 905	SUPERVISION METER READING EXPENSES CUSTOMER RECORDS AND COLLECTION EXPENSES UNCOLLECTIBLE ACCOUNTS MISCELLANEOUS CUSTOMER ACCOUNTS EXPENSES	0 0 0 0 0
	TOTAL CUSTOMER ACCOUNTS EXPENSES	0
906 907 908 909	CUSTOMER SERVICE AND INFORMATIONAL EXP SUPERVISION CUSTOMER ASSISTANCE EXPENSES INFORMATIONAL AND INSTRUCTIONAL	0 0 0
910	ADVERTISING EXPENSES MISCELLANEOUS CUSTOMER SERVICE	0
310	AND INFORMATIONAL EXPENSES	0
	TOTAL CUSTOMER SERVICES EXPENSES	0
911 912 913 916 917	SUPERVISION DEMONSTRATION AND SELLING EXPENSES ADVERTISING EXPENSES MISCELLANEOUS SALES EXPENSES (MAJOR) SALES EXPENSES (NON-MAJOR)	0 0 0 0 0
	TOTAL SALES EXPENSES	0
920 921 922 923 924 925 926 927 928 929 930 931 933	ADMIN. & GENERAL SALARIES OFFICE SUPPLIES AND EXPENSES ADMINISTRATIVE EXPENSES TRANSF - CR OUTSIDE SERVICES PROPERTY INSURANCE INJURIES AND DAMAGES EMPLOYEE PENSIONS AND BENEFITS FRANCHISE REQUIREMENTS REGULATORY COMMISSION DUPLICATE CHARGES-CREDIT MISCELLANEOUS GENERAL EXPENSES RENTS TRANSPORTATION EXPENSE TOTAL ADM & GEN EXPENSES OPERATION	46,813 7,119 0 37,380 10,753 1,970 57,586 0 0 0 (578) 753 0
935	MAINTENANCE OF GENERAL PLANT	7,580
	TOTAL ADM & GEN EXPENSES	169,376
ACCOU	AEG OPERATION & MAINTENANCE EXPENSES NT 40190 TOTAL FOR CROSS FOOT -DIFFERENCE	15,132,153 15,132,153 0

AEP GENERATING COMPANY ONE RIVERSIDE PLAZA, COLUMBUS, OH 43215 **TELEPHONE (614) 716-3724**

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KENTUCKY POWER COMPANY 17TH ST. & CENTRAL AVE. ASHLAND, KY 41101

ESTIMATE 06-Jun-14

0

UNIT 1

POWER BILL -- May, 2014

IN ACCORDANCE WITH POWER AGREEMENT DATED OCTOBER 1, 1984 (AS AMENDED)

ENERGY DELIVERED FOR THE MONTH OF May, 2014

KWH FOR THE MONTH

		•
	SUMMARY	<u>TOTAL</u>
Current Month E	Bill:	
	Return on Common Equity	258,229
	Return on Other Capital	55,412
	Total Return	313,641
	Fuel Purchased Power Other Operating Revenues Other Operation and Maintenance Exp Depreciation Expense Taxes Other Than Federal Income Tax Federal Income Tax TOTAL CURRENT UNIT POWER BILL	46,273 0 (2,625) 1,274,909 495,325 48,152 213,269
Prior Month's Ac	djustment: Return on Common Equity & Other Capital Fuel Expense Other Expenses (Includes taxes & interest)	0 0 6,393
	TOTAL PRIOR MONTH'S ADJUSTMENTS	6,393
	TOTAL UNIT POWER BILL	======================================
AMOUNTS WILL E	BE PAID DIRECT FROM GENERAL FUNDS.	

DUE DATE - - -June 20, 2014

Kurt C Cooper - Ft Wayne Cc: Steve Hornyak - Columbus

Dave Hille - Ft. Wayne Shannon Listebarger - Columbus

Mike Stout - Ft. Wayne Mike Giardina - Columbus

Sid Lyons - Columbus Michelle Howell - Columbus

Diane Keegan - Columbus

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AEP GENERATING COMPANY ONE RIVERSIDE PLAZA, COLUMBUS, OH 43215 TELEPHONE (614) 716-3724

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INDIANA MICHIGAN POWER COMPANY P. O. BOX 60 FORT WAYNE, IN 46801 ESTIMATE 06-Jun-14

0

UNIT 1

POWER BILL - - May, 2014

IN ACCORDANCE WITH POWER AGREEMENT DATED OCTOBER 1, 1984 (AS AMENDED) ENERGY DELIVERED FOR THE MONTH OF May, 2014

KWH FOR THE MONTH

KWH FOR THE MONTH

	<u>SUMMARY</u>	<u>TOTAL</u>
Current Month B	ill:	
	Return on Common Equity	602,534
	Return on Other Capital	129,296
	Total Return	731,830
	Fuel Purchased Power Other Operating Revenues Other Operation and Maintenance Exp Depreciation Expense Taxes Other Than Federal Income Tax Federal Income Tax	107,970 0 (6,125) 2,974,788 1,155,758 112,354 497,626
	TOTAL UNIT POWER BILL	5,574,201
Prior Month's Ad	justment: Return on Common Equity & Other Capital Fuel Other Expenses (Includes taxes & interest) TOTAL PRIOR MONTH'S ADJUSTMENTS	0 0 14,915 14,915
	TOTAL UNIT POWER BILL	5,589,116

AMOUNTS WILL BE PAID DIRECT FROM GENERAL FUNDS.

DUE DATE - - - June 20, 2014

Cc: Steve Hornyak - Columbus Kurt C Cooper - Ft Wayne

Dave Hille - Ft. Wayne Shannon Listebarger - Columbus

Mike Stout - Ft. Wayne

Mike Giardina - Columbus Kevin Amburgey-Columbus Sid Lyons - Columbus Michelle Howell - Columbus

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AEP GENERATING COMPANY ROCKPORT POWER BILL SUMMARY OF MONTHLY POWER BILL

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May, 2014

	TOTAL UNIT 1 POWER BILL	KPCO SHARE	I&M SHARE
Return on Common Equity	860,763	258,229	602,534
Return on Other Capital	184,708	55,412	129,296
Total Return	1,045,471	313,641	731,830
 + Fuel + Purchased Power - Other Operating Revenues + Other Operation and Maintenance Exp + Depreciation Expense + Taxes Other Than Federal Income Tax + Federal and State Income Tax 	154,243 0 (8,750) 4,249,697 1,651,083 160,506 710,896	46,273 0 (2,625) 1,274,909 495,325 48,152 213,269	107,970 0 (6,125) 2,974,788 1,155,758 112,354 497,626
= Total Unit 1 Monthly Power Bill	7,963,146	2,388,944	5,574,201
<u>Determination of Federal Income Tax :</u>	=======================================	=======================================	
Total Return (Line 3) + Unit 1 Schedule M Adjustments + Unit 1 Deferred Federal Income Taxes - Unit 1 Interest Expense Deduction *	1,045,471 611,567 (47,961) 199,769	313,641 183,470 (14,388) 59,931	731,830 428,097 (33,574) 139,838
 Subtotal x Gross-Up (FIT Rate / 1-FIT Rate) Unit 1 Current Federal Income Tax Unit 1 Def Fed & State Income Taxes 	1,409,308 0.538462 758,857 (47,961)	422,792 0.538462 227,657 (14,388)	986,515 0.538462 531,200 (33,574)
= Total Unit 1 Fed&State Income Taxes	710,896	213,269	497,626
Proof of Federal Income Tax :	=======================================	=======================================	
Total Unit 1 Monthly Power Bill - Operation and Maintenance Expenses - Depreciation Expense - Taxes Other Than Federal Income Tax - Unit 1 Interest Expense Deduction * - Other Operating Revenues	7,963,146 4,403,940 1,651,083 160,506 199,769 (8,750)	2,388,944 1,321,182 495,325 48,152 59,931 (2,625)	5,574,201 3,082,758 1,155,758 112,354 139,838 (6,125)
= Pre-Tax Book Income+ Unit 1 Schedule M Adjustments	1,556,598 611,567	466,979 183,470	1,089,618 428,097
 = Unit 1 Taxable Income x Current Federal Income Tax Rate = Unit 1 Current Federal Income Tax + Unit 1 Def Fed & State Income Taxes 	2,168,165 35% 758,857 (47,962)	650,449 35% 227,657 (14,388)	1,517,715 35% 531,200 (33,574)
= Total Unit 1 Fed&State Income Taxes	710,895	213,269	497,626

^{*} From Page 5 of 18 : Line 21 + (Line 28 x Line 31 x Line 32)

AEP GENERATING COMPANY ROCKPORT POWER BILL OPERATING RATIO

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Line No.		UNIT 1 <u>May, 2014</u>
1	Operating Ratio:	
2	Net In-Service Investment:	
3 4 5 6 7 8 9 10 11 12 13 14	Electric Plant In-Service - Accumulated Depreciation + Materials & Supplies + Prepayments + Plant Held For Future Use (A/C 105) * + Other Deferred Debits (A/C 186) * + Other Working Capital *** + Unamortized Debt Expense (A/C 181) + Deferred ASH pond cost (A/C182.3) - Asset Retirement Obligation (A/C 230) - Other Deferred Credits (A/C 253) - Accumulated Deferred FIT	800,156,616 577,852,789 65,222,266 28,520 0 0 (31,763,980) 118,578 2,832,314 4,451,307 47,908,918 37,218,195
15	- Accumulated Deferred ITC	16,921,902
16	Total Net In-Service Investment	152,241,204
17	Non-In-Service Investment - CWIP :	
18 19 20	Construction Work In Progress + Materials & Supplies - Accumulated Deferred FIT	67,394,104 0 0
21	Total Non-In-Service Investment - CWIP	67,394,104
22	Non-In-Service Investment - Other :	
23 24 25	Plant Held for Future Use (A/C 105) ** + Other Deferred Debits (A/C 186) ** + Fuel Inventory Over Allowed Level ****	1,034,099 2,796,939 (10,343,068)
26	Total Non-In-Service Investment - Other	(6,512,030)
27	Total Investment (Lines 16+21+26)	213,123,278
28	Operating Ratio (Line 16/Line 27)	71.4334%
29	Non-In-Service Investment-CWIP Ratio (Line 21/Line 27)	31.6221%
30	Non-In-Service Investment-Other Ratio (Line 26/Line 27)	-3.0555%
	Total Investment	100.0000%
** Acco	ding Amounts on Lines 7 and 8 unts 128, 131, 135, 143, 146, 171 and 174, Less Accounts 232-234, 236 des Rockport 1 and 2	, 237, 238, 241 anc

AEP GENERATING COMPANY ROCKPORT POWER BILL NET IN-SERVICE INVESTMENT RATIO

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Line No.		UNIT 1 <u>May, 2014</u>
1	Net In-Service Investment Ratio:	
2	Unit 1 Net In-Service Investment:	
3 4 5 6 7 8 9 10	Electric Plant In-Service - Accumulated Depreciation + Materials & Supplies + Prepayments + Plant Held For Future Use (A/C 105) * + Other Deferred Debits (A/C 186) * + Other Working Capital ** + Unamortized Debt Expense (A/C 181) + Deferred ASH pond cost (A/C182.3)	658,169,003 436,993,399 37,782,667 14,260 0 (2,499,856) 59,289 1,416,157
12 13 14 15	 - Asset Retirement Obligation (A/C 230) - Other Deferred Credits (A/C 253) - Accumulated Deferred FIT - Accumulated Deferred ITC 	2,225,653 0 43,464,280 12,830
16	Total Unit 1 Net In-Service Investment	212,245,358
17	Unit 2 Net In-Service Investment:	
18 19 20 21 22 23 24 25 26 27 28 29 30	Electric Plant In-Service - Accumulated Depreciation + Materials & Supplies + Prepayments + Plant Held For Future Use (A/C 105) * + Other Deferred Debits (A/C 186) * + Other Working Capital ** + Unamortized Debt Expense (A/C 181) + Deferred ASH pond cost (A/C182.3) - Asset Retirement Obligation (A/C 230) - Other Deferred Credits (A/C 253) - Accumulated Deferred FIT - Accumulated Deferred ITC	141,987,613 140,859,390 27,439,599 14,260 0 (29,264,124) 59,289 1,416,157 2,225,653 47,908,918 (6,246,085) 16,909,072
32	Total Net In-Service Investment	152,241,204 ======
33	Net In-Service Investment Ratio:	
34	Unit 1 (Line 16 / Line 32)	139.4100%
35	Unit 2 (Line 31 / Line 32)	-39.4100%
	* As Permitted By FERC ** Accounts 128, 131, 135, 143, 146, 171 and 174, Less Accounts 232-234, 236, 237, 238, 241 and 242	100.0000%

AEP GENERATING COMPANY ROCKPORT POWER BILL CALCULATION OF RETURNS ON COMMON EQUITY & OTHER CAPITAL

KPSC Case No. 2014-00225 KIUC's First Set of Data Requests Dated September 5, 2014 Pg 5 of 18 Item No. 4 Attachment 1 Page 289 of 350

Line No.		UNIT 1 <u>May, 2014</u>
1	Net Capitalization:	
2 3	Long-Term Debt + Short-Term Debt	64,421,495 50,984,194
4	+ Preferred Stock	0 30,984,194
5	+ Common Equity	94,107,538
6	- Temporary Cash Investments	0
7	Net Capitalization	209,513,226
8	40% of Net Capitalization	83,805,291
9	Return on Common Equity:	
10	Lesser of Line 5 or Line 8	83,805,291
11 12	x Equity Return (Monthly Rate) = Equity Return	1.01333% 849,224
13	x Operating Ratio	71.4334%
14 15	x Net In-Service Investment Ratio = Subtotal	139.4100% 845,702
16	Evenes of Line E Over Line 9	
16 17	Excess of Line 5 Over Line 8 x Weighted Cost of Debt (Monthly Rate)	10,302,247 0.1468%
18 19	Return on Equity over 40% of Capitalizationx Operating Ratio	15,124 71.4334%
20	x Net In-Service Investment Ratio	139.4100%
21	= Subtotal	15,061
22	Unit 1 Return on Equity (Line 15 + Line 21)	860,763
		=========
23	Return on Other Capital:	
24 25	Long-Term Debt Interest Expense (A/C 427-429) + Short-Term Debt Interest Expense (a/c 430)	158,630 26,847
26	+ Other Interest Expense (a/c 431)	0
27	- Temporary Cash Investment Income *	0
28	= Net Interest Expense	185,477
29	+ Preferred Stock Dividends (a/c 437)	0
30	= Net Cost of Other Capital	185,477
31 32	x Operating Ratio x Net In-Service Investment Ratio	71.4334% 139.4100%
33	= Unit 1 Return on Other Capital	184,708
50	* Line 6 x Line 19 from Pg 6 of 18	=======================================

