

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

KPSC Case No. 2014-00396
AG's Final Supplemental Data Requests
Dated February 27, 2015
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**INDIANA MICHIGAN POWER COMPANY
P. O. BOX 60
FORT WAYNE, IN 46801**

**ESTIMATE
07-Feb-12**

**UNIT 1
POWER BILL - - January, 2012**

IN ACCORDANCE WITH POWER AGREEMENT DATED OCTOBER 1, 1984 (AS AMENDED)
ENERGY DELIVERED FOR THE MONTH OF January, 2012
KWH FOR THE MONTH 334,103,000

SUMMARY

TOTAL

Current Month Bill:

Return on Common Equity	616,309
Return on Other Capital	358,739
Total Return	975,048
Fuel	6,685,134
Purchased Power	0
Other Operating Revenues	(6,125)
Other Operation and Maintenance Exp	862,978
Depreciation Expense	1,166,620
Taxes Other Than Federal Income Tax	121,619
Federal Income Tax	237,699
TOTAL UNIT POWER BILL	10,042,974

Prior Month's Adjustment:

Return on Common Equity & Other Capital	(140,266)
Fuel	0
Other Expenses (Includes taxes & interest)	498,045

TOTAL PRIOR MONTH'S ADJUSTMENTS 357,779

TOTAL UNIT POWER BILL 10,400,753

AMOUNTS WILL BE PAID DIRECT FROM GENERAL FUNDS

DUE DATE - - - February 20, 2012

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

**AEP GENERATING COMPANY
ONE RIVERSIDE PLAZA, COLUMBUS, OH 43215
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**KENTUCKY POWER COMPANY
17TH ST. & CENTRAL AVE.
ASHLAND, KY 41101**

**ESTIMATE
07-Feb-12**

**UNIT 1
POWER BILL - - January, 2012**

IN ACCORDANCE WITH POWER AGREEMENT DATED OCTOBER 1, 1984 (AS AMENDED)
ENERGY DELIVERED FOR THE MONTH OF January, 2012
KWH FOR THE MONTH 143,193,000

<u>SUMMARY</u>	<u>TOTAL</u>
Current Month Bill:	
Return on Common Equity	264,132
Return on Other Capital	153,745
Total Return	417,877
Fuel	2,865,057
Purchased Power	0
Other Operating Revenues	(2,625)
Other Operation and Maintenance Exp	369,848
Depreciation Expense	499,980
Taxes Other Than Federal Income Tax	52,122
Federal Income Tax	101,869
TOTAL CURRENT UNIT POWER BILL	4,304,128
Prior Month's Adjustment:	
Return on Common Equity & Other Capital	(60,113)
Fuel Expense	0
Other Expenses (Includes taxes & interest)	213,446
TOTAL PRIOR MONTH'S ADJUSTMENTS	153,333
TOTAL UNIT POWER BILL	4,457,461

AMOUNTS WILL BE PAID DIRECT FROM GENERAL FUNDS

DUE DATE - - - February 20, 2012

Cc: Steve Hornyak - Columbus	Kurt C Cooper - Ft Wayne
Dave Hille - Ft Wayne	Shannon Listebarger - Columbus
Mike Stout - Ft Wayne	
Mike Giardina - Columbus	Caitlin Kilka-Columbus
Sid Lyons - Columbus	Michelle Howell - Columbus
Diane Keegan - Columbus	

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
SUMMARY OF MONTHLY POWER BILL**

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07-Feb-12

January, 2012

	<u>TOTAL UNIT 1 POWER BILL</u>	<u>KPCO SHARE</u>	<u>I&M SHARE</u>
Return on Common Equity	880,441	264,132	616,309
Return on Other Capital	512,484	153,745	358,739
Total Return	1,392,925	417,877	975,048
+ Fuel	9,550,191	2,865,057	6,685,134
+ Purchased Power	0	0	0
- Other Operating Revenues	(8,750)	(2,625)	(6,125)
+ Other Operation and Maintenance Exp	1,232,826	369,848	862,978
+ Depreciation Expense	1,666,600	499,980	1,166,620
+ Taxes Other Than Federal Income Tax	173,741	52,122	121,619
+ Federal and State Income Tax	339,568	101,869	237,699
= Total Unit 1 Monthly Power Bill	14,347,102	4,304,128	10,042,974
<u>Determination of Federal Income Tax :</u>			
Total Return (Line 3)	1,392,925	417,877	975,048
+ Unit 1 Schedule M Adjustments	(63,309)	(18,993)	(44,316)
+ Unit 1 Deferred Federal Income Taxes	(65,276)	(19,584)	(45,693)
- Unit 1 Interest Expense Deduction *	512,484	153,745	358,739
= Subtotal	751,855	225,555	526,300
x Gross-Up (FIT Rate / 1-FIT Rate)	0.538462	0.538462	0.538462
= Unit 1 Current Federal Income Tax	404,845	121,453	283,392
+ Unit 1 Def Fed & State Income Taxes	(65,276)	(19,584)	(45,693)
= Total Unit 1 Fed&State Income Taxes	339,568	101,869	237,699
<u>Proof of Federal Income Tax :</u>			
Total Unit 1 Monthly Power Bill	14,347,102	4,304,128	10,042,974
- Operation and Maintenance Expenses	10,783,017	3,234,905	7,548,112
- Depreciation Expense	1,666,600	499,980	1,166,620
- Taxes Other Than Federal Income Tax	173,741	52,122	121,619
- Unit 1 Interest Expense Deduction *	512,484	153,745	358,739
- Other Operating Revenues	(8,750)	(2,625)	(6,125)
= Pre-Tax Book Income	1,220,009	366,001	854,008
+ Unit 1 Schedule M Adjustments	(63,309)	(18,993)	(44,316)
= Unit 1 Taxable Income	1,156,700	347,008	809,692
x Current Federal Income Tax Rate	35%	35%	35%
= Unit 1 Current Federal Income Tax	404,845	121,453	283,392
+ Unit 1 Def Fed & State Income Taxes	(65,277)	(19,584)	(45,693)
= Total Unit 1 Fed&State Income Taxes	339,568	101,869	237,699

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

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

<u>Line No.</u>		<u>UNIT 1</u> <u>January, 2012</u>
1	<u>Operating Ratio:</u>	
2	<u>Net In-Service Investment:</u>	
3	Electric Plant In-Service	760,116,260
4	- Accumulated Depreciation	515,596,102
5	+ Materials & Supplies	61,677,115
6	+ Prepayments	88,628
7	+ Plant Held For Future Use (A/C 105) *	0
8	+ Other Deferred Debits (A/C 186) *	0
9	+ Other Working Capital ***	219,902
10	+ Unamortized Debt Expense (A/C 181+189)	2,881,494
11	- Other Deferred Credits (A/C 253)	62,764,790
12	- Accumulated Deferred FIT	38,215,096
13	- Accumulated Deferred ITC	22,818,881
14	Total Net In-Service Investment	----- 185,588,529
15	<u>Non-In-Service Investment - CWIP :</u>	
16	Construction Work In Progress	19,256,559
17	+ Materials & Supplies	0
18	- Accumulated Deferred FIT	0
19	Total Non-In-Service Investment - CWIP	----- 19,256,559
20	<u>Non-In-Service Investment - Other :</u>	
21	Plant Held for Future Use (A/C 105) **	1,034,099
22	+ Other Deferred Debits (A/C 186) **	1,340,325
23	+ Fuel Inventory Over Allowed Level ****	(4,781,970)
24	Total Non-In-Service Investment - Other	----- (2,407,546)
25	Total Investment (Lines 14+19+24)	----- 202,437,542 =====
26	Operating Ratio (Line 14/Line 25)	91.6769%
27	Non-In-Service Investment-CWIP Ratio (Line 19/Line 25)	9.5123%
28	Non-In-Service Investment-Other Ratio (Line 24/Line 25)	-1.1892%
29	Total Investment	----- 100.0000% =====
*	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 ar	
****	Includes Rockport 1 and 2	

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

<u>Line No.</u>		<u>UNIT 1 January, 2012</u>
1	<u>Net In-Service Investment Ratio:</u>	
2	Unit 1 Net In-Service Investment:	
3	Electric Plant In-Service	649,806,375
4	- Accumulated Depreciation	409,668,887
5	+ Materials & Supplies	33,229,542
6	+ Prepayments	44,314
7	+ Plant Held For Future Use (A/C 105) *	0
8	+ Other Deferred Debits (A/C 186) *	0
9	+ Other Working Capital **	13,056,168
10	+ Unamortized Debt Expense (A/C 181+189)	1,440,747
11	- Other Deferred Credits (A/C 253)	928,492
12	- Accumulated Deferred FIT	50,249,847
13	- Accumulated Deferred ITC	1,313,186
14	Total Unit 1 Net In-Service Investment	----- 235,416,733
15	Unit 2 Net In-Service Investment:	
16	Electric Plant In-Service	110,309,886
17	- Accumulated Depreciation	105,927,215
18	+ Materials & Supplies	28,447,573
19	+ Prepayments	44,314
20	+ Plant Held For Future Use (A/C 105) *	0
21	+ Other Deferred Debits (A/C 186) *	0
22	+ Other Working Capital **	(12,836,266)
23	+ Unamortized Debt Expense (A/C 181+189)	1,440,747
24	- Other Deferred Credits (A/C 253)	61,836,298
25	- Accumulated Deferred FIT	(12,034,752)
26	- Accumulated Deferred ITC	21,505,695
27	Total Unit 2 Net In-Service Investment	----- (49,828,204)
28	Total Net In-Service Investment	----- 185,588,529 =====
29	<u>Net In-Service Investment Ratio:</u>	
30	Unit 1 (Line 14 / Line 28)	126.8500%
31	Unit 2 (Line 27 / Line 28)	-26.8500%
		----- 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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<u>Line No.</u>		<u>UNIT 1 January, 2012</u>
1	<u>Net Capitalization:</u>	
2	Long-Term Debt	66,487,612
3	+ Short-Term Debt	51,508,881
4	+ Preferred Stock	0
5	+ Common Equity	74,713,431
6	- Temporary Cash Investments	0
7	Net Capitalization	<hr style="border-top: 1px dashed black;"/> 192,709,924 <hr style="border-top: 3px double black;"/>
8	40% of Net Capitalization	77,083,970
9	<u>Return on Common Equity:</u>	
10	Lesser of Line 5 or Line 8	74,713,431
11	x Equity Return (Monthly Rate)	1.01333%
12	= Equity Return	757,094
13	x Operating Ratio	91.6769%
14	x Net In-Service Investment Ratio	126.8500%
15	= Subtotal	880,441
16	Excess of Line 5 Over Line 8	0
17	x Weighted Cost of Debt (Monthly Rate)	0.2781%
18	= Return on Equity over 40% of Capitalization	0
19	x Operating Ratio	91.6769%
20	x Net In-Service Investment Ratio	126.8500%
21	= Subtotal	0
22	Unit 1 Return on Equity (Line 15 + Line 21)	<hr style="border-top: 1px dashed black;"/> 880,441 <hr style="border-top: 3px double black;"/>
23	<u>Return on Other Capital:</u>	
24	Long-Term Debt Interest Expense	305,158
25	+ Short-Term Debt Interest Expense (a/c 430)	135,529
26	+ Other Interest Expense (a/c 431)	0
27	- Temporary Cash Investment Income *	0
28	= Net Interest Expense	<hr style="border-top: 1px dashed black;"/> 440,687 <hr style="border-top: 1px dashed black;"/>
29	+ Preferred Stock Dividends (a/c 437)	0
30	= Net Cost of Other Capital	<hr style="border-top: 1px dashed black;"/> 440,687 <hr style="border-top: 1px dashed black;"/>
31	x Operating Ratio	91.6769%
32	x Net In-Service Investment Ratio	126.8500%
33	= Unit 1 Return on Other Capital	<hr style="border-top: 1px dashed black;"/> 512,484 <hr style="border-top: 3px double black;"/>
	* 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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<u>Line No.</u>	<u>UNIT 1</u>	<u>January, 2012</u>
1	<u>Debt Balances (Prior Month Ending) :</u>	
2	Long-Term Debt (Accts 221 thru 226)	66,487,612
3	+ Short-Term Debt (Accts 231 + 233)	51,508,881
4	+ Other Debt (Accts 132 thru 136 + 145)	0
5	Total Debt Balances (Prior Month Ending)	117,996,493
6	<u>Weighting of Debt Balances :</u>	
7	Long-Term Debt (LTD bal/Total Debt bal)	56.3471%
8	+ Short-Term Debt (STD bal/Total Debt bal)	43.6529%
9	+ Other Debt	0.0000%
10	Total Debt Balances	100.0000%
11	<u>Debt Cost Rates :</u>	
12	Long-Term Debt (avg LTD int rate)	5.4188%
13	Short-Term Debt (avg Money Pool STD int rate)	0.5262%
14	Other Debt	0.0000%
15	<u>Weighted Cost of Debt :</u>	
16	Long-Term Debt (LTD % x avg LTD int rate)	3.0533%
17	+ Short-Term Debt (STD % x avg MP STD int rate)	0.2297%
18	+ Other Debt	0.0000%
19	Total Weighted Cost of Debt	3.2830%