AEP GENERATING COMPANY ROCKPORT POWER BILL DETERMINATION OF WEIGHTED COST OF DEBT

Pg 6 of 18

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Line No.		UNIT 1 <u>May, 2014</u>
1	<u>Debt Balances (Prior Month Ending)</u> :	
2 3 4	Long-Term Debt (Accts 221 thru 226) + Short-Term Debt (Accts 231 + 233) + Other Debt (Accts 132 thru 136 + 145)	64,421,495 50,984,194 0
5	Total Debt Balances (Prior Month Ending)	115,405,689
6	Weighting of Debt Balances :	
7 8 9	Long-Term Debt (LTD bal/Total Debt bal) + Short-Term Debt (STD bal/Total Debt bal) + Other Debt	55.8218% 44.1782% 0.0000%
10	Total Debt Balances	100.0000%
11	Debt Cost Rates :	
12 13 14	Long-Term Debt (avg LTD int rate) Short-Term Debt (avg Money Pool STD int rate) Other Debt	2.8993% 0.2499% 0.0000%
15	Weighted Cost of Debt :	
16 17 18	Long-Term Debt (LTD % x avg LTD int rate) + Short-Term Debt (STD % x avg MP STD int rate + Other Debt	1.6184% 0.1104% 0.0000%
19	Total Weighted Cost of Debt	1.7288%

AEP GENERATING COMPANY ROCKPORT POWER BILL DETERMINATION OF UNIT 1 MATERIALS AND SUPPLIES

KPSC Case No. 2014-00225 KIUC's First Set of Data Requests Pg 7 of 18 Dated September 5, 2014 Item No. 4 Attachment 1 Page 291 of 350

UNIT 1

Line		O.u
No.		<u>May, 2014</u>
1	Unit 1 Materials and Supplies:	
2	Fuel Stock - Coal (per Line 23)	22,579,886
3	Fuel Stock Expenses - Undistributed (152)	569,787
4	Fuel Stock - Oil (151)	2,054,512
5	Plant Materials & Operating Supplies	12,578,482
6	Merchandise	0
7	Undistributed Stores Expense	0
8	Total Materials & Supplies	37,782,667
9	Support of Coal Inventory Value:	
10	Actual Coal Inventory (a/c 151.10)	12,236,818
11	+ Equivalent Inventory re: Deferred Return	19,089,387,199
	+ Equivalent inventory to: Defende Notam	
12	= Imputed Coal Inventory	19,101,624,017
13	Coal Inventory W/68 Day Supply Cap	
14	Tons Consumed - CHANGE ANNUALLY FROM DEC PG 24	2,603,238
15	/ Hours Available * CHG ANNUALLY FROM GADS RPT 511	8031.6
16	= Tons Consumed per Hour	324.12
17	x 24 Hours per Day	24
18	= Tons Consumed Per Day	7778.88
19	x 68 days	68
20	= 68 day Supply (Tons)	528,964
21	x Coal Cost per Ton (per a/c 151.10 at End of Prior Month)	42.687
22	= 68 day Coal Inventory	22,579,886
23	Lesser of Imputed or Capped Coal Inventory	22,579,886
24	Imputed Inventory Minus Line 23	19,079,044,131
		=======================================
25	Accumulated Deferred Inventory Return - Unit 1 (Memo Item):	
26	Beginning Balance	150,479,326
27	+ Current Month Return on Beginning Balance	1,195,635
28	+ Current Month Deferral	0
29	- Current Month Recovery	73,008
30	= Ending Balance **	151,601,953
		=======================================

^{*} Excludes Forced Outages, Scheduled Outages, and Curtailments

^{**} May Not Be Less Than Zero

AEP GENERATING COMPANY ROCKPORT POWER BILL DETAIL OF OTHER OPERATING REVENUES

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Line No.	Account No.	Description	UNIT 1 <u>May, 2014</u>
1	450	Forfeited Discounts	0
2	451	Miscellaneous Service Revenues	0
3	453	Sales of Water and Water Power	0
4	454	Rent From Electric Property - Associated Companies	0
5	454.20	Rent From Electric Property - Non-Associated Companies	0
6	455	Interdepartmental Rents	0
7	456	Other Electric Revenues	(8,750)
8	411.8	Proceeds/gains From Sale of Emission Allowances	0
9		Total Other Operating Revenues	(8,750)

AEP GENERATING COMPANY ROCKPORT POWER BILL DETAIL OF OPERATION & MAINTENANCE EXPENSES

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Line	Account		UNIT 1 <u>May, 2014</u>
No.	No.	<u>Description</u>	<u>may, 2014</u>
1		Steam Power Generation - Operation	482,463
2	501	Fuel - Operation	154,243
3	510-515	Steam Power Generating - Maintenance	3,651,909
4		Total Steam Power Generation Expenses	4,288,614
5	555-557	Other Power Supply Expenses	(15,012)
6	560-567.1	Transmission Expenses - Operation	0
7	568-574	Transmission Expenses - Maintenance	0
8		Total Transmission Expenses	0
9	580-589	Distribution Expenses - Operation	0
10	590-598	Distribution Expenses - Maintenance	0
11		Total Distribution Expenses	0
12	901-905	Customer Accounts Expenses - Operation	0
13	906-910	Customer Service and Informational Expenses - Operation	0
14	911-917	Sales Expenses - Operation	0
15	920-933	Administrative and General Expenses -	
16	935	Operation Administrative and General Expenses -	112,113
		Maintenance	18,224
17		Total Administrative & General Exp.	130,337
18		Total Operation & Maintenance Expenses	4,403,940

AEP GENERATING COMPANY ROCKPORT POWER BILL DETAIL OF DEPRECIATION EXPENSE AND AMORTIZATION EXPENSES

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ı	Line	Account		UNIT 1 May, 2014
_	No.	No.	<u>Description</u>	
1a	1	403 403.1	Depreciation Expense ARO Depreciation Expense	1,631,148 3,343
	2	404	Amortization of Limited-Term Electric Plant	0
	3	405	Amortization of Other Electric Plant	0
	4	406	Amortization of Electric Plant Acquistion Adjustments	0
	5	407	Amortization of Property Losses, Unrecovered Plant and Regulatory Study Costs	0
	6		Total Depreciation Exp. & Amortization	1,634,491
	7	411.10	ARO Accretion Expense	16,592
	8		Total Depreciation, Amortization & Accretion Expenses	1,651,083

AEP GENERATING COMPANY ROCKPORT POWER BILL

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DETAIL OF TAXES OTHER THAN FEDERAL INCOME TAXES

Account <u>No.</u>	<u>Description</u>	UNIT 1 <u>May, 2014</u>
408.1	Taxes Other Than Federal Income Taxes, Utility Operating Income	155,506
409.1	State Income Taxes	5,000
	Total Taxes Other than FIT	160,506
	No. 408.1	408.1 Taxes Other Than Federal Income Taxes, Utility Operating Income 409.1 State Income Taxes

AEP GENERATING COMPANY ROCKPORT POWER BILL DETAIL OF UNIT 1 SCHEDULE 'M' ADJUSTMENTS AND DEFERRED FEDERAL INCOME TAX

KPSC Case No. 2014-00225 KIUC's First Set of Data Requests Dated September 5, 2014 Pg 12 of 18 Item No. 4 UNIT 1 Attachment 1

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May, 2014

					_
Line No.	Account <u>No.</u>	<u>Description</u>	<u>TOTAL</u>	KPCO SHARE	I&M <u>Share</u>
1		Unit 1 Schedule `M' Adjustments*			
2	N/A	Excess ACRS Over Normalization Base Depreciation	8,500	2,550	5,950
3	N/A	Excess Normalization Base Over Book Depreciation	(18,000)	(5,400)	(12,600)
4	N/A	Other Unit 1 Schedule `M' Adjustments	621,067	186,320	434,747
5	***	Total Unit 1 Schedule `M' Adjustments	611,567	183,470	428,097
			=======================================	=======================================	========
6		Unit 1 Deferred Federal Income Tax			
7	410.1	Excess ACRS Over Norm. Base Depr. (Line 2 x FIT Rate * -1)	23,129	6,939	16,190
8	410.1&411.1	Other Unit 1 Schedule `M' Adjustments -			
9	411.1	Feedback of Accumulated DFIT re: ABFUDC - Unit 1 Negative Amount Denotes Reduction.	(2,279)	(684)	(1,595)
10	411.1	Feedback of Accumulated DFIT re: Overheads Capitalized - Unit 1	(51)	(15)	(36)
11	411.1	Feedback of Accumulated DFIT re: Other Schedule `M' AdjUtility	(68,761)	(20,628)	(48,133)
12	***	Total Unit 1 Deferred Federal Income Tax	(47,961)	(14,388)	(33,574)

^{***} Positive Amount Denotes Increase In Taxable Income, Negative Amount Denotes Reduction.

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KPSC Case No. 2014-00225 KIUC's First Set of Data Requests Dated September 5, 2014

AEP GENERATING COMPANY
ROCKPORT POWER BILL
DETAIL OF NET IN-SERVICE INVESTMENT UNIT 1

Pg 13 of 18

Dated September 5, 2014

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			UNIT 1
Line No.	Account <u>No.</u>	Description	<u>May, 2014</u>
1		ELECTRIC PLANT IN SERVICE	
2 3 4 5	101 102 103 103.1	Electric Plant In Service Electric Plant Purchased Experimental Elec. Plant Unclassified Electric Plant In Process of	653,974,053 0 0
6 7 8 9	104 106 114 116 118	Reclassification Electric Plant Leased to Others Completed Construction Not Classified Electric Plant Acquisition Adjustments Other Electric Plant Adjustments Other Utility Plant	0 0 4,194,951 0 0
11		Total Electric Plant In Service	658,169,003
12	105	Plant Held For Future Use	0
13		ACCUMULATED DEPRECIATION	
14	108	Accumulated Provision for Depreciation of Electric Utility Plant	436,521,622
15	110	Accumulated Provision for Depreciation and Amort. of Elec. Utility Plant	0
16	111	Accumulated Provision for Amortization of Electric Utility Plant	471,778
17 18	115 119	Accumulated Provision for Amortization of Electric Plant Acquisition Adjustments Accumulated Provision for Depreciation and Amortization of Other Utility Plant	0
19		Total Accumulated Depreciation	436,993,399
20		MATERIAL AND SUPPLIES	
21 22 23	151 152 153	Fuel Stock Fuel Stock Expenses - Undistributed Residuals Residuals	24,634,398 569,787 0
24 25	154 155	Plant Materials and Operating Supplies Merchandise	12,578,482 0
26 27	156 163	Other Materials and Supplies Stores Expense Undistributed	0 0
28		Total Materials and Supplies (In-Service Portion)	37,782,667
29	165	Prepayments	14,260
30	186	Other Deferred Debits	0

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AEP GENERATING COMPANY ROCKPORT POWER BILL Pg 13a of 18 RKING CAPITAL, UNAMORTIZED DEBT EXPENSE,

OTHER WORKING CAPITAL, UNAMORTIZED DEBT EXPENSE, AND OTHER DEFERRED CREDITS

UNIT 1 May,	<u> 2014</u>	
	0 0	

			UNII 1
Line	Account		May, 2014
No.	No.	Description *	
1	128	Other Special Funds	0
2	131	Cash	0
3	135	Other Intra Company Adjustments	0
4	143	Accounts Receivable-Miscellaneous	0
5	146	Accounts Receivable-Associated Company	14,790,850
6	171	Interest and Dividends Receivable	600
7	174	Miscellaneous Current and Accrued Assets	0
8	232	Accounts Payable-General	(13,151)
9	234	Accounts Payable-Associated Company	(11,948,283)
10	236	Taxes Accrued	(5,035,666)
11	237	Interest Accrued	(86,040)
12	238	Dividends Declared	0
13	241	Tax Collections Payable	0
14	242	Misc Current and Accrued Liabilities	(208,166)
15		Total Other Working Capital	(2,499,856)
		5 1	=======================================
16	181	Unamortized Debt Expense	59,289
17	253	Other Deferred Credits	0
*	م خلطمات	un alia	

^{*} debit <credit>

AEP GENERATING COMPANY ROCKPORT POWER BILL DETAIL OF NET IN-SERVICE INVESTMENT UNIT 1

KPSC Case No. 2014-00225 KIUC's First Set of Data Requests Pg 14 of 18 Dated September 5, 2014 Item No. 4

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Line <u>No.</u>	Account <u>No.</u>	<u>Description</u>	UNIT 1 <u>May, 2014</u>
31		ACCUMULATED DEFERRED INCOME TAXES	
32	190	-Accumulated Deferred Income Taxes	2,208,855
33	281	+Accumulated Deferred Income Taxes - Accelerated Amortization Property	0
34	282	+Accumulated Deferred Income Taxes -	44 007 007
35	283	Other Property +Accumulated Deferred Income Taxes - Other	44,827,807 845,328
36		Total Accumulated Deferred Income Taxes (In-Service Portion)	43,464,280
37	255	+Accumulated Deferred Investment Tax Credits	12,830
38	186.50	-Accumulated Deferred Investment Tax Credit	0
39		Total Accumulated Deferred Investment Tax Credits	
40		Total Net In-Service Investment -	12,830
		Unit 1	213,054,854

AEP GENERATING COMPANY ROCKPORT POWER BILL DETAIL OF NON-IN-SERVICE INVESTMENT - CWIP AND OTHER

KPSC Case No. 2014-00225
KIUC's First Set of Data Requests
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UNIT 1 Page 301 of 350