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

UNIT 1

**Line
No.**

January, 2012

1	<u>Unit 1 Materials and Supplies:</u>	
2	Fuel Stock - Coal (per Line 23)	17,948,665
3	Fuel Stock Expenses - Undistributed (152)	620,171
4	Fuel Stock - Oil (1510002)	2,628,026
5	Plant Materials & Operating Supplies	12,032,680
6	Merchandise	0
7	Undistributed Stores Expense	0
8	Total Materials & Supplies	33,229,542
9	<u>Support of Coal Inventory Value:</u>	
10	Actual Coal Inventory (a/c 151.10)	13,166,695
11	+ Equivalent Inventory re: Deferred Return	16,018,158,975
12	= Imputed Coal Inventory	16,031,325,670
13	<u>Coal Inventory W/68 Day Supply Cap</u>	
14	Tons Consumed - CHANGE ANNUALLY FROM DEC PG 24	2,523,686
15	/ Hours Available * CHG ANNUALLY FROM GADS RPT 511	7474.6
16	= Tons Consumed per Hour	337.63
17	x 24 Hours per Day	24
18	= Tons Consumed Per Day	8103.12
19	x 68 days	68
20	= 68 day Supply (Tons)	551,012
21	x Coal Cost per Ton (per a/c 151.10 at End of Prior Month)	32,574
22	= 68 day Coal Inventory	17,948,665
23	Lesser of Imputed or Capped Coal Inventory	17,948,665
24	Imputed Inventory Minus Line 23	16,013,377,005
25	<u>Accumulated Deferred Inventory Return - Unit 1 (Memo Item):</u>	
26	Beginning Balance	124,696,847
27	+ Current Month Return on Beginning Balance	978,346
28	+ Current Month Deferral	0
29	- Current Month Recovery	37,428
30	= Ending Balance **	125,637,765

* 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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<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	UNIT 1 <u>January, 2012</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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UNIT 1

January, 2012

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
1	500,502-509	Steam Power Generation - Operation	471,080
2	501	Fuel - Operation	9,550,191
3	510-515	Steam Power Generating - Maintenance	545,303
4		Total Steam Power Generation Expenses	10,566,573
5	555-557	Other Power Supply Expenses	11,527
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 - Operation	202,519
16	935	Administrative and General Expenses - Maintenance	2,399
17		Total Administrative & General Exp.	204,918
18		Total Operation & Maintenance Expenses	10,783,017

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

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<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	UNIT 1 <u>January, 2012</u>
1	403	Depreciation Expense	1,666,413
2	404	Amortization of Limited-Term Electric Plant	188
3	405	Amortization of Other Electric Plant	0
4	406	Amortization of Electric Plant Acquisition Adjustments	0
5	407	Amortization of Property Losses, Unrecovered Plant and Regulatory Study Costs	0
			<hr/>
6		Total Depreciation Exp. & Amortization	1,666,600 =====

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

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**UNIT 1
January, 2012**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
BS1			
1	408.1	Taxes Other Than Federal Income Taxes, Utility Operating Income	145,763
2	409.1	State Income Taxes	27,978
3		Total Taxes Other than FIT	----- 173,741 =====

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

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<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>TOTAL</u>	<u>KPCO SHARE</u>	<u>I&M SHARE</u>
1		<u>Unit 1 Schedule 'M' Adjustments*</u>			
2	N/A	Excess ACRS Over Normalization Base Depreciation	(8,500)	(2,550)	(5,950)
3	N/A	Deferred Purchased Power Costs	0	0	0
4	N/A	Excess Normalization Base Over Book Depreciation	(17,500)	(5,250)	(12,250)
5	N/A	Other Unit 1 Schedule 'M' Adjustments	(37,309)	(11,193)	(26,116)
6	***	Total Unit 1 Schedule 'M' Adjustments	<u>(63,309)</u>	<u>(18,993)</u>	<u>(44,316)</u>
7		<u>Unit 1 Deferred Federal Income Tax</u>			
8	410.1	Excess ACRS Over Norm. Base Depr. (Line 2 x FIT Rate * -1)	(68,512)	(20,554)	(47,958)
9	410.1	Deferred Purchased Power Costs (Line 4 x FIT Rate * -1)	0	0	0
10	410.1&411.1	Other Unit 1 Schedule 'M' Adjustments - Clearing Accounts	0	0	0
12	411.1	Feedback of Accumulated DFIT re: ABFUDC - Unit 1 Negative Amount Denotes Reduction.	(77,740)	(23,322)	(54,418)
13	411.1	Feedback of Accumulated DFIT re: Overheads Capitalized - Unit 1	(3,276)	(983)	(2,293)
14	411.1	Feedback of Accumulated DFIT re: Other Schedule 'M' Adj.-Utility	84,251	25,275	58,976
15	***	Total Unit 1 Deferred Federal Income Tax	<u>(65,276)</u>	<u>(19,584)</u>	<u>(45,693)</u>