Line No.	Account <u>No.</u>	<u>Description</u>	UNIT 1 Pag <u>May, 2014</u>
		Non-In-Service Investment - CWIP	
1	107	Construction Work In Process	67,394,104
2		MATERIAL AND SUPPLIES	
3	151	Fuel Stock	0
4	152	Fuel Stock Expenses - Undistributed	0
5	153	Residuals	0
6	154	Plant Materials and Operating Supplies	0
7	155 156	Merchandise Other Material and Supplies	0
8 9	156 163	Other Material and Supplies Stores Expense Undistributed	0
10	100	Total Material and Supplies	
		(CWIP Portion)	0
11		ACCUMULATED DEFERRED INCOME TAXES	
12	190	-Accumulated Deferred Income Taxes	0
13	281	+Accumulated Deferred Income Taxes -	
		Accelerated Amortization Property	0
14	282	+Accumulated Deferred Income Taxes -	
15	000	Other Property	0
15	283	+Accumulated Deferred Income Taxes - Other	0
16		Total Accumulated Deferred Income	
10		Taxes (CWIP Portion)	0
17		TOTAL NON-IN-SERVICE INVESTMENT -	07.004.404
		CWIP	67,394,104 =======
		Non-In-Service Investment - Other	
18	105	Plant Held for Future Use	1,034,099
19	186	Other Deferred Debits	2,796,939
20	151.10	Fuel Inventory Over Allowed Level *	(10,343,068)
21		Total Non-In-Service Investment -	
		Other	(6,512,030) ======
	* INCLUE	DES ROCKPORT 1 AND 2	
		UNIT 1	(10,343,068)
		UNIT 2	0
		TOTAL	(10,343,068)
		101/1 <u>2</u>	(10,545,000)

AEP GENERATING COMPANY ROCKPORT POWER BILL DETAIL OF NET CAPITALIZATION

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UNIT 1

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Line No.	Account <u>No.</u>	Description	May, 2014
1		COMMON CAPITAL STOCK	
2	201	Common Stock Issued	383,000
3	202	Common Stock Subscribed	0
4	203	Common Stock Liability for Conversion	0
5	209	Reduction In Par or Stated Value of Capital Stock	0
6	210	Gain on Resale or Cancellation of Reacquired Capital Stock	0
7	212	Installments Received on Capital Stock	0
8	214	Capital Stock Expense	0
9	217	Reacquired Capital Stock	0
10		Total Common Capital Stock	383,000
11		OTHER PAID-IN CAPITAL	
12	207	Premium on Capital Stock	0
13	208	Donations Received from Stockholders	89,478,987
14	211	Miscellaneous Paid-In Capital	0
15	213	Discount on Capital Stock	0
16		Total Other Paid-In Capital	89,478,987
17		RETAINED EARNINGS	
18	215	Appropriated Retained Earnings	0
19	215.1	Appropriated Retained Earnings-	
		Amortization Reserve, Federal	0
20	216	Unappropriated Retained Earnings	4,245,550
21		Total Retained Earnings	4,245,550
22		Total Common Equity	94,107,538
23		PREFERED CAPITAL STOCK	
24	204	Preferred Stock Issued	0
25	205	Preferred Stock Subscribed	0
26	206	Preferred Stock Liability	
		for Conversion	0
27		Total Preferred Capital Stock	0
		·	

AEP GENERATING COMPANY ROCKPORT POWER BILL DETAIL OF NET CAPITALIZATION (Cont'd)

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UNIT 1 Page 303 of 350

Line No.	Account <u>No.</u>	<u>Description</u>	May, 2014
28		LONG-TERM DEBT	
29	221	Bonds	0
30	222	Reacquired Bonds	0
31	223	Advances from Associated Companies	0
32	224	Other Long-Term Debt	64,421,495
33	225	Unamortized Premium on	
		Long-Term Debt-Credit	0
34	226	Unamortized Discount on Long-Term	
		Debt-Debit	0
35		Total Long-Term Debt	64,421,495
36a 36b 37	231.02 231.03 233.00	SHORT-TERM DEBT Notes Payable (Short-Term Debt) Unamortized Discount Notes Payable, Assoc Co(Money Pool)	0 0 50,984,194
38		Total Short-Term Debt	50,984,194
39		TEMPORARY CASH INVESTMENTS	
40	132	Interest Special Deposits	0
41	133	Dividend Special Deposits	0
42	134	Other Special Deposits	0
43	136, 145	Temporary Cash Investments	0
-	,	, ,	
44		Total Temporary Cash Investments	0
45		NET CAPITALIZATION	209,513,226
			========

AEP GENERATING COMPANY ROCKPORT POWER BILL DETERMINATION OF RATE OF RETURN (Net & Pre-Tax)

KPSC Case No. 2014-00225 KIUC's First Set of Data Requests Dated September 5, 2014 Item No. 4 Attachment 1 Page 304 of 350

Line No.		UNIT 1 <u>May, 2014</u>
1	Capitalization Balances (Prior Month Ending):	
2	Long-Term Debt (Accts 221 thru 226) + Short-Term Debt (Accts 231 + 233)	64,421,495 50,984,194
4	+ Preferred Stock	0
5	+ Common Equity (Accts 201 thru 216)	94,107,538
6	- Capitalization Offsets	0
7	Total Capitalization Balances	209,513,226
8	Weighting of Capitalization Balances :	
9	Long-Term Debt (LTD/Total Capital)	30.7482%
10	+ Short-Term Debt (STD/Total Capital)	24.3346%
11	+ Preferred Stock	0.0000%
12	+ Common Equity (Common Equity/Total Capital)	44.9172%
13	- Capitalization Offsets	0.0000%
14	Total Capitalization	100.0000%
15	Capitalization Cost Rates :	
16	Long-Term Debt (avg LTD int rate)	2.8993%
17	Short-Term Debt (avg money pool STD int rate)	0.2499%
18	Preferred Stock	0.0000%
19	Common Equity (FERC fixed rate)	12.1600%
20	Capitalization Offsets (sum of weighted costs of debt)	1.7288%
21	Rate of Return (Net of Tax) :	
22	Long-Term Debt (LTD % x avg LTD int rate)	0.8915%
23	+ Short-Term Debt (STD % x avg MP STD int rate)	0.0608%
24	+ Preferred Stock	0.0000%
25	+ Common Equity (CE % x FERC fixed rate)	5.4619%
26	- Capitalization Offsets	0.0000%
27	Total Rate of Return (Net of Tax)	6.4142%
28	Weighted Net Cost of Debt	0.9523%
29	(LTD Rate of Return + STD RR - Cap Offsets RR) + Pre-Tax Common Equity (Line 25 / .65)	8.4029%
30	(Common Equity Rate of Return grossed up for tax) = Rate of Return (Pre-Tax)	9.3552%
		===========

A E P GENERATING COMPANY

KPSC Case No. 2014-00225

May, 2014 IUC's First Set of Data Requests
Dated September 5, 2014

ESTIMATE

Item No. 4

3,651,909

(10,294)

Attachment 1

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ROCK PORT OPERATION & MAINTENANCE EXPENSES UNIT 1 50% OWNERSHIP INTEREST OF ROCKPORT PLANT

500	SUPERVISION AND ENGINEERING	130,873
501	FUEL	154,243
502	STEAM EXPENSES	182,032
503	STEAM FROM OTHER SOURCES	0
504	STEAM TRANSFERRED - CR	0
505	ELECTRIC EXPENSES	79,133
506	MISC. STEAM POWER EXPENSES	90,425
507	RENTS	0
508	OPERATION SUPPLIES AND EXPENSES	0
509	CARRYING CHARGES - ALLOWANCES	0
	TOTAL OPERATION EXPENSE	636,705
510	MAINTENANCE SUPER. AND ENGINEERING	103,958
511	MAINTENANCE OF STRUCTURES	37,333
512	MAINTENANCE OF BOILER PLANT	2,566,570
E40	MAINTENIANCE OF ELECTRIC DI ANT	000.007

510	MAINTENANCE SUPER. AND ENGINEERING	103,936
511	MAINTENANCE OF STRUCTURES	37,333
512	MAINTENANCE OF BOILER PLANT	2,566,570
513	MAINTENANCE OF ELECTRIC PLANT	882,667
514	MAINTENANCE OF MISC. STEAM PLANT	61,381
515	MAINTENANCE NORMALIZING	0

555	PURCHASED POWER	0
556	SYSTEM CONTROL AND LOAD DISPATCHING	(4.718)

TOTAL MAINTENANCE EXPENSES

557 OTHER POWER SUPPLY EXPENSES

TOTAL OTHER SUPPLY EXPENSES (15,012)

IS FUEL IN BALANCE ON PAGE 2	AMOUNT MUST BE ZERO 0
NO OF DAYS IN CURRENT MO	31
NO OF DAYS IN CURRENT YEAR	365
CURRENT YEAR IS	2014
CURRENT MONTH IS	5
THIS BILLING IS FOR MONTH OF	May, 2014

A E P GENERATING COMPANY

KPSC Case No. 2014-00225

May, 2014 First Set of Data Requests
ESTIMATE Dated September 5, 2014

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ROCK PORT OPERATION & MAINTENANCE EXPENSES UNIT 1 50% OWNERSHIP INTEREST OF ROCKPORT PLANT

901 902 903 904	SUPERVISION METER READING EXPENSES CUSTOMER RECORDS AND COLLECTION EXPENSES UNCOLLECTIBLE ACCOUNTS	0 0 0 0
905	MISCELLANEOUS CUSTOMER ACCOUNTS EXPENSES TOTAL CUSTOMER ACCOUNTS EXPENSES	0
		-
906	CUSTOMER SERVICE AND INFORMATIONAL EXP	0
907 908	SUPERVISION CUSTOMER ASSISTANCE EXPENSES	0
909	INFORMATIONAL AND INSTRUCTIONAL	O
	ADVERTISING EXPENSES	0
910	MISCELLANEOUS CUSTOMER SERVICE	
	AND INFORMATIONAL EXPENSES	0
	TOTAL CUSTOMER SERVICES EXPENSES	0
911	SUPERVISION	0
912	DEMONSTRATION AND SELLING EXPENSES	0
913	ADVERTISING EXPENSES	0
916	MISCELLANEOUS SALES EXPENSES (MAJOR)	0
917	SALES EXPENSES (NON-MAJOR)	0
	TOTAL SALES EXPENSES	0
920	ADMIN. & GENERAL SALARIES	39,948
921	OFFICE SUPPLIES AND EXPENSES	4,978
922	ADMINISTRATIVE EXPENSES TRANSF - CR	0
923	OUTSIDE SERVICES	(20,179)
924	PROPERTY INSURANCE	10,753
925	INJURIES AND DAMAGES	1,800
926	EMPLOYEE PENSIONS AND BENEFITS	73,823
927 928	FRANCHISE REQUIREMENTS REGULATORY COMMISSION	0
929	DUPLICATE CHARGES-CREDIT	0
930	MISCELLANEOUS GENERAL EXPENSES	(36)
931	RENTS	1,025
933	TRANSPORTATION EXPENSE	0
	TOTAL ADM & GEN EXPENSES OPERATION	112,113
935	MAINTENANCE OF GENERAL PLANT	18,224
	TOTAL ADM & GEN EXPENSES	130,337
ACCOU	AEG OPERATION & MAINTENANCE EXPENSES NT 40190 TOTAL FOR CROSS FOOT DIFFERENCE	4,403,940 4,403,940 0

AEP GENERATING COMPANY ONE RIVERSIDE PLAZA, COLUMBUS, OH 43215 TELEPHONE (614) 716-3724

KPSC Case No. 2014-00225 KIUC's First Set of Data Requests Dated September 5, 2014 Item No. 4 Attachment 1 Page 307 of 350

INDIANA MICHIGAN POWER COMPANY
P. O. BOX 60
FORT WAYNE, IN 46801

Return on Common Equity

ESTIMATE 07-May-14

(134,459)

UNIT 2

POWER BILL - - April, 2014

IN ACCORDANCE WITH POWER AGREEMENT DATED OCTOBER 1, 1984 (AS AMENDED)

ENERGY DELIVERED FOR THE MONTH OF April, 2014

KWH FOR THE MONTH 210,056,350

SUMMARY TOTAL

Current Month Bill:

Return on Other Capital (26,297)Total Return (160,756)Fuel 5,715,516 **Purchased Power** Other Operating Revenues (6,125)Other Operation and Maintenance Exp 4,876,991 Depreciation Expense 714,901 Taxes Other Than Federal Income Tax 102,088 Federal Income Tax 14,443

TOTAL CURRENT UNIT POWER BILL 11,257,058

Prior Month's Adjustment:

Return on Common Equity & Other Capital 0
Fuel Expense 0
Other Expenses (Includes taxes & interest) 61,168

TOTAL PRIOR MONTH'S ADJUSTMENTS 61,168

TOTAL UNIT POWER BILL 11,318,226

AMOUNTS WILL BE PAID DIRECT FROM GENERAL FUNDS.

DUE DATE - · May 19, 2014

Cc: Steve Hornyak - Columbus Kurt C Cooper - Ft Wayne

Dave Hille - Ft. Wayne Shannon Listebarger - Columbus

Mike Stout - Ft. Wayne Mike Giardina - Columbus

Sid Lyons - Columbus Michelle Howell - Columbus

AEP GENERATING COMPANY ONE RIVERSIDE PLAZA, COLUMBUS, OH 43215 **TELEPHONE (614) 716-3724**

KPSC Case No. 2014-00225 KIUC's First Set of Data Requests Dated September 5, 2014 Item No. 4 Attachment 1 Page 308 of 350

KENTUCKY POWER COMPANY 17TH ST. & CENTRAL AVE. ASHLAND, KY 41101

ESTIMATE 07-May-14

UNIT 2 POWER BILL - - April, 2014

IN ACCORDANCE WITH POWER AGREEMENT DATED OCTOBER 1, 1984 (AS AMENDED) ENERGY DELIVERED FOR THE MONTH OF April, 2014

KWH FOR THE MONTH 90,024,150

	SUMMARY	TOTAL
Current M	Ionth Bill:	
	Return on Common Equity	(57,626)
	Return on Other Capital	(11,270)
	Total Return	(68,896)
	Fuel Purchased Power Other Operating Revenues Other Operation and Maintenance Exp Depreciation Expense Taxes Other Than Federal Income Tax Federal Income Tax TOTAL CURRENT UNIT POWER BILL	2,449,507 0 (2,625) 2,090,139 306,386 43,752 6,190 4,824,453
Prior Mon	th's Adjustment: Return on Common Equity & Other Capital Fuel Expense Other Expenses (Includes taxes & interest) TOTAL PRIOR MONTH'S ADJUSTMENTS	0 0 26,214 26,214
	TOTAL LINIT DOWED DILL	4 050 667

TOTAL UNIT POWER BILL

4,850,667 _____

AMOUNTS WILL BE PAID DIRECT FROM GENERAL FUNDS.

DUE DATE - · May 19, 2014

Cc: Steve Hornyak - Columbus Kurt C Cooper - Ft Wayne

Dave Hille - Ft. Wayne Shannon Listebarger - Columbus

Mike Stout - Ft. Wayne Mike Giardina - Columbus

Sid Lyons - Columbus Michelle Howell - Columbus

KPSC Case No. 2014-00225 KIUC's First Set of Pata Requests Dated September 5, 2014 Pg 2 of 18 Item No. 4 Attachment 1 07-May Page 309 of 350

April, 2014

	TOTAL UNIT 2 POWER BILL	KPCO SHARE	I&M SHARE	
Return on Common Equity	(192,085)	(57,626)	(134,459)	
Return on Other Capital	(37,567)	(11,270)	(26,297)	
Total Return	(229,652)	(68,896)	(160,756)	
 + Fuel + Purchased Power - Other Operating Revenues + Other Operation and Maintenance Exp + Depreciation Expense + Taxes Other Than Federal Income Tax + Federal and State Income Tax 	8,165,023 0 (8,750) 6,967,130 1,021,287 145,840 20,634	306,386	4,876,991 714,901 102,088	
= Total Unit 2 Monthly Power Bill	16,081,512	4,824,453		
<u>Determination of Federal Income Tax :</u>				
Total Return (Line 3) + Unit 2 Schedule M Adjustments + Unit 2 Deferred Federal Income Taxes - Unit 2 Interest Expense Deduction *	(49,225) 97,326 (39,122)	29,198	(34,457) 68,128 (27,385)	
 Subtotal x Gross-Up (FIT Rate / 1-FIT Rate) Unit 2 Current Federal Income Tax Unit 2 Def Fed & State Income Taxes 	0.538462	(42,728) 0.538462 (23,007) 29,198	0.538462 (53,685)	
= Total Unit 2 Fed&State Income Taxes	20,634	6,190	,	
Proof of Federal Income Tax :				
Total Unit 2 Monthly Power Bill - Operation and Maintenance Expenses - Depreciation Expense - Taxes Other Than Federal Income Tax - Unit 2 Interest Expense Deduction * - Other Operating Revenues	16,081,512 15,132,153 1,021,287 145,840 (39,122) (8,750)	4,539,646	11,257,058 10,592,507 714,901 102,088 (27,385) (6,125)	
= Pre-Tax Book Income + Unit 2 Schedule M Adjustments	(169,896) (49,225)	(50,969) (14,767)	(118,928) (34,457)	
 Unit 2 Taxable Income x Current Federal Income Tax Rate Unit 2 Current Federal Income Tax Unit 2 Def Fed & State Income Taxes 	(219,121) 35% (76,693) 97,326	(65,736) 35% (23,008) 29,198	(153,385) 35% (53,685) 68,128	
= Total Unit 2 Fed&State Income Taxes	20,633	6,190 ====================================	14,443	========

^{*} From Page 5 of 18 : Line 21 + (Line 28 x Line 31 x Line 32)

AEP GENERATING COMPANY ROCKPORT POWER BILL OPERATING RATIO

KPSC Case No. 2014-00225 KIUC's First Set of Data Requests Dated September 5, 2014 Pg 3 of 18 Item No. 4 Attachment 1 Page 310 of 350

Line No.		UNIT 2 <u>April, 2014</u>
1	Operating Ratio:	
2	Net In-Service Investment:	
3 4 5 6 7 8 9 10 11 12 13	Electric Plant In-Service - Accumulated Depreciation + Materials & Supplies + Prepayments + Plant Held For Future Use (A/C 105) * + Other Deferred Debits (A/C 186) * + Other Working Capital *** + Unamortized Debt Expense (A/C 181) + Deferred ASH pond cost (A/C182.3) - Asset Retirement Obligation (A/C 230) - Other Deferred Credits (A/C 253)	800,105,537 575,386,688 64,972,045 42,781 0 0 (22,107,737) 119,013 2,840,138 4,423,159 48,373,164
14	- Accumulated Deferred FIT	37,170,707
15	- Accumulated Deferred ITC	17,086,303
16	Total Net In-Service Investment	163,531,755
17	Non-In-Service Investment - CWIP :	
18 19 20	Construction Work In Progress + Materials & Supplies - Accumulated Deferred FIT	63,389,481 0 0
21	Total Non-In-Service Investment - CWIP	63,389,481
22	Non-In-Service Investment - Other :	
23 24 25	Plant Held for Future Use (A/C 105) ** + Other Deferred Debits (A/C 186) ** + Fuel Inventory Over Allowed Level ****	0 3,059,194 (8,163,032)
26	Total Non-In-Service Investment - Other	(5,103,838)
27	Total Investment (Lines 16+21+26)	221,817,398
28	Operating Ratio (Line 16/Line 27)	73.7236%
29	Non-In-Service Investment-CWIP Ratio (Line 21/Line 27)	28.5773%
30	Non-In-Service Investment-Other Ratio (Line 26/Line 27)	-2.3009%
31	Total Investment * As Permitted By FERC ** Excluding Amounts on Lines 7 and 8 *** Accounts 128, 131, 135, 143, 146, 171 and 174, Less Accounts 232-234, 236, 237, 238, 241 and 242 **** Includes Rockport 1 and 2	100.0000%

AEP GENERATING COMPANY ROCKPORT POWER BILL NET IN-SERVICE INVESTMENT RATIO

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Line No.		UNIT 2 <u>April, 2014</u>
1	Net In-Service Investment Ratio:	
2	Unit 2 Net In-Service Investment:	
3 4 5 6 7 8 9 10 11 12 13 14	Electric Plant In-Service - Accumulated Depreciation + Materials & Supplies + Prepayments + Plant Held For Future Use (A/C 105) * + Other Deferred Debits (A/C 186) * + Other Working Capital ** + Unamortized Debt Expense (A/C 181) + Deferred ASH pond cost (A/C182.3) - Asset Retirement Obligation (A/C 230) - Other Deferred Credits (A/C 253) - Accumulated Deferred FIT	141,963,211 139,894,707 28,404,506 21,390 0 (18,281,503) 59,506 1,420,069 2,211,579 48,373,164 (6,347,841)
15	- Accumulated Deferred ITC	17,073,237
16	Total Unit 2 Net In-Service Investment	(47,617,666)
17	Unit 1 Net In-Service Investment:	
18 19 20 21 22 23 24 25 26 27 28 29 30	Electric Plant In-Service - Accumulated Depreciation + Materials & Supplies + Prepayments + Plant Held For Future Use (A/C 105) * + Other Deferred Debits (A/C 186) * + Other Working Capital ** + Unamortized Debt Expense (A/C 181) + Deferred ASH pond cost (A/C182.3) - Asset Retirement Obligation (A/C 230) - Other Deferred Credits (A/C 253) - Accumulated Deferred FIT - Accumulated Deferred ITC Total Unit 1 Net In-Service Investment	658,142,325 435,491,981 36,567,538 21,390 0 (3,826,233) 59,506 1,420,069 2,211,579 0 43,518,548 13,066
32	Total Net In-Service Investment	163,531,755 =======
33 34	Net In-Service Investment Ratio: Unit 2 (Line 16 / Line 32)	-29.1200%
35	Unit 1 (Line 31 / Line 32)	129.1200%
	* As Permitted By FERC	100.0000%

^{**} Accounts 128, 131, 135, 143, 146, 171 and 174, Less Accounts 232-234, 236, 237, 238, 241 and 242

AEP GENERATING COMPANY ROCKPORT POWER BILL CALCULATION OF RETURNS ON COMMON EQUITY & OTHER CAPITAL

KPSC Case No. 2014-00225 KIUC's First Set of Data Requests Dated September 5, 2014 Item No. 4 Attachment 1 Page 312 of 350

Line No.		UNIT 2 <u>April, 2014</u>
1	Net Capitalization:	
2 3 4 5 6	Long-Term Debt + Short-Term Debt + Preferred Stock + Common Equity - Temporary Cash Investments	64,421,495 61,140,909 0 93,392,100 0
7 8	Net Capitalization 40% of Net Capitalization	218,954,504 ====================================
9	Return on Common Equity:	
10 11 12 13 14 15	Lesser of Line 5 or Line 8 x Equity Return (Monthly Rate) = Equity Return x Operating Ratio x Net In-Service Investment Ratio = Subtotal	87,581,802 1.01333% 887,493 73.7236% -29.1200% (190,530)
16 17 18 19 20 21	Excess of Line 5 Over Line 8 x Weighted Cost of Debt (Monthly Rate) = Return on Equity over 40% of Capitalization x Operating Ratio x Net In-Service Investment Ratio = Subtotal	5,810,298 0.1247% 7,245 73.7236% -29.1200% (1,555)
22	Unit 2 Return on Equity (Line 15 + Line 21)	(192,085)
23	Return on Other Capital:	
24 25 26 27	Long-Term Debt Interest Expense (A/C 427-429) + Short-Term Debt Interest Expense (a/c 430) + Other Interest Expense (a/c 431) - Temporary Cash Investment Income *	142,776 32,214 0 0
28 29	Net Interest Expense+ Preferred Stock Dividends (a/c 437)	174,990 0
30 31 32	Net Cost of Other Capitalx Operating Ratiox Net In-Service Investment Ratio	174,990 73.7236% -29.1200%
33	= Unit 2 Return on Other Capital	(37,567)

AEP GENERATING COMPANY ROCKPORT POWER BILL DETERMINATION OF WEIGHTED COST OF DEBT

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Line No.		UNIT 2 <u>April, 2014</u>
1	Debt Balances (Prior Month Ending):	
2 3 4	Long-Term Debt (Accts 221 thru 226) + Short-Term Debt (Accts 231 + 233) + Other Debt (Accts 132 thru 136 + 145)	64,421,495 61,140,909 0
5	Total Debt Balances (Prior Month Ending)	125,562,404
6	Weighting of Debt Balances :	
7 8 9	Long-Term Debt (LTD bal/Total Debt bal) + Short-Term Debt (STD bal/Total Debt bal) + Other Debt	51.3064% 48.6936% 0.0000%
10	Total Debt Balances	100.0000%
11	<u>Debt Cost Rates :</u>	
12 13 14	Long-Term Debt (avg LTD int rate) Short-Term Debt (avg Money Pool STD int rate) Other Debt	2.6965% 0.2745% 0.0000%
15	Weighted Cost of Debt :	
16 17 18	Long-Term Debt (LTD % x avg LTD int rate) + Short-Term Debt (STD % x avg MP STD int rate) + Other Debt	1.3835% 0.1337% 0.0000%
19	Total Weighted Cost of Debt	1.5172%

AEP GENERATING COMPANY ROCKPORT POWER BILL DETERMINATION OF UNIT 2 MATERIALS AND SUPPLIES

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UNIT 2

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INCLUDE A/C 431 ON PG 5

Line No.		<u>April, 2014</u>
1	Unit 2 Materials and Supplies:	
2 3 4 5 6 7	Fuel Stock - Coal (per Line 23) Fuel Stock Expenses - Undistributed (152) Fuel Stock - Oil (151) Plant Materials & Operating Supplies Merchandise Undistributed Stores Expense	12,871,221 584,441 2,312,430 12,636,414 0
8	Total Materials & Supplies	28,404,506
9	Support of Coal Inventory Value:	
10 11	Actual Coal Inventory (a/c 151.10) + Equivalent Inventory re: Deferred Return	12,871,221 961,318,745
12	= Imputed Coal Inventory	974,189,966
13	Coal Inventory W/68 Day Supply Cap	
14 15 16 17 18 19	Tons Consumed - CHANGE ANNUALLY FROM DEC PG 24 / Hours Available * CHG ANNUALLY FROM GADS RPT 511 = Tons Consumed per Hour x 24 Hours per Day = Tons Consumed Per Day x 68 days	2,539,993 7927.0 320.42 24 7690.08 68
20 21	= 68 day Supply (Tons) x Coal Cost per Ton (per a/c 151.10 at End of Prior Month)	522,925 39.765
22	= 68 day Coal Inventory	20,794,113
23	Lesser of Imputed or Capped Coal Inventory	20,794,113
24	Imputed Inventory Minus Line 23	953,395,853 =======
25	Accumulated Deferred Inventory Return - Unit 2 (Memo Item):	
26 27 28 29	Beginning Balance + Current Month Return on Beginning Balance + Current Month Deferral - Current Month Recovery	6,941,798 50,492 55,319 0
30	= Ending Balance **	7,047,609
	* Excludes Forced Outages,Scheduled Outages,and Curtailments ** May Not Be Less Than Zero	
	Total Unit 2 Monthly Power Bill with Actual Total Unit 2 Monthly Power Bill with 68 Day Capped Difference	18,666,409 18,721,728 55,319

AEP GENERATING COMPANY ROCKPORT POWER BILL DETAIL OF OTHER OPERATING REVENUES

KPSC Case No. 2014-00225 KIUC's First Set of Data Requests Dated September 5, 2014 Pg 8 of 18 Item No. 4 Attachment 1 Page 315 of 350

Line No.	Account No.	Description	UNIT 2 <u>April, 2014</u>
1	450	Forfeited Discounts	0
2	451	Miscellaneous Service Revenues	0
3	453	Sales of Water and Water Power	0
4	454	Rent From Electric Property - Associated Companies	0
5	454.20	Rent From Electric Property - Non-Associated Companies	0
6	455	Interdepartmental Rents	0
7	456	Other Electric Revenues	(8,750)
8	411.8	Proceeds/Gains From Sale of Emission Allowances	0
9		Total Other Operating Revenues	(8,750)

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AEP GENERATING COMPANY ROCKPORT POWER BILL DETAIL OF OPERATION & MAINTENANCE EXPENSES