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

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

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January, 2012

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
1		<u>ELECTRIC PLANT IN SERVICE</u>	
2	101	Electric Plant In Service	627,467,153
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	22,339,221
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	649,806,375
12	105	Plant Held For Future Use	0
13		<u>ACCUMULATED DEPRECIATION</u>	
14	108	Accumulated Provision for Depreciation of Electric Utility Plant	409,127,719
15	110	Accumulated Provision for Depreciation and Amort. of Elec. Utility Plant	0
16	111	Accumulated Provision for Amortization of Electric Utility Plant	541,168
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	409,668,887
20		<u>MATERIAL AND SUPPLIES</u>	
21	151	Fuel Stock	20,576,691
22	152	Fuel Stock Expenses - Undistributed	620,171
23	153	Residuals	0
24	154	Plant Materials and Operating Supplies	12,032,680
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)	33,229,542
29	165	Prepayments	44,314
30	186	Other Deferred Debits	0

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
OTHER WORKING CAPITAL, UNAMORTIZED DEBT EXPENSE
AND OTHER DEFERRED CREDITS**

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<u>Line No.</u>	<u>Account No.</u>	<u>Description *</u>	<u>UNIT 1 January, 2012</u>
1	128	Other Special Funds	0
2	131	Cash	0
3	135	Other Intra Company Adjustments	(417,478)
4	143	Accounts Receivable-Miscellaneous	645,029
5	146	Accounts Receivable-Associated Company	17,502,089
6	171	Interest and Dividends Receivable	20,069
7	174	Miscellaneous Current and Accrued Assets	0
8	232	Accounts Payable-General	(49,054)
9	234	Accounts Payable-Associated Company	(13,436,611)
10	236	Taxes Accrued	(2,866,844)
11	237	Interest Accrued	(207,086)
12	238	Dividends Declared	0
13	241	Tax Collections Payable	0
14	242	Misc Current and Accrued Liabilities	11,866,054
15		Total Other Working Capital	13,056,168
			=====
16	181+189	Unamortized Debt Expense	1,440,747
17	253	Other Deferred Credits	928,492

	*	debit <credit>	

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

KPSC Case No. 2014-00396
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UNIT 1
January, 2012

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
31		<u>ACCUMULATED DEFERRED INCOME TAXES</u>	
32	190	-Accumulated Deferred Income Taxes	1,580,509
33	281	+Accumulated Deferred Income Taxes - Accelerated Amortization Property	0
34	282	+Accumulated Deferred Income Taxes - Other Property	51,346,685
35	283	+Accumulated Deferred Income Taxes - Other	483,671
36		Total Accumulated Deferred Income Taxes (In-Service Portion)	50,249,847
37	255	+Accumulated Deferred Investment Tax Credits	1,313,186
38	186.50	-Accumulated Deferred Investment Tax Credit	0
39		Total Accumulated Deferred Investment Tax Credits	1,313,186
40		Total Net In-Service Investment - Unit 1	235,416,733

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

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Page 17 of 169 **UNIT 1**
January, 2012

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>January, 2012</u>
		<u>Non-In-Service Investment - CWIP</u>	
1	107	Construction Work In Process	19,256,559
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		<u>ACCUMULATED DEFERRED INCOME TAXES</u>	
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	0
16		Total Accumulated Deferred Income Taxes (CWIP Portion)	----- 0
17		TOTAL NON-IN-SERVICE INVESTMENT - CWIP	----- 19,256,559 =====
		<u>Non-In-Service Investment - Other</u>	
18	105	Plant Held for Future Use	1,034,099
19	186	Other Deferred Debits	1,340,325
20	151.10	Fuel Inventory Over Allowed Level *	(4,781,970)
21		Total Non-In-Service Investment - Other	----- (2,407,546) =====
		* INCLUDES ROCKPORT 1 AND 2	
		UNIT 1	(4,781,970)
		UNIT 2	0
		TOTAL	----- (4,781,970) =====

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
DETAIL OF NET CAPITALIZATION**

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January, 2012

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
1		<u>COMMON CAPITAL STOCK</u>	
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		<u>OTHER PAID-IN CAPITAL</u>	
12	207	Premium on Capital Stock	0
13	208	Donations Received from Stockholders	69,478,987
14	211	Miscellaneous Paid-In Capital	0
15	213	Discount on Capital Stock	0
16		Total Other Paid-In Capital	69,478,987
17		<u>RETAINED EARNINGS</u>	
18	215	Appropriated Retained Earnings	0
19	215 1	Appropriated Retained Earnings- Amortization Reserve, Federal	0
20	216	Unappropriated Retained Earnings	4,851,444
21		Total Retained Earnings	4,851,444
22		Total Common Equity	74,713,431
23		<u>PREFERRED CAPITAL STOCK</u>	
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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January, 2012

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
28		<u>LONG-TERM DEBT</u>	
29	221	Bonds	0
30	222	Reacquired Bonds	0
31	223	Advances from Associated Companies	0
32	224	Other Long-Term Debt	66,487,612
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	66,487,612
		<u>SHORT-TERM DEBT</u>	
36a	231 02	Notes Payable (Short-Term Debt)	0
36b	231 03	Unamortized Discount	0
37	233 00	Notes Payable, Assoc Co(Money Pool)	51,508,881
38		Total Short-Term Debt	51,508,881
39		<u>TEMPORARY CASH INVESTMENTS</u>	
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	192,709,924

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

**UNIT 1
January, 2012**

Line No.