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Line No.	Account <u>No.</u>	<u>Description</u>	UNIT 2 <u>April, 2014</u>
1 2 3	500,502-508 501 510-515	Steam Power Generation - Operation Fuel - Operation Steam Power Generating - Maintenance	6,128,791 8,165,023 666,392
4		Total Steam Power Generation Expenses	14,960,205
5	555-557	Other Power Supply Expenses	2,572
6 7	560-567.1 568-574	Transmission Expenses - Operation Transmission Expenses - Maintenance	0
8		Total Transmission Expenses	0
9 10	580-589 590-598	Distribution Expenses - Operation Distribution Expennse - Maintenance	0
11		Total Distribution Expenese	0
12	901-905	Customer Accounts Expenses - Operation	0
13	906-910	Customer Service and Informational Expenses - Operation	0
14	911-917	Sales Expenses - Operation	0
15	920-933	Administrative and General Expenses - Operation	161,796
16	935	Administrative and General Expenses - Maintenance	7,580
17		Total Administrative & General Exp.	169,376
18		Total Operation & Maintenance Expenses	15,132,153

AEP GENERATING COMPANY ROCKPORT POWER BILL DETAIL OF DEPRECIATION & AMORTIZATION EXPENSES

KPSC Case No. 2014-00225 KIUC's First Set of Data Requests Dated September 5, 2014 Pg 10 of 18 Item No. 4 Attachment 1 Page 317 of 350

Account		UNIT 2 <u>April, 2014</u>
<u>No.</u>	<u>Description</u>	
403	Depreciation Expense *	448,338
403.1	ARO Depreciation Expense	3,343
404	Amortization of Limited-Term Electric	,
	Plant **	553,108
405	Amortization of Other Electric Plant	0
406		
407	· · · · · · · · · · · · · · · · · · ·	0
407	• • • • • • • • • • • • • • • • • • • •	
	o ,	0
	Study Costs	U
		_
	Total Depreciation Exp. & Amortization	1,004,789
	т	=
411.10	ARO Accretion Expense	16,499
	Total Depreciation, Amortization & Accretion Expenses	1,021,287
	No. 403 403.1 404 405 406 407	403.1 ARO Depreciation Expense 404 Amortization of Limited-Term Electric Plant ** 405 Amortization of Other Electric Plant 406 Amortization of Electric Plant Acquistion Adjustments 407 Amortization of Property Losses, Unrecovered Plant and Regulatory Study Costs Total Depreciation Exp. & Amortization 411.10 ARO Accretion Expense

^{*} Rockport 2 Capitalized Spare Parts book depreciation rate = 3.52%

 ^{*} Rockport 2 Associated Equipment (not sold in Sale/Leaseback transaction) book depreciation rate = 3.07 %

^{**} Rockport 2 Leasehold Improvements Amortization rate = 3.03%

AEP GENERATING COMPANY ROCKPORT POWER BILL DETAIL OF TAXES OTHER THAN FEDERAL INCOME TAXES

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Line No.	Account <u>No.</u>	_Description_	UNIT 2 <u>April, 2014</u>
1	408.1	Taxes Other Than Federal Income Taxes, Utility Operating Income	150,340
2	409.1	State Income Taxes	(4,500)
3		Total Taxes Other than Federal Income Taxes	145,840

AEP GENERATING COMPANY ROCKPORT POWER BILL DETAIL OF UNIT 2 SCHEDULE `M' ADJUSTMENTS AND DEFERRED FEDERAL INCOME TAX

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Line No.	Account <u>No.</u>	Description	<u>TOTAL</u>	KPCO <u>SHARE</u>	I&M <u>SHARE</u>
1		Unit 2 Schedule `M' Adjustments*			
2	N/A	Excess ACRS Over Normalization Base Depreciation	8,500	2,550	5,950
3	N/A	Excess Normalization Base Over Book Depreciation	373,000	111,900	261,100
4	N/A	Other Unit 2 Schedule `M' Adjustments	(430,725)	(129,217)	(301,507)
5	***	Total Unit 2 Schedule `M' Adjustments	(49,225)	(14,767)	(34,457)
6 7	410.1	Unit 2 Deferred Federal Income Tax Excess ACRS Over Norm. Base Depr. (Line 2 x FIT Rate * -1)	(34,112)	(10,234)	(23,878)
8	10.1&411	.Other Unit 2 Schedule `M' Adjustments -			
9	411.1	Feedback of Accumulated DFIT re: ABFUDC - Unit 2 Negative Amount Denotes Reduction.	(12,024)	(3,607)	(8,416)
10	411.1	Feedback of Accumulated DFIT re: Overheads Capitalized - Unit 2	(181)	(54)	(126)
11	411.1	Feedback of Accumulated DFIT re: Other Schedule `M' AdjUtility	143,642	43,093	100,549
12	***	Total Unit 2 Deferred Federal Income Tax	97,326 ====================================	29,198	68,128 ======
		ve Amount Denotes Increase In Taxable Income, e Amount Denotes Reduction.			
		Check Figure on Tax Page for Sch M Check Figure on Tax Page for DFIT	(49,225) 97,326		

the ESTIMATE or ACTUAL on the INSTRUCTIONS tab (L6), and should be type in all capital lett

NOTE: If the words SEE NOTE appear in this schedule, then the bill has not been properly identified as

AEP GENERATING COMPANY ROCKPORT POWER BILL DETAIL OF NET IN-SERVICE INVESTMENT UNIT 2

KPSC Case No. 2014-00225
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Line No.	Account <u>No.</u>	<u>Description</u>	UNIT 2 <u>April, 2014</u>
1		ELECTRIC PLANT IN SERVICE	
2	101	Electric Plant In Service	138,824,938
3	102	Electric Plant Purchased	0
4	103	Experimental Elec. Plant Unclassified	0
5	103.1	Electric Plant In Process of Reclassification	0
6	104	Electric Plant Leased to Others	0
7	106	Completed Construction Not Classified	3,138,274
8	114	Electric Plant Acquisition Adjustments	0
9	116	Other Electric Plant Adjustments	0
10	118	Other Utility Plant	0
11		Total Electric Plant In Service	141,963,211
12	105	Plant Held For Future Use	0
13		ACCUMULATED DEPRECIATION	
14	108	Accumulated Provision for Depreciation of Electric Utility Plant	116,559,894
15	110	Accumulated Provision for Depreciation	110,000,001
		and Amort. of Elec. Utility Plant	0
16	111	Accumulated Provision for Amortization of Electric Utility Plant	22 224 814
17	115	Accumulated Provision for Amortization of Electric Plant Acquisition	23,334,814
18	119	Adjustments Accumulated Provision for Depreciation	0
		and Amortization of Other Utility Plant	0
19		Total Accumulated Depreciation	139,894,707
20		MATERIAL AND SUPPLIES	
21 22	151	Fuel Stock	15,183,651
23	152 153	Fuel Stock Expenses - Undistributed Residuals	584,441 0
24	154	Plant Materials and Operating Supplies	12,636,414
25	155	Merchandise	12,000,414
26	156	Other Materials and Supplies	0
27	163	Stores Expense Undistributed	ő
28		Total Materials and Supplies	
		(In-Service Portion)	28,404,506
29	165	Prepayments	21,390
30	186	Other Deferred Debits	0

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KIUC's First Set of Data Requests Dated September 5, 2014 Item No. 4

ROCKPORT POWER BILL OTHER WORKING CAPITAL, UNAMORTIZED DEBT EXPENSE, AND OTHER DEFERRED CREDITS

AEP GENERATING COMPANY

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Line No.	Account	Description *	UNIT 2 <u>April, 2014</u>
1	128	Other Special Funds	0
2	131	Cash	0
3	135	Other Intra Company Adjustments	0
4	143	Accounts Receivable-Miscellaneous	0
5	146	Accounts Receivable-Associated Company	21,709,811
6	171	Interest and Dividends Receivable	600
7	174	Miscellaneous Current and Accrued Assets	0
8	232	Accounts Payable-General	(17,663)
9	234	Accounts Payable-Associated Company	(16,613,713)
10	236	Taxes Accrued	(2,980,208)
11	237	Interest Accrued	(33,891)
12	238	Dividends Declared	0
13	241	Tax Collections Payable	0
14	242	Misc Current and Accrued Liabilities	(20,346,439)
15		Total Other Working Capital	(18,281,503)
16	181	Unamortized Debt Expense	59,506
17	253	Other Deferred Credits	48,373,164

AEP GENERATING COMPANY ROCKPORT POWER BILL DETAIL OF NET IN-SERVICE INVESTIMENT UNIT 2(Cont'd)

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	DEIAIL	OF NET IN-SERVICE INVESTIMENT ONLY 2(OOM U)	
Line No.	Account <u>No.</u>		UNIT 2 <u>April, 2014</u>
31		ACCUMULATED DEFERRED INCOME TAXES	
32	190	-Accumulated Deferred Income Taxes	20,516,463
33	281	+Accumulated Deferred Income Taxes - Accelerated Amortization Property	0
34	282	+Accumulated Deferred Income Taxes - Other Property	13,211,069
35	283	+Accumulated Deferred Income Taxes - Other	957,552
36		Total Accumulated Deferred Income Taxes (In-Service Portion)	(6,347,841)
37	255	+Accumulated Deferred Investment Tax Credits	17,073,237
38	186.50	-Accumulated Deferred Investment Tax Credit	0
39		Total Accumulated Deferred Investment Tax Credits	
40		Total Net In-Service Investment -	17,073,237
		Unit 2	(46,826,156)

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KIUC's First Set of Data Requests Dated September 5, 2014 **AEP GENERATING COMPANY** Pg 15 of 18 **ROCKPORT POWER BILL** Item No. 4

DETAIL OF NON-IN-SERVICE INVESTMENT - CWIP AND OTHER

	<u> </u>	OF NON-IN-SERVICE INVESTMENT - CWIF AND	UNIT 2
Line <u>No.</u>	Account No.	_Description_	<u>April, 2014</u>
		Non In Service Investment CWIP	
		Non-In-Service Investment - CWIP	
1	107	Construction Work In Process	63,389,481
2		MATERIAL AND SUPPLIES	
3	151	Fuel Stock	0
4	152	Fuel Stock Expenses - Undistributed	0
5	153	Residuals	0
6 7	154 155	Plant Materials and Operating Supplies Merchandise	0
8	156	Other Material and Supplies	0
9	163	Stores Expense Undistributed	0
10		Total Material and Supplies	
		(CWIP Portion)	0
11		ACCUMULATED DEFERRED INCOME TAXES	
12	190	-Accumulated Deferred Income Taxes	0
13	281	+Accumulated Deferred Income Taxes - Accelerated Amortization Property	0
14	282	+Accumulated Deferred Income Taxes -	U
		Other Property	0
15	283	+Accumulated Deferred Income Taxes - Other	0
16		Total Accumulated Deferred Income	
		Taxes (CWIP Portion)	0
17		TOTAL NON-IN-SERVICE INVESTMENT - CWIP	63,389,481
		Non-In-Service Investment - Other	
18	105	Plant Held for Future Use	0
19	186	Other Deferred Debits	3,059,194
20	151.10	Fuel Inventory Over Allowed Level *	(8,163,032)
21		Total Non-In-Service Investment - Other	/E 102 929\
		Other	(5,103,838)
* INCLUDED DOOKDODT 4 AND 0			
	INCLU	IDES ROCKPORT 1 AND 2 UNIT 1	(8,163,032)
		UNIT 2	(8,163,032)
		TOTAL	(8,163,032)

AEP GENERATING COMPANY ROCKPORT POWER BILL DETAIL OF NET CAPITALIZATION

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		DETAIL OF NET CAPITALIZATION	UNIT 2
Line	Account No.		<u>April, 2014</u>
<u>No.</u>	<u>INO.</u>	Description	
1		COMMON CAPITAL STOCK	
2	201	Common Stock Issued	383,000
3	202	Common Stock Subscribed	0
4	203	Common Stock Liability for Conversion	0
5	209	Reduction In Par or Stated Value	0
6	210	of Capital Stock Gain on Resale or Cancellation of	0
O	210	Reacquired Capital Stock	0
7	212	Installments Received on Capital Stock	0
8	214	Capital Stock Expense	0
9	217	Reacquired Capital Stock	0
10		Total Common Capital Stock	383,000
11		OTHER PAID-IN CAPITAL	
12	207	Premium on Capital Stock	0
13	208	Donations Received from Stockholders	89,478,987
14	211	Miscellaneous Paid-In Capital	0
15	213	Discount on Capital Stock	0
16		Total Other Paid-In Capital	89,478,987
17		RETAINED EARNINGS	
18	215	Appropriated Retained Earnings	0
19	215.1	Appropriated Retained Earnings-	
		Amortization Reserve, Federal	0
20	216	Unappropriated Retained Earnings	3,530,113
21		Total Retained Earnings	3,530,113
22		Total Common Equity	93,392,100
23		PREFERRED CAPITAL STOCK	
24	204	Preferred Stock Issued	0
25	205	Preferred Stock Subscribed	0
26	206	Preferred Stock Liability	
		for Conversion	0
27		Total Preferred Capital Stock	0

AEP GENERATING COMPANY ROCKPORT POWER BILL DETAIL OF NET CAPITALIZATION (Cont'd)

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Line No.	Account No.	<u>Description</u>	ONIT 2 <u>April, 2014</u>
28		LONG-TERM DEBT	
29 30 31 32	221 222 223 224	Bonds Reacquired Bonds Advances from Associated Companies Other Long-Term Debt	0 0 0 64,421,495
33 34	225 226	Unamortized Premium on Long-Term Debt-Credit Unamortized Discount on Long-Term Debt-Debit	0
35		Total Long-Term Debt	64,421,495
36a 36b	231.02 231.03 233.00	SHORT-TERM DEBT Notes Payable (Short-Term Debt) Unamortized Discount Notes Payable, Assoc Co(Money Pool)	0 0 61,140,909
38		Total Short-Term Debt	61,140,909
39		TEMPORARY CASH INVESTMENTS	
40 41 42 43	132 133 134 136, 145	Interest Special Deposits Dividend Special Deposits Other Special Deposits Temporary Cash Investments	0 0 0 0
44		Total Temporary Cash Investments	0
45		NET CAPITALIZATION	218,954,504 ======

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AEP GENERATING COMPANY ROCKPORT POWER BILL DETERMINATION OF RATE OF RETURN (Net & Pre-Tax)

Ited September 5, 2014 Item No. 4 Attachment 1 Page 326 of 350

Line No	<u>-</u>	UNIT 2 <u>April, 2014</u>
1	Capitalization Balances (Prior Month Ending) :	
2	Long-Term Debt (Accts 221 thru 226)	64,421,495
3	+ Short-Term Debt (Accts 231 + 233)	61,140,909
4	+ Preferred Stock	0
5	+ Common Equity (Accts 201 thru 216)	93,392,100
6	- Capitalization Offsets	0
7	Total Capitalization Balances	218,954,504
8	Weighting of Capitalization Balances:	
9	Long-Term Debt (LTD/Total Capital)	29.4223%
10	+ Short-Term Debt (STD/Total Capital)	27.9240%
11	+ Preferred Stock	0.0000%
12	+ Common Equity (Common Equity/Total Capital)	42.6537%
13	- Capitalization Offsets	0.0000%
14	Total Capitalization	100.0000%
15	Capitalization Cost Rates :	
16	Long-Term Debt (avg LTD int rate)	2.6965%
17	Short-Term Debt (avg money pool STD int rate)	0.2745%
18	Preferred Stock	0.0000%
19	Common Equity (FERC fixed rate)	12.1600%
20	Capitalization Offsets (sum of weighted costs of debt)	1.5172%
21	Rate of Return (Net of Tax) :	
22	Long-Term Debt (LTD % x avg LTD int rate)	0.7934%
23	+ Short-Term Debt (STD % x avg MP STD int rate)	0.0767%
24	+ Preferred Stock	0.0000%
25	+ Common Equity (CE % x FERC fixed rate)	5.1867%
26	- Capitalization Offsets	0.0000%
27	Total Rate of Return (Net of Tax)	6.0568%
		=========
28	Weighted Net Cost of Debt (LTD Rate of Return + STD RR - Cap Offsets RR)	0.8701%
29	+ Pre-Tax Common Equity (Line 25 / .65) (Common Equity Rate of Return grossed up for tax)	7.9795%
30	= Rate of Return (Pre-Tax)	8.8496% ======

A E P GENERATING COMPANY

April, 2014 ESTIMATE KPSC Case No. 2014-00225 KIUC's First Set of Data Requests Dated September 5, 2014 Item No. 4 Attachment 1

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ROCKPORT OPERATION & MAINTENANCE EXPENSES UNIT 2 50% OWNERSHIP INTEREST OF ROCKPORT PLANT

500 501 502 503 504 505 506 507 508 509	SUPERVISION AND ENGINEERING FUEL STEAM EXPENSES STEAM FROM OTHER SOURCES STEAM TRANSFERRED - CR ELECTRIC EXPENSES MISC. STEAM POWER EXPENSES RENTS OPERATION SUPPLIES AND EXPENSES CARRYING CHARGES - ALLOWANCES TOTAL OPERATION EXPENSE	137,083 8,165,023 66,314 0 0 78,225 156,916 5,690,253 0 0
510 511 512 513 514 515	MAINTENANCE SUPER. AND ENGINEERING MAINTENANCE OF STRUCTURES MAINTENANCE OF BOILER PLANT MAINTENANCE OF ELECTRIC PLANT MAINTENANCE OF MISC. STEAM PLANT MAINTENANCE NORMALIZING	70,927 14,738 503,332 45,983 31,412
555 556	TOTAL MAINTENANCE EXPENSES PURCHASED POWER SYSTEM CONTROL AND LOAD DISPATCHING	666,392 0 582
557	OTHER POWER SUPPLY EXPENSES TOTAL OTHER SUPPLY EXPENSES	1,990 2,572

IS FUEL IN BALANCE ON PAGE 2	AMOUNT MUST BE ZERO 0
BE SURE THIS IS CORRECT	
NO OF DAYS IN CURRENT MO >	30
NO OF DAYS IN CURRENT YEAR >	365
CURRENT YEAR IS	2014
CURRENT MONTH IS	4
THIS BILLING IS FOR MONTH OF	April, 2014

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April, 2014 KIUC's First Set of Data Requests
Dated September 5, 2014

ESTIMATE Dated September 5, 2014

15,132,153

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ROCKPORT OPERATION & MAINTENANCE EXPENSES UNIT 2 50% OWNERSHIP INTEREST OF ROCKPORT PLANT

901	SUPERVISION	0
902	METER READING EXPENSES	0
903	CUSTOMER RECORDS AND COLLECTION EXPENSES	0
904	UNCOLLECTIBLE ACCOUNTS	0
905	MISCELLANEOUS CUSTOMER ACCOUNTS EXPENSES	0
	TOTAL CUSTOMER ACCOUNTS EXPENSES	0
906	CUSTOMER SERVICE AND INFORMATIONAL EXP	0
907	SUPERVISION	0
908	CUSTOMER ASSISTANCE EXPENSES	0
909	INFORMATIONAL AND INSTRUCTIONAL	U
909	ADVERTISING EXPENSES	0
040		0
910	MISCELLANEOUS CUSTOMER SERVICE	
	AND INFORMATIONAL EXPENSES	0
	TOTAL CUSTOMER SERVICES EXPENSES	0
911	SUPERVISION	0
912	DEMONSTRATION AND SELLING EXPENSES	0
913	ADVERTISING EXPENSES	0
916	MISCELLANEOUS SALES EXPENSES (MAJOR)	0
917	SALES EXPENSES (NON-MAJOR)	0
	TOTAL SALES EXPENSES	0
920	ADMIN. & GENERAL SALARIES	46,813
921	OFFICE SUPPLIES AND EXPENSES	7,119
922	ADMINISTRATIVE EXPENSES TRANSF - CR	
_		0
923	OUTSIDE SERVICES	37,380
924	PROPERTY INSURANCE	10,753
925	INJURIES AND DAMAGES	1,970
926	EMPLOYEE PENSIONS AND BENEFITS	57,586
927	FRANCHISE REQUIREMENTS	0
928	REGULATORY COMMISSION	0
929	DUPLICATE CHARGES-CREDIT	0
930	MISCELLANEOUS GENERAL EXPENSES	(578)
931	RENTS	753
933	TRANSPORTATION EXPENSE	0
	TOTAL ADM & GEN EXPENSES OPERATION	161,796
935	MAINTENANCE OF GENERAL PLANT	7,580
	TOTAL ADM & GEN EXPENSES	169,376
	AEG OPERATION & MAINTENANCE EXPENSES	15,132,153
10001	INT 40100 TOTAL EOD CDOCC FOOT	15 100 150

ACCOUNT 40190 TOTAL FOR CROSS FOOT

-----DIFFERENCE-----

AEP GENERATING COMPANY ONE RIVERSIDE PLAZA, COLUMBUS, OH 43215 TELEPHONE (614) 716-3724

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INDIANA MICHIGAN POWER COMPANY P. O. BOX 60 FORT WAYNE, IN 46801

ESTIMATE 06-Jun-14

UNIT 2

POWER BILL -- May, 2014

IN ACCORDANCE WITH POWER AGREEMENT DATED OCTOBER 1, 1984 (AS AMENDED) ENERGY DELIVERED FOR THE MONTH OF May, 2014

KWH FOR THE MONTH 321,995,000

SUMMARY	TOTAL
Current Month Bill:	
Return on Common Equity	(171,161)
Return on Other Capital	(36,729)
Total Return	(207,890)
Fuel Purchased Power Other Operating Revenues Other Operation and Maintenance Exp Depreciation Expense Taxes Other Than Federal Income Tax Federal Income Tax	8,748,453 0 (6,125) 4,595,812 715,210 118,411 (4,126)
TOTAL CURRENT UNIT POWER BILL	13,959,745
Prior Month's Adjustment: Return on Common Equity & Other Capital Fuel Expense Other Expenses (Includes taxes & interest)	0 0 2,772
TOTAL PRIOR MONTH'S ADJUSTMENTS	2,772
TOTAL UNIT POWER BILL	======================================
AMOUNTS WILL BE PAID DIRECT FROM GENERAL FUNDS.	==========

DUE DATE - - June 20, 2014

Cc: Steve Hornyak - Columbus

Dave Hille - Ft. Wayne

Mike Stout - Ft. Wayne

Mike Giardina - Columbus

Sid Lyons - Columbus

Kurt C Cooper - Ft Wayne

Shannon Listebarger - Columbus

Michelle Howell - Columbus

AEP GENERATING COMPANY ONE RIVERSIDE PLAZA, COLUMBUS, OH 43215 **TELEPHONE (614) 716-3724**

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KENTUCKY POWER COMPANY 17TH ST. & CENTRAL AVE. ASHLAND, KY 41101

ESTIMATE 06-Jun-14

137,998,000

UNIT 2 POWER BILL - - May, 2014

IN ACCORDANCE WITH POWER AGREEMENT DATED OCTOBER 1, 1984 (AS AMENDED) ENERGY DELIVERED FOR THE MONTH OF May, 2014

KWH FOR THE MONTH

SUMMARY	TOTAL
Current Month Bill:	
Return on Common Equity	(73,355)
Return on Other Capital	(15,741)
Total Return	(89,096)
Fuel Purchased Power Other Operating Revenues Other Operation and Maintenance Exp Depreciation Expense Taxes Other Than Federal Income Tax Federal Income Tax TOTAL CURRENT UNIT POWER BILL	3,749,337 0 (2,625) 1,969,633 306,518 50,747 (1,768)
Prior Month's Adjustment: Return on Common Equity & Other Capital Fuel Expense Other Expenses (Includes taxes & interest)	0 0 1,187
TOTAL PRIOR MONTH'S ADJUSTMENTS	1,187

TOTAL UNIT POWER BILL 5,983,933

==========

AMOUNTS WILL BE PAID DIRECT FROM GENERAL FUNDS.

DUE DATE - June 20, 2014

Cc: Steve Hornyak - Columbus Kurt C Cooper - Ft Wayne

Dave Hille - Ft. Wayne Shannon Listebarger - Columbus

Mike Stout - Ft. Wayne Mike Giardina - Columbus

Sid Lyons - Columbus Michelle Howell - Columbus

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May, 2014

	TOTAL UNIT 2 POWER BILL	KPCO SHARE	I&M SHARE	
Return on Common Equity	(244,516)	(73,355)	(171,161)	
Return on Other Capital	(52,470)	(15,741)	(36,729)	
Total Return	(296,986)	(89,096)	(207,890)	
 + Fuel + Purchased Power - Other Operating Revenues + Other Operation and Maintenance Exp + Depreciation Expense + Taxes Other Than Federal Income Tax + Federal and State Income Tax 	1,021,728 169,158	3,749,337 0 (2,625) 1,969,633 306,518 50,747 (1,768)	715,210 118,411	
= Total Unit 2 Monthly Power Bill	19,942,490	5,982,746	-,, -	
<u>Determination of Federal Income Tax :</u>				
Total Return (Line 3) + Unit 2 Schedule M Adjustments + Unit 2 Deferred Federal Income Taxes - Unit 2 Interest Expense Deduction *	(71,105) 105,137 (56,748)	(89,096) (21,331) 31,541 (17,024)	(49,773) 73,596 (39,724)	
 Subtotal x Gross-Up (FIT Rate / 1-FIT Rate) Unit 2 Current Federal Income Tax Unit 2 Def Fed & State Income Taxes 	0.538462	(61,862) 0.538462 (33,310) 31,541	0.538462	
= Total Unit 2 Fed&State Income Taxes	(5,895)	(1,768)	, ,	
Proof of Federal Income Tax :				
Total Unit 2 Monthly Power Bill - Operation and Maintenance Expenses - Depreciation Expense - Taxes Other Than Federal Income Tax - Unit 2 Interest Expense Deduction * - Other Operating Revenues	19,942,490 19,063,235 1,021,728 169,158 (56,748) (8,750)	5,718,970 306,518	13,959,745 13,344,265 715,210 118,411 (39,724) (6,125)	
= Pre-Tax Book Income + Unit 2 Schedule M Adjustments	(246,133) (71,105)	(73,840) (21,331)	(172,292) (49,773)	
 Unit 2 Taxable Income x Current Federal Income Tax Rate Unit 2 Current Federal Income Tax Unit 2 Def Fed & State Income Taxes 	(317,238) 35% (111,033) 105,137	(95,171) 35% (33,310) 31,541	(222,065) 35% (77,723) 73,596	
= Total Unit 2 Fed&State Income Taxes	(5,896)	(1,769)	(4,127)	========

^{*} From Page 5 of 18 : Line 21 + (Line 28 x Line 31 x Line 32)

AEP GENERATING COMPANY ROCKPORT POWER BILL OPERATING RATIO

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Line No.		UNIT 2 <u>May, 2014</u>
1	Operating Ratio:	
2	Net In-Service Investment:	
3 4 5 6 7 8 9	Electric Plant In-Service - Accumulated Depreciation + Materials & Supplies + Prepayments + Plant Held For Future Use (A/C 105) * + Other Deferred Debits (A/C 186) * + Other Working Capital ***	800,156,616 577,852,789 65,222,266 28,520 0 0 (31,763,980)
10 11 12 13 14 15	+ Unamortized Debt Expense (A/C 181) + Deferred ASH pond cost (A/C182.3) - Asset Retirement Obligation (A/C 230) - Other Deferred Credits (A/C 253) - Accumulated Deferred FIT - Accumulated Deferred ITC	118,578 2,832,314 4,451,307 47,908,918 37,218,195 16,921,902
16	Total Net In-Service Investment	152,241,204
17 18 19 20	Non-In-Service Investment - CWIP : Construction Work In Progress + Materials & Supplies - Accumulated Deferred FIT	67,394,104 0 0
21	Total Non-In-Service Investment - CWIP	67,394,104
22	Non-In-Service Investment - Other :	
23 24 25 26	Plant Held for Future Use (A/C 105) ** + Other Deferred Debits (A/C 186) ** + Fuel Inventory Over Allowed Level **** Total Non-In-Service Investment - Other	0 2,796,939 (10,343,068) (7,546,129)
27	Total Investment (Lines 16+21+26)	212,089,179
28	Operating Ratio (Line 16/Line 27)	71.7817%
29	Non-In-Service Investment-CWIP Ratio (Line 21/Line 27)	31.7763%
30	Non-In-Service Investment-Other Ratio (Line 26/Line 27)	-3.5580%
31	Total Investment * As Permitted By FERC ** Excluding Amounts on Lines 7 and 8 *** Accounts 128, 131, 135, 143, 146, 171 and 174, Less Accounts 232-234, 236, 237, 238, 241 and 242 **** Includes Rockport 1 and 2	100.0000%

AEP GENERATING COMPANY ROCKPORT POWER BILL NET IN-SERVICE INVESTMENT RATIO

KPSC Case No. 2014-00225 KIUC's First Set of Data Requests Dated September 5, 2014 Pg 4 of 18 Item No. 4 Attachment 1