1	<u>Capitalization Balances (Prior Month Ending) :</u>	
2	Long-Term Debt (Accts 221 thru 226)	66,487,612
3	+ Short-Term Debt (Accts 231 + 233)	51,508,881
4	+ Preferred Stock	0
5	+ Common Equity (Accts 201 thru 216)	74,713,431
6	- Capitalization Offsets	0
7	Total Capitalization Balances	192,709,924
=====		
8	<u>Weighting of Capitalization Balances :</u>	
9	Long-Term Debt (LTD/Total Capital)	34.5014%
10	+ Short-Term Debt (STD/Total Capital)	26.7287%
11	+ Preferred Stock	0.0000%
12	+ Common Equity (Common Equity/Total Capital)	38.7699%
13	- Capitalization Offsets	0.0000%
14	Total Capitalization	100.0000%
=====		
15	<u>Capitalization Cost Rates :</u>	
16	Long-Term Debt (avg LTD int rate)	5.4188%
17	Short-Term Debt (avg money pool STD int rate)	0.5262%
18	Preferred Stock	0.0000%
19	Common Equity (FERC fixed rate)	12.1600%
20	Capitalization Offsets (sum of weighted costs of debt)	3.2830%
21	<u>Rate of Return (Net of Tax) :</u>	
22	Long-Term Debt (LTD % x avg LTD int rate)	1.8696%
23	+ Short-Term Debt (STD % x avg MP STD int rate)	0.1406%
24	+ Preferred Stock	0.0000%
25	+ Common Equity (CE % x FERC fixed rate)	4.7144%
26	- Capitalization Offsets	0.0000%
27	Total Rate of Return (Net of Tax)	6.7246%
=====		
28	Weighted Net Cost of Debt	2.0102%
	(LTD Rate of Return + STD RR - Cap Offsets RR)	
29	+ Pre-Tax Common Equity (Line 25 / 65)	7.2529%
	(Common Equity Rate of Return grossed up for tax)	
30	= Rate of Return (Pre-Tax)	9.2631%
=====		

A E P GENERATING COMPANY

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

500	SUPERVISION AND ENGINEERING	67,988
501	FUEL	9,550,191
502	STEAM EXPENSES	50,919
503	STEAM FROM OTHER SOURCES	0
504	STEAM TRANSFERRED - CR	0
505	ELECTRIC EXPENSES	49,628
506	MISC. STEAM POWER EXPENSES	302,346
507	RENTS	198
508	OPERATION SUPPLIES AND EXPENSES	0
509	CARRYING CHARGES - ALLOWANCES	0

TOTAL OPERATION EXPENSE 10,021,271

510	MAINTENANCE SUPER. AND ENGINEERING	44,808
511	MAINTENANCE OF STRUCTURES	75,813
512	MAINTENANCE OF BOILER PLANT	301,773
513	MAINTENANCE OF ELECTRIC PLANT	91,477
514	MAINTENANCE OF MISC. STEAM PLANT	31,432
515	MAINTENANCE NORMALIZING	0

TOTAL MAINTENANCE EXPENSES 545,303

555	PURCHASED POWER	0
556	SYSTEM CONTROL AND LOAD DISPATCHING	2,088
557	OTHER POWER SUPPLY EXPENSES	9,439

TOTAL OTHER SUPPLY EXPENSES 11,527

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	366
CURRENT YEAR IS	2012
CURRENT MONTH IS	1
THIS BILLING IS FOR MONTH OF	January, 2012

A E P GENERATING COMPANY

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	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
	TOTAL SALES EXPENSES	0
920	ADMIN. & GENERAL SALARIES	13,436
921	OFFICE SUPPLIES AND EXPENSES	12,945
922	ADMINISTRATIVE EXPENSES TRANSF - CR	0
923	OUTSIDE SERVICES	50,118
924	PROPERTY INSURANCE	9,571
925	INJURIES AND DAMAGES	1,556
926	EMPLOYEE PENSIONS AND BENEFITS	87,209
927	FRANCHISE REQUIREMENTS	0
928	REGULATORY COMMISSION	0
929	DUPLICATE CHARGES-CREDIT	0
930	MISCELLANEOUS GENERAL EXPENSES	27,642
931	RENTS	42
933	TRANSPORTATION EXPENSE	0
	TOTAL ADM & GEN EXPENSES OPERATION	202,519
935	MAINTENANCE OF GENERAL PLANT	2,399
	TOTAL ADM & GEN EXPENSES	204,918
	TOTAL AEG OPERATION & MAINTENANCE EXPENSES	10,783,017
	ACCOUNT 40190 TOTAL FOR CROSS FOOT	10,783,017
	-----DIFFERENCE-----	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
07-Feb-12**

**UNIT 2
POWER BILL - - January, 2012**

IN ACCORDANCE WITH POWER AGREEMENT DATED OCTOBER 1, 1984 (AS AMENDED)
ENERGY DELIVERED FOR THE MONTH OF January, 2012
KWH FOR THE MONTH 323,275,000

<u>SUMMARY</u>	<u>TOTAL</u>
Current Month Bill:	
Return on Common Equity	(131,122)
Return on Other Capital	(76,323)
Total Return	(207,445)
Fuel	6,794,459
Purchased Power	0
Other Operating Revenues	(6,125)
Other Operation and Maintenance Exp	5,046,097
Depreciation Expense	461,168
Taxes Other Than Federal Income Tax	128,339
Federal Income Tax	(9,060)
TOTAL CURRENT UNIT POWER BILL	12,207,433
Prior Month's Adjustment:	
Return on Common Equity & Other Capital	40,289
Fuel Expense	0
Other Expenses (Includes taxes & interest)	179,998
TOTAL PRIOR MONTH'S ADJUSTMENTS	220,287
TOTAL UNIT POWER BILL	12,427,720

AMOUNTS WILL BE PAID DIRECT FROM GENERAL FUNDS.