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Line No.		UNIT 2 <u>May, 2014</u>
1	Net In-Service Investment Ratio:	
2	Unit 2 Net In-Service Investment:	
3 4 5 6 7 8 9 10 11 12 13 14	Electric Plant In-Service - Accumulated Depreciation + Materials & Supplies + Prepayments + Plant Held For Future Use (A/C 105) * + Other Deferred Debits (A/C 186) * + Other Working Capital ** + Unamortized Debt Expense (A/C 181) + Deferred ASH pond cost (A/C182.3) - Asset Retirement Obligation (A/C 230) - Other Deferred Credits (A/C 253) - Accumulated Deferred FIT - Accumulated Deferred ITC	141,987,613 140,859,390 27,439,599 14,260 0 (29,264,124) 59,289 1,416,157 2,225,653 47,908,918 (6,246,085) 16,909,072
16	Total Unit 2 Net In-Service Investment	(60,004,154)
17	Unit 1 Net In-Service Investment:	
18 19 20 21 22 23 24 25 26 27 28 29 30 31	Electric Plant In-Service - Accumulated Depreciation + Materials & Supplies + Prepayments + Plant Held For Future Use (A/C 105) * + Other Deferred Debits (A/C 186) * + Other Working Capital ** + Unamortized Debt Expense (A/C 181) + Deferred ASH pond cost (A/C182.3) - Asset Retirement Obligation (A/C 230) - Other Deferred Credits (A/C 253) - Accumulated Deferred FIT - Accumulated Deferred ITC Total Unit 1 Net In-Service Investment Total Net In-Service Investment	658,169,003 436,993,399 37,782,667 14,260 0 (2,499,856) 59,289 1,416,157 2,225,653 0 43,464,280 12,830
33	Net In-Service Investment Ratio:	
34	Unit 2 (Line 16 / Line 32)	-39.4100%
35	Unit 1 (Line 31 / Line 32)	139.4100%
	* As Permitted By FERC	100.0000%

^{**} Accounts 128, 131, 135, 143, 146, 171 and 174, Less Accounts 232-234, 236, 237, 238, 241 and 242

AEP GENERATING COMPANY ROCKPORT POWER BILL CALCULATION OF RETURNS ON COMMON EQUITY & OTHER CAPITAL

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(52,470)

==========

Line No.		UNIT 2 <u>May, 2014</u>
1	Net Capitalization:	
2	Long-Term Debt + Short-Term Debt	64,421,495 50,084,104
4	+ Preferred Stock	50,984,194 0
5 6	+ Common Equity - Temporary Cash Investments	94,107,538 0
O	- remporary Cash investments	
7	Net Capitalization	209,513,226
8	40% of Net Capitalization	83,805,291
9	Return on Common Equity:	
10	Lesser of Line 5 or Line 8	83,805,291
11	x Equity Return (Monthly Rate)	1.01333%
12 13	Equity ReturnX Operating Ratio	849,224 71.7817%
14	x Net In-Service Investment Ratio	-39.4100%
15	= Subtotal	(240,238)
16	Excess of Line 5 Over Line 8	10,302,247
17 18	x Weighted Cost of Debt (Monthly Rate) = Return on Equity over 40% of Capitalization	0.1468% 15,124
19	x Operating Ratio	71.7817%
20 21	x Net In-Service Investment Ratio = Subtotal	-39.4100% (4,278)
22	Unit 2 Return on Equity (Line 15 + Line 21)	(244,516)
23	Return on Other Capital:	
24	Long-Term Debt Interest Expense (A/C 427-429)	158,630
25 26	+ Short-Term Debt Interest Expense (a/c 430) + Other Interest Expense (a/c 431)	26,847 0
27	- Temporary Cash Investment Income *	0
28	= Net Interest Expense	185,477
29	+ Preferred Stock Dividends (a/c 437)	0
30	= Net Cost of Other Capital	185,477
31 32	x Operating Ratio x Net In-Service Investment Ratio	71.7817% -39.4100%
00	H i o D i o o i o o	(50.470)

* Line 6 x Line 19 from Pg 6 of 18

33 = Unit 2 Return on Other Capital

AEP GENERATING COMPANY ROCKPORT POWER BILL DETERMINATION OF WEIGHTED COST OF DEBT

KPSC Case No. 2014-00225 KIUC's First Set of Data Requests Dated September 5, 2014 Pg 6 of 18 Item No. 4 Attachment 1 Page 335 of 350

Line No.		UNIT 2 <u>May, 2014</u>
1	Debt Balances (Prior Month Ending) :	
2 3 4	Long-Term Debt (Accts 221 thru 226) + Short-Term Debt (Accts 231 + 233) + Other Debt (Accts 132 thru 136 + 145)	64,421,495 50,984,194 0
5	Total Debt Balances (Prior Month Ending)	115,405,689
6	Weighting of Debt Balances :	
7 8 9	Long-Term Debt (LTD bal/Total Debt bal) + Short-Term Debt (STD bal/Total Debt bal) + Other Debt	55.8218% 44.1782% 0.0000%
10	Total Debt Balances	100.0000%
11	<u>Debt Cost Rates :</u>	
12 13 14	Long-Term Debt (avg LTD int rate) Short-Term Debt (avg Money Pool STD int rate) Other Debt	2.8993% 0.2499% 0.0000%
15	Weighted Cost of Debt :	
16 17 18	Long-Term Debt (LTD % x avg LTD int rate) + Short-Term Debt (STD % x avg MP STD int rate) + Other Debt	1.6184% 0.1104% 0.0000%
19	Total Weighted Cost of Debt	1.7288%

AEP GENERATING COMPANY ROCKPORT POWER BILL DETERMINATION OF UNIT 2 MATERIALS AND SUPPLIES

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UNIT 2

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INCLUDE A/C 431 ON PG 5

Line No.		May, 2014
1	Unit 2 Materials and Supplies:	
2 3 4 5 6 7	Fuel Stock - Coal (per Line 23) Fuel Stock Expenses - Undistributed (152) Fuel Stock - Oil (151) Plant Materials & Operating Supplies Merchandise Undistributed Stores Expense	12,236,818 569,787 2,054,512 12,578,482 0 0
8	Total Materials & Supplies	27,439,599
9	Support of Coal Inventory Value:	========
10 11	Actual Coal Inventory (a/c 151.10) + Equivalent Inventory re: Deferred Return	12,236,818 894,040,003
12	= Imputed Coal Inventory	906,276,821
13	Coal Inventory W/68 Day Supply Cap	
14 15 16 17 18 19 20	Tons Consumed - CHANGE ANNUALLY FROM DEC PG 24 / Hours Available * CHG ANNUALLY FROM GADS RPT 511 = Tons Consumed per Hour x 24 Hours per Day = Tons Consumed Per Day x 68 days = 68 day Supply (Tons)	2,539,993 7927.0 320.42 24 7690.08 68 522,925
21	x Coal Cost per Ton (per a/c 151.10 at End of Prior Month)	42.687
22	= 68 day Coal Inventory	22,322,099
23	Lesser of Imputed or Capped Coal Inventory	22,322,099
24	Imputed Inventory Minus Line 23	883,954,722 =======
25	Accumulated Deferred Inventory Return - Unit 2 (Memo Item):	
26 27 28 29	Beginning Balance + Current Month Return on Beginning Balance + Current Month Deferral - Current Month Recovery	7,047,609 55,997 71,646 0
30	= Ending Balance **	7,175,252
	* Excludes Forced Outages,Scheduled Outages,and Curtailments ** May Not Be Less Than Zero	
	Total Unit 2 Monthly Power Bill with Actual Total Unit 2 Monthly Power Bill with 68 Day Capped Difference	19,942,255 20,013,901 71,646

AEP GENERATING COMPANY ROCKPORT POWER BILL DETAIL OF OTHER OPERATING REVENUES

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Line No.	Account <u>No.</u>	<u>Description</u>	UNIT 2 <u>May, 2014</u>
1	450	Forfeited Discounts	0
2	451	Miscellaneous Service Revenues	0
3	453	Sales of Water and Water Power	0
4	454	Rent From Electric Property - Associated Companies	0
5	454.20	Rent From Electric Property - Non-Associated Companies	0
6	455	Interdepartmental Rents	0
7	456	Other Electric Revenues	(8,750)
8	411.8	Proceeds/Gains From Sale of Emission Allowances	0
9		Total Other Operating Revenues	(8,750)

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AEP GENERATING COMPANY ROCKPORT POWER BILL DETAIL OF OPERATION & MAINTENANCE EXPENSES

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Line No.	Account No.		UNIT 2 <u>May, 2014</u>
1 2 3	500,502-508 501 510-515	Steam Power Generation - Operation Fuel - Operation Steam Power Generating - Maintenance	5,992,447 12,497,791 447,112
4	010 010	Total Steam Power Generation Expenses	18,937,350
5	555-557	Other Power Supply Expenses	(15,012)
6 7	560-567.1 568-574	Transmission Expenses - Operation Transmission Expenses - Maintenance	0 0
8		Total Transmission Expenses	0
9 10	580-589 590-598	Distribution Expenses - Operation Distribution Expennse - Maintenance	0
11		Total Distribution Expenese	0
12	901-905	Customer Accounts Expenses - Operation	0
13	906-910	Customer Service and Informational Expenses - Operation	0
14	911-917	Sales Expenses - Operation	0
15	920-933	Administrative and General Expenses - Operation	122,673
16	935	Administrative and General Expenses - Maintenance	18,224
17		Total Administrative & General Exp.	140,897
18		Total Operation & Maintenance Expenses	19,063,235

AEP GENERATING COMPANY ROCKPORT POWER BILL DETAIL OF DEPRECIATION & AMORTIZATION EXPENSES

KPSC Case No. 2014-00225 KIUC's First Set of Data Requests Dated September 5, 2014 Pg 10 of 18 Item No. 4 Attachment 1 Page 339 of 350

Line No.	Account No.	Description	UNIT 2 <u>May, 2014</u>
140.	110.	Description	
1	403	Depreciation Expense *	448,386
1a	403.1	ARO Depreciation Expense	3,343
2	404	Amortization of Limited-Term Electric	
		Plant **	553,407
3	405	Amortization of Other Electric Plant	0
4	406	Amortization of Electric Plant	
_	407	Acquistion Adjustments	0
5	407	Amortization of Property Losses,	
		Unrecovered Plant and Regulatory	0
		Study Costs	U
			_
6		Total Depreciation Exp. & Amortization	1,005,136
Ū			=
7	411.10	ARO Accretion Expense	16,592
8		Total Depreciation, Amortization & Accretion Expenses	1,021,728

^{*} Rockport 2 Capitalized Spare Parts book depreciation rate = 3.52%

 ^{*} Rockport 2 Associated Equipment (not sold in Sale/Leaseback transaction) book depreciation rate = 3.07 %

^{**} Rockport 2 Leasehold Improvements Amortization rate = 3.03%

AEP GENERATING COMPANY ROCKPORT POWER BILL DETAIL OF TAXES OTHER THAN FEDERAL INCOME TAXES

KPSC Case No. 2014-00225 KIUC's First Set of Data Requests Dated September 5, 2014 Pg 11 of 18 Item No. 4 Attachment 1

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Line No.	Account <u>No.</u>	<u>Description</u>	UNIT 2 <u>May, 2014</u>
1	408.1	Taxes Other Than Federal Income Taxes, Utility Operating Income	164,158
2	409.1	State Income Taxes	5,000
3		Total Taxes Other than Federal Income Taxes	169,158 =======

AEP GENERATING COMPANY ROCKPORT POWER BILL DETAIL OF UNIT 2 SCHEDULE `M' ADJUSTMENTS AND DEFERRED FEDERAL INCOME TAX

KPSC Case No. 2014-00225
KIUC's First Set of Data Requests
Dated September 5, 2014
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Line No.	Account <u>No.</u>	<u>Description</u>	<u>TOTAL</u>	KPCO <u>SHARE</u>	I&M <u>SHARE</u>
1		Unit 2 Schedule `M' Adjustments*			
2	N/A	Excess ACRS Over Normalization Base Depreciation	8,500	2,550	5,950
3	N/A	Excess Normalization Base Over Book Depreciation	373,000	111,900	261,100
4	N/A	Other Unit 2 Schedule `M' Adjustments	(452,605)	(135,781)	(316,823)
5	***	Total Unit 2 Schedule `M' Adjustments	(71,105)	(21,331)	(49,773)
6 7	410.1	Unit 2 Deferred Federal Income Tax Excess ACRS Over Norm. Base Depr. (Line 2 x FIT Rate * -1)	(34,112)	(10,234)	(23,878)
8	10.1&411	.Other Unit 2 Schedule `M' Adjustments -			
9	411.1	Feedback of Accumulated DFIT re: ABFUDC - Unit 2 Negative Amount Denotes Reduction.	(12,024)	(3,607)	(8,416)
10	411.1	Feedback of Accumulated DFIT re: Overheads Capitalized - Unit 2	(181)	(54)	(126)
11	411.1	Feedback of Accumulated DFIT re: Other Schedule `M' AdjUtility	151,453	45,436	106,017
12	***	Total Unit 2 Deferred Federal Income Tax	105,137	31,541	73,596 =====
		ve Amount Denotes Increase In Taxable Income, e Amount Denotes Reduction.			
		Check Figure on Tax Page for Sch M Check Figure on Tax Page for DFIT	(71,105) 105,137		

NOTE: If the words SEE NOTE appear in this schedule, then the bill has not been properly identified as

the ESTIMATE or ACTUAL on the INSTRUCTIONS tab (L6), and should be type in all capital lett

AEP GENERATING COMPANY ROCKPORT POWER BILL DETAIL OF NET IN-SERVICE INVESTMENT UNIT 2

KPSC Case No. 2014-00225 KIUC's First Set of Data Requests Dated September 5, 2014 Pg 13 of 18 Item No. 4 Attachment 1