DUE DATE - February 20, 2012

Cc: Steve Hornyak - Columbus	Kurt C Cooper - Ft Wayne
Dave Hille - Ft. Wayne	Shannon Listebarger - Columbus
Mike Stout - Ft Wayne	
Mike Giardina - Columbus	Caitlin Kilikka-Columbus
Sid Lyons - 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-Feb-12**

**UNIT 2
POWER BILL - - January, 2012**

IN ACCORDANCE WITH POWER AGREEMENT DATED OCTOBER 1, 1984 (AS AMENDED)
ENERGY DELIVERED FOR THE MONTH OF January, 2012
KWH FOR THE MONTH

138,546,000

SUMMARY

TOTAL

Current Month Bill:

Return on Common Equity	(56,195)
Return on Other Capital	(32,710)
Total Return	(88,905)
Fuel	2,911,911
Purchased Power	0
Other Operating Revenues	(2,625)
Other Operation and Maintenance Exp	2,162,613
Depreciation Expense	197,643
Taxes Other Than Federal Income Tax	55,002
Federal Income Tax	(3,883)
TOTAL CURRENT UNIT POWER BILL	5,231,756

Prior Month's Adjustment:

Return on Common Equity & Other Capital	17,267
Fuel Expense	0
Other Expenses (Includes taxes & interest)	77,140

TOTAL PRIOR MONTH'S ADJUSTMENTS

94,407

TOTAL UNIT POWER BILL

5,326,163

AMOUNTS WILL BE PAID DIRECT FROM GENERAL FUNDS.

DUE DATE - February 20, 2012

Cc: Steve Hornyak - Columbus	Kurt C Cooper - Ft Wayne
Dave Hille - Ft. Wayne	Shannon Listebarger - Columbus
Mike Stout - Ft. Wayne	
Mike Giardina - Columbus	Caitlin Kilikka-Columbus
Sid Lyons - Columbus	Michelle Howell - Columbus

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
SUMMARY OF MONTHLY POWER BILL**

January, 2012

	<u>TOTAL UNIT 2 POWER BILL</u>	<u>KPCO SHARE</u>	<u>I&M SHARE</u>
Return on Common Equity	(187,317)	(56,195)	(131,122)
Return on Other Capital	(109,033)	(32,710)	(76,323)
Total Return	(296,350)	(88,905)	(207,445)
+ Fuel	9,706,369	2,911,911	6,794,459
+ Purchased Power	0	0	0
- Other Operating Revenues	(8,750)	(2,625)	(6,125)
+ Other Operation and Maintenance Exp	7,208,710	2,162,613	5,046,097
+ Depreciation Expense	658,811	197,643	461,168
+ Taxes Other Than Federal Income Tax	183,341	55,002	128,339
+ Federal and State Income Tax	(12,943)	(3,883)	(9,060)
= Total Unit 2 Monthly Power Bill	17,439,189	5,231,756	12,207,433
<u>Determination of Federal Income Tax :</u>			
Total Return (Line 3)	(296,350)	(88,905)	(207,445)
+ Unit 2 Schedule M Adjustments	(189,590)	(56,877)	(132,713)
+ Unit 2 Deferred Federal Income Taxes	123,503	37,051	86,452
- Unit 2 Interest Expense Deduction *	(109,033)	(32,710)	(76,323)
= Subtotal	(253,403)	(76,021)	(177,382)
x Gross-Up (FIT Rate / 1-FIT Rate)	0.538462	0.538462	0.538462
= Unit 2 Current Federal Income Tax	(136,447)	(40,934)	(95,513)
+ Unit 2 Def Fed & State Income Taxes	123,503	37,051	86,452
= Total Unit 2 Fed&State Income Taxes	(12,943)	(3,883)	(9,060)
<u>Proof of Federal Income Tax :</u>			
Total Unit 2 Monthly Power Bill	17,439,189	5,231,756	12,207,433
- Operation and Maintenance Expenses	16,915,079	5,074,524	11,840,555
- Depreciation Expense	658,811	197,643	461,168
- Taxes Other Than Federal Income Tax	183,341	55,002	128,339
- Unit 2 Interest Expense Deduction *	(109,033)	(32,710)	(76,323)
- Other Operating Revenues	(8,750)	(2,625)	(6,125)
= Pre-Tax Book Income	(200,260)	(60,078)	(140,182)
+ Unit 2 Schedule M Adjustments	(189,590)	(56,877)	(132,713)
= Unit 2 Taxable Income	(389,850)	(116,955)	(272,895)
x Current Federal Income Tax Rate	35%	35%	35%
= Unit 2 Current Federal Income Tax	(136,447)	(40,934)	(95,513)
+ Unit 2 Def Fed & State Income Taxes	123,503	37,051	86,452
= Total Unit 2 Fed&State Income Taxes	(12,944)	(3,883)	(9,061)

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

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

<u>Line No.</u>		UNIT 2 <u>January, 2012</u>
1	Operating Ratio:	
2	<u>Net In-Service Investment:</u>	
3	Electric Plant In-Service	760,116,260
4	- Accumulated Depreciation	515,596,102
5	+ Materials & Supplies	61,677,115
6	+ Prepayments	88,628
7	+ Plant Held For Future Use (A/C 105) *	0
8	+ Other Deferred Debits (A/C 186) *	0
9	+ Other Working Capital ***	219,902
10	+ Unamortized Debt Expense (A/C 181+189)	2,881,494
11	- Other Deferred Credits (A/C 253)	62,764,790
12	- Accumulated Deferred FIT	38,215,096
13	- Accumulated Deferred ITC	22,818,881
14	Total Net In-Service Investment	----- 185,588,529
15	<u>Non-In-Service Investment - CWIP :</u>	
16	Construction Work In Progress	19,256,559
17	+ Materials & Supplies	0
18	- Accumulated Deferred FIT	0
19	Total Non-In-Service Investment - CWIP	----- 19,256,559
20	<u>Non-In-Service Investment - Other :</u>	
21	Plant Held for Future Use (A/C 105) **	0
22	+ Other Deferred Debits (A/C 186) **	1,340,325
23	+ Fuel Inventory Over Allowed Level ****	(4,781,970)
24	Total Non-In-Service Investment - Other	----- (3,441,645)
25	Total Investment (Lines 14+19+24)	----- 201,403,443 =====
26	Operating Ratio (Line 14/Line 25)	92 1476%
27	Non-In-Service Investment-CWIP Ratio (Line 19/Line 25)	9 5612%
28	Non-In-Service Investment-Other Ratio (Line 24/Line 25)	-1 7088%
29	Total Investment	----- 100.0000% =====
	* 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	

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

<u>Line No.</u>		<u>UNIT 2</u> <u>January, 2012</u>
1	Net In-Service Investment Ratio:	
2	<u>Unit 2 Net In-Service Investment:</u>	
3	Electric Plant In-Service	110,309,886
4	- Accumulated Depreciation	105,927,215
5	+ Materials & Supplies	28,447,573
6	+ Prepayments	44,314
7	+ Plant Held For Future Use (A/C 105) *	0
8	+ Other Deferred Debits (A/C 186) *	0
9	+ Other Working Capital **	(12,836,266)
10	+ Unamortized Debt Expense (A/C 181+189)	1,440,747
11	- Other Deferred Credits (A/C 253)	61,836,298
12	- Accumulated Deferred FIT	(12,034,752)
13	- Accumulated Deferred ITC	21,505,695
14	Total Unit 2 Net In-Service Investment	(49,828,204)
15	<u>Unit 1 Net In-Service Investment:</u>	
16	Electric Plant In-Service	649,806,375
17	- Accumulated Depreciation	409,668,887
18	+ Materials & Supplies	33,229,542
19	+ Prepayments	44,314
20	+ Plant Held For Future Use (A/C 105) *	0
21	+ Other Deferred Debits (A/C 186) *	0
22	+ Other Working Capital **	13,056,168
23	+ Unamortized Debt Expense (A/C 181+189)	1,440,747
24	- Other Deferred Credits (A/C 253)	928,492
25	- Accumulated Deferred FIT	50,249,847
26	- Accumulated Deferred ITC	1,313,186
27	Total Unit 1 Net In-Service Investment	235,416,733
28	Total Net In-Service Investment	185,588,529
29	<u>Net In-Service Investment Ratio:</u>	
30	Unit 2 (Line 14 / Line 28)	-26 8500%
31	Unit 1 (Line 27 / Line 28)	126 8500%
		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**

**Line
No.**

**UNIT 2
January, 2012**

1	Net Capitalization:	
2	Long-Term Debt	66,487,612
3	+ Short-Term Debt	51,508,881
4	+ Preferred Stock	0
5	+ Common Equity	74,713,431
6	- Temporary Cash Investments	0
7	Net Capitalization	----- 192,709,924 =====
8	40% of Net Capitalization	77,083,970
9	<u>Return on Common Equity:</u>	
10	Lesser of Line 5 or Line 8	74,713,431
11	x Equity Return (Monthly Rate)	1.01333%
12	= Equity Return	757,094
13	x Operating Ratio	92.1476%
14	x Net In-Service Investment Ratio	-26.8500%
15	= Subtotal	(187,317)
16	Excess of Line 5 Over Line 8	0
17	x Weighted Cost of Debt (Monthly Rate)	0.2781%
18	= Return on Equity over 40% of Capitalization	0
19	x Operating Ratio	92.1476%
20	x Net In-Service Investment Ratio	-26.8500%
21	= Subtotal	0
22	Unit 2 Return on Equity (Line 15 + Line 21)	----- (187,317) =====
23	<u>Return on Other Capital:</u>	
24	Long-Term Debt Interest Expense	305,158
25	+ Short-Term Debt Interest Expense (a/c 430)	135,529
26	+ Other Interest Expense (a/c 431)	0
27	- Temporary Cash Investment Income *	0
28	= Net Interest Expense	----- 440,687
29	+ Preferred Stock Dividends (a/c 437)	0
30	= Net Cost of Other Capital	----- 440,687
31	x Operating Ratio	92.1476%
32	x Net In-Service Investment Ratio	-26.8500%
33	= Unit 2 Return on Other Capital	----- (109,033) =====

* Line 6 x Line 19 from Pg 6 of 18

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

<u>Line No.</u>		<u>UNIT 2 January, 2012</u>
1	Debt Balances (Prior Month Ending) :	
2	Long-Term Debt (Accts 221 thru 226)	66,487,612
3	+ Short-Term Debt (Accts 231 + 233)	51,508,881
4	+ Other Debt (Accts 132 thru 136 + 145)	0
5	Total Debt Balances (Prior Month Ending)	----- 117,996,493 =====
6	<u>Weighting of Debt Balances :</u>	
7	Long-Term Debt (LTD bal/Total Debt bal)	56.3471%
8	+ Short-Term Debt (STD bal/Total Debt bal)	43.6529%
9	+ Other Debt	0.0000%
10	Total Debt Balances	----- 100.0000% =====
11	<u>Debt Cost Rates :</u>	
12	Long-Term Debt (avg LTD int rate)	5.4188%
13	Short-Term Debt (avg Money Pool STD int rate)	0.5262%
14	Other Debt	0.0000%
15	<u>Weighted Cost of Debt :</u>	
16	Long-Term Debt (LTD % x avg LTD int rate)	3.0533%
17	+ Short-Term Debt (STD % x avg MP STD int rate)	0.2297%
18	+ Other Debt	0.0000%
19	Total Weighted Cost of Debt	----- 3.2830% =====