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		DETAIL OF NET IN-SERVICE INVESTMENT UNIT 2	
Line No.	Account	Description	UNIT 2 <u>May, 2014</u>
140.	<u> 110.</u>	<u>Description</u>	
1		ELECTRIC PLANT IN SERVICE	
2	101	Electric Plant In Service	139,088,521
3	102	Electric Plant Purchased	0
4	103	Experimental Elec. Plant Unclassified	0
5	103.1	Electric Plant In Process of Reclassification	0
6	104	Electric Plant Leased to Others	0
7	106	Completed Construction Not Classified	2,899,092
8	114	Electric Plant Acquisition Adjustments	0
9	116	Other Electric Plant Adjustments	0
10	118	Other Utility Plant	0
11		Total Electric Plant In Service	141,987,613
12	105	Plant Held For Future Use	0
13		ACCUMULATED DEPRECIATION	
14	108	Accumulated Provision for Depreciation of Electric Utility Plant	116,995,321
15	110	Accumulated Provision for Depreciation	
4.0		and Amort. of Elec. Utility Plant	0
16	111	Accumulated Provision for Amortization of Electric Utility Plant	23,864,069
17	115	Accumulated Provision for Amortization	_0,00.,000
		of Electric Plant Acquisition Adjustments	0
18	119	Accumulated Provision for Depreciation	_
		and Amortization of Other Utility	•
		Plant	0
19		Total Accumulated Depreciation	140,859,390
20		MATERIAL AND SUPPLIES	
21	151	Fuel Stock	14,291,330
22	152	Fuel Stock Expenses - Undistributed	569,787
23	153	Residuals	0
24	154	Plant Materials and Operating Supplies	12,578,482
25	155	Merchandise	0
26	156	Other Materials and Supplies	0
27	163	Stores Expense Undistributed	0
28		Total Materials and Supplies (In-Service Portion)	27,439,599
29	165	Prepayments	14,260
30	186	Other Deferred Debits	0

KPSC Case No. 2014-00225

KIUC's First Set of Data Requests Dated September 5, 2014 Item No. 4

ROCKPORT POWER BILL OTHER WORKING CAPITAL, UNAMORTIZED DEBT EXPENSE, AND OTHER DEFERRED CREDITS

AEP GENERATING COMPANY

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Line No.	Account		UNIT 2 <u>May, 2014</u>
1	128	Other Special Funds	0
2	131	Cash	0
3	135	Other Intra Company Adjustments	0
4	143	Accounts Receivable-Miscellaneous	0
5	146	Accounts Receivable-Associated Company	15,112,675
6	171	Interest and Dividends Receivable	600
7	174	Miscellaneous Current and Accrued Assets	0
8	232	Accounts Payable-General	(13,151)
9	234	Accounts Payable-Associated Company	(11,888,282)
10	236	Taxes Accrued	(2,655,242)
11	237	Interest Accrued	(86,040)
12	238	Dividends Declared	0
13	241	Tax Collections Payable	0
14	242	Misc Current and Accrued Liabilities	(29,734,684)
15		Total Other Working Capital	(29,264,124)
16	181	Unamortized Debt Expense	59,289
17	253	Other Deferred Credits	47,908,918
		Pr	

AEP GENERATING COMPANY ROCKPORT POWER BILL DETAIL OF NET IN-SERVICE INVESTIMENT UNIT 2(Cont'd)

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(59,194,658)

Line No.	Account No.	<u>Description</u>	UNIT 2 <u>May, 2014</u>
31		ACCUMULATED DEFERRED INCOME TAXES	
32 33	190 281	-Accumulated Deferred Income Taxes +Accumulated Deferred Income Taxes -	20,348,849
		Accelerated Amortization Property	0
34	282	+Accumulated Deferred Income Taxes - Other Property	13,151,107
35	283	+Accumulated Deferred Income Taxes - Other	951,657
36		Total Accumulated Deferred Income Taxes (In-Service Portion)	(6,246,085)
37	255	+Accumulated Deferred Investment Tax Credits	16,909,072
38	186.50	-Accumulated Deferred Investment Tax Credit	0
39		Total Accumulated Deferred Investment Tax Credits	16,909,072
40		Total Net In-Service Investment -	

Unit 2

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UNIT 2

AEP GENERATING COMPANY ROCKPORT POWER BILL

DETAIL OF NON-IN-SERVICE INVESTMENT - CWIP AND OTHER

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Line No.	Account		May, 2014
INO.	No.	<u>Description</u>	
		Non-In-Service Investment - CWIP	
1	107	Construction Work In Process	67,394,104
2		MATERIAL AND SUPPLIES	
3	151	Fuel Stock	0
4	152	Fuel Stock Expenses - Undistributed	0
5	153	Residuals	0
6	154	Plant Materials and Operating Supplies	0
7	155	Merchandise	0
8	156	Other Material and Supplies	0
9	163	Stores Expense Undistributed	0
10		Total Material and Supplies (CWIP Portion)	0
11		ACCUMULATED DEFERRED INCOME TAXES	
12	190	-Accumulated Deferred Income Taxes	0
13	281	+Accumulated Deferred Income Taxes - Accelerated Amortization Property	0
14	282	+Accumulated Deferred Income Taxes - Other Property	0
15	283	+Accumulated Deferred Income Taxes - Other	_
16		Total Accumulated Deferred Income	0
		Taxes (CWIP Portion)	0
17		TOTAL NON-IN-SERVICE INVESTMENT - CWIP	67,394,104
		Non-In-Service Investment - Other	=======================================
18	105	Plant Held for Future Use	0
			0
19	186	Other Deferred Debits	2,796,939
20	151.10	Fuel Inventory Over Allowed Level *	(10,343,068)
21		Total Non-In-Service Investment - Other	(7.546.400)
		Other	(7,546,129) ======
	* INCLU	IDES ROCKPORT 1 AND 2	
		UNIT 1	(10,343,068)
		UNIT 2	0
		TOTAL	(10,343,068)
			==========

AEP GENERATING COMPANY ROCKPORT POWER BILL DETAIL OF NET CAPITALIZATION

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Line	Account		UNIT 2 <u>May, 2014</u>
<u>No.</u>	No.	<u>Description</u>	
1		COMMON CAPITAL STOCK	
2	201	Common Stock Issued	383,000
3	202	Common Stock Subscribed	0
4	203	Common Stock Liability for Conversion	0
5	209	Reduction In Par or Stated Value	_
0	040	of Capital Stock	0
6	210	Gain on Resale or Cancellation of Reacquired Capital Stock	0
7	212	Installments Received on Capital Stock	0
8	214	Capital Stock Expense	0
9	217	Reacquired Capital Stock	0
		and the second second	
10		Total Common Capital Stock	383,000
11		OTHER PAID-IN CAPITAL	
12	207	Premium on Capital Stock	0
13	208	Donations Received from Stockholders	89,478,987
14	211	Miscellaneous Paid-In Capital	0
15	213	Discount on Capital Stock	0
16		Total Other Paid-In Capital	89,478,987
17		RETAINED EARNINGS	
18	215	Appropriated Retained Earnings	0
19	215.1	Appropriated Retained Earnings-	
		Amortization Reserve, Federal	0
20	216	Unappropriated Retained Earnings	4,245,550
21		Total Retained Earnings	4,245,550
22		Total Common Equity	94,107,538
23		PREFERRED CAPITAL STOCK	
24	204	Preferred Stock Issued	0
25	205	Preferred Stock Subscribed	0
26	206	Preferred Stock Liability	
		for Conversion	0
27		Total Preferred Capital Stock	0

AEP GENERATING COMPANY ROCKPORT POWER BILL DETAIL OF NET CAPITALIZATION (Cont'd)

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Line No.	Account No.		May, 2014
28		LONG-TERM DEBT	
29 30 31 32	221 222 223 224	Bonds Reacquired Bonds Advances from Associated Companies	0 0 0
33	225	Other Long-Term Debt Unamortized Premium on Long-Term Debt-Credit	64,421,495
34	226	Unamortized Discount on Long-Term Debt-Debit	0
35		Total Long-Term Debt SHORT-TERM DEBT	64,421,495
36a 36b	231.02 231.03 233.00	Notes Payable (Short-Term Debt) Unamortized Discount Notes Payable, Assoc Co(Money Pool)	0 0 50,984,194
38		Total Short-Term Debt	50,984,194
39		TEMPORARY CASH INVESTMENTS	
40	132	Interest Special Deposits	0
41	133	Dividend Special Deposits	0
42	134	Other Special Deposits	0
43	136, 145	Temporary Cash Investments	0
44		Total Temporary Cash Investments	0
45		NET CAPITALIZATION	209,513,226

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AEP GENERATING COMPANY ROCKPORT POWER BILL DETERMINATION OF RATE OF RETURN (Net & Pre-Tax)

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Line No	UNIT 2 <u>May, 2014</u>	
1	Capitalization Balances (Prior Month Ending):	
2	Long-Term Debt (Accts 221 thru 226)	64,421,495
3	+ Short-Term Debt (Accts 231 + 233)	50,984,194
4	+ Preferred Stock	0
5	+ Common Equity (Accts 201 thru 216)	94,107,538
6	- Capitalization Offsets	0
7	Total Capitalization Balances	209,513,226
8	Weighting of Capitalization Balances :	
9	Long-Term Debt (LTD/Total Capital)	30.7482%
10	+ Short-Term Debt (STD/Total Capital)	24.3346%
11	+ Preferred Stock	0.0000%
12	+ Common Equity (Common Equity/Total Capital)	44.9172%
13	- Capitalization Offsets	0.0000%
14	Total Capitalization	100.0000%
15	Capitalization Cost Rates :	=========
16	Long-Term Debt (avg LTD int rate)	2.8993%
17	Short-Term Debt (avg money pool STD int rate)	0.2499%
18	Preferred Stock	0.0000%
19	Common Equity (FERC fixed rate)	12.1600%
20	Capitalization Offsets (sum of weighted costs of debt)	1.7288%
21	Rate of Return (Net of Tax) :	
22	Long-Term Debt (LTD % x avg LTD int rate)	0.8915%
23	+ Short-Term Debt (STD % x avg MP STD int rate)	0.0608%
24	+ Preferred Stock	0.0000%
25	+ Common Equity (CE % x FERC fixed rate)	5.4619%
26	- Capitalization Offsets	0.0000%
27	Total Rate of Return (Net of Tax)	6.4142%
28	Weighted Net Cost of Debt (LTD Rate of Return + STD RR - Cap Offsets RR)	0.9523%
29	+ Pre-Tax Common Equity (Line 25 / .65)	8.4029%
30	(Common Equity Rate of Return grossed up for tax) = Rate of Return (Pre-Tax)	9.3552%
		=========

A E P GENERATING COMPANY

May, 2014 ESTIMATE KPSC Case No. 2014-00225 KIUC's First Set of Data Requests Dated September 5, 2014 Item No. 4 Attachment 1

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ROCKPORT OPERATION & MAINTENANCE EXPENSES UNIT 2 50% OWNERSHIP INTEREST OF ROCKPORT PLANT

500 501 502 503 504 505 506 507 508 509	SUPERVISION AND ENGINEERING FUEL STEAM EXPENSES STEAM FROM OTHER SOURCES STEAM TRANSFERRED - CR ELECTRIC EXPENSES MISC. STEAM POWER EXPENSES RENTS OPERATION SUPPLIES AND EXPENSES CARRYING CHARGES - ALLOWANCES TOTAL OPERATION EXPENSE	125,080 12,497,791 62,170 0 0 60,795 54,149 5,690,253 0 0
510 511 512 513 514 515	MAINTENANCE SUPER. AND ENGINEERING MAINTENANCE OF STRUCTURES MAINTENANCE OF BOILER PLANT MAINTENANCE OF ELECTRIC PLANT MAINTENANCE OF MISC. STEAM PLANT MAINTENANCE NORMALIZING	100,248 14 254,431 56,411 36,008
555 556 557	TOTAL MAINTENANCE EXPENSES PURCHASED POWER SYSTEM CONTROL AND LOAD DISPATCHING OTHER POWER SUPPLY EXPENSES	447,112 0 (4,718) (10,294)
	TOTAL OTHER SUPPLY EXPENSES	(15,012)

IS FUEL IN BALANCE ON PAGE 2	AMOUNT MUST BE ZERO 0
BE SURE THIS IS CORRECT	
NO OF DAYS IN CURRENT MO >	31
NO OF DAYS IN CURRENT YEAR >	365
CURRENT YEAR IS	2014
CURRENT MONTH IS	5
THIS BILLING IS FOR MONTH OF	Mav. 2014

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May, 2014

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ROCKPORT OPERATION & MAINTENANCE EXPENSES UNIT 2 50% OWNERSHIP INTEREST OF ROCKPORT PLANT

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901 902 903 904 905	SUPERVISION METER READING EXPENSES CUSTOMER RECORDS AND COLLECTION EXPENSES UNCOLLECTIBLE ACCOUNTS MISCELLANEOUS CUSTOMER ACCOUNTS EXPENSES	0 0 0 0 0
	TOTAL CUSTOMER ACCOUNTS EXPENSES	0
906 907 908 909	CUSTOMER SERVICE AND INFORMATIONAL EXP SUPERVISION CUSTOMER ASSISTANCE EXPENSES INFORMATIONAL AND INSTRUCTIONAL ADVERTISING EXPENSES MISCELLANEOUS CUSTOMER SERVICE AND INFORMATIONAL EXPENSES	0 0 0 0
	TOTAL CUSTOMER SERVICES EXPENSES	0
911 912 913 916 917	SUPERVISION DEMONSTRATION AND SELLING EXPENSES ADVERTISING EXPENSES MISCELLANEOUS SALES EXPENSES (MAJOR) SALES EXPENSES (NON-MAJOR)	0 0 0 0
	TOTAL SALES EXPENSES	0
920 921 922 923 924 925 926 927 928 929 930 931 933	ADMIN. & GENERAL SALARIES OFFICE SUPPLIES AND EXPENSES ADMINISTRATIVE EXPENSES TRANSF - CR OUTSIDE SERVICES PROPERTY INSURANCE INJURIES AND DAMAGES EMPLOYEE PENSIONS AND BENEFITS FRANCHISE REQUIREMENTS REGULATORY COMMISSION DUPLICATE CHARGES-CREDIT MISCELLANEOUS GENERAL EXPENSES RENTS TRANSPORTATION EXPENSE TOTAL ADM & GEN EXPENSES OPERATION	41,938 4,978 0 (11,609) 10,753 1,800 73,823 0 0 0 (36) 1,025 0
935	MAINTENANCE OF GENERAL PLANT	18,224
	TOTAL ADM & GEN EXPENSES	140,897
ACCOU	AEG OPERATION & MAINTENANCE EXPENSES NT 40190 TOTAL FOR CROSS FOOT -DIFFERENCE	19,063,235 19,063,235 0