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

INCLUDE A/C 431 ON PG 5

UNIT 2

<u>Line No.</u>		<u>January, 2012</u>
1	Unit 2 Materials and Supplies:	
2	Fuel Stock - Coal (per Line 23)	13,166,695
3	Fuel Stock Expenses - Undistributed (152)	620,171
4	Fuel Stock - Oil (1510002)	2,628,026
5	Plant Materials & Operating Supplies	12,032,680
6	Merchandise	0
7	Undistributed Stores Expense	0
8	Total Materials & Supplies	28,447,573
9	<u>Support of Coal Inventory Value:</u>	
10	Actual Coal Inventory (a/c 151.10)	13,166,695
11	+ Equivalent Inventory re: Deferred Return	628,284,048
12	= Imputed Coal Inventory	641,450,743
13	<u>Coal Inventory W/68 Day Supply Cap</u>	
14	Tons Consumed - CHANGE ANNUALLY FROM DEC PG 24	2,333,062
15	/ Hours Available * CHG ANNUALLY FROM GADS RPT 511	6816.7
16	= Tons Consumed per Hour	342.26
17	x 24 Hours per Day	24
18	= Tons Consumed Per Day	8214.24
19	x 68 days	68
20	= 68 day Supply (Tons)	558,568
21	x Coal Cost per Ton (per a/c 151.10 at End of Prior Month)	32.574
22	= 68 day Coal Inventory	18,194,794
23	Lesser of Imputed or Capped Coal Inventory	18,194,794
24	Imputed Inventory Minus Line 23	623,255,949
25	<u>Accumulated Deferred Inventory Return - Unit 2 (Memo Item):</u>	
26	Beginning Balance	4,891,014
27	+ Current Month Return on Beginning Balance	38,374
28	+ Current Month Deferral	40,160
29	- Current Month Recovery	0
30	= Ending Balance **	4,969,548
	* Excludes Forced Outages, Scheduled Outages, and Curtailments	
	** May Not Be Less Than Zero	
	Total Unit 2 Monthly Power Bill with Actual	17,438,982
	Total Unit 2 Monthly Power Bill with 68 Day Capped	17,479,142
	Difference	40,160

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
DETAIL OF OTHER OPERATING REVENUES**

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<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	UNIT 2 <u>January, 2012</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	<u>(8,750)</u> =====

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

Attachment 1
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**UNIT 2
 January, 2012**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
1	500,502-509	Steam Power Generation - Operation	6,428,792
2	501	Fuel - Operation	9,706,369
3	510-515	Steam Power Generating - Maintenance	560,784
4		Total Steam Power Generation Expenses	16,695,946
5	555-557	Other Power Supply Expenses	11,527
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 Expense - Maintenance	0
11		Total Distribution Expense	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	205,208
16	935	Administrative and General Expenses - Maintenance	2,399
17		Total Administrative & General Exp	207,607
18		Total Operation & Maintenance Expenses	16,915,079

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

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	UNIT 2 <u>January, 2012</u>
1	403	Depreciation Expense *	365,840
2	404	Amortization of Limited-Term Electric Plant **	292,972
3	405	Amortization of Other Electric Plant	0
4	406	Amortization of Electric Plant Acquisition Adjustments	0
5	407	Amortization of Property Losses, Unrecovered Plant and Regulatory Study Costs	0
			<hr/>
6		Total Depreciation Exp. & Amortization	658,811
			<hr/> <hr/>

* 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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**UNIT 2
January, 2012**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
1	408 1	Taxes Other Than Federal Income Taxes, Utility Operating Income	155,363
2	409 1	State Income Taxes	27,978
3		Total Taxes Other than Federal Income Taxes	<u>183,341</u> =====

**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 SHARE
1		<u>Unit 2 Schedule 'M' Adjustments*</u>			
2	N/A	Excess ACRS Over Normalization Base Depreciation	(8,500)	(2,550)	(5,950)
3	N/A	Deferred Purchased Power Costs	0	0	0
4	N/A	Excess Normalization Base Over Book Depreciation	124,500	37,350	87,150
5	N/A	Other Unit 2 Schedule 'M' Adjustments	(305,590)	(91,677)	(213,913)
6	***	Total Unit 2 Schedule 'M' Adjustments	(189,590)	(56,877)	(132,713)
7		<u>Unit 2 Deferred Federal Income Tax</u>			
8	410.1	Excess ACRS Over Norm Base Depr. (Line 2 x FIT Rate * -1)	(24,006)	(7,202)	(16,804)
9	410.1	Deferred Purchased Power Costs (Line 4 x FIT Rate * -1)	0	0	0
10	10 1&411	Other Unit 2 Schedule 'M' Adjustments - Clearing Accounts	0	0	0
12	411.1	Feedback of Accumulated DFIT re: ABFUDC - Unit 2 Negative Amount Denotes Reduction	(4,940)	(1,482)	(3,458)
13	411.1	Feedback of Accumulated DFIT re: Overheads Capitalized - Unit 2	(230)	(69)	(161)
14	411.1	Feedback of Accumulated DFIT re: Other Schedule 'M' Adj.-Utility	152,678	45,803	106,875
15	***	Total Unit 2 Deferred Federal Income Tax	123,503	37,051	86,452

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

Check Figure on Tax Page for Sch M (189,590)
Check Figure on Tax Page for DFIT 123,503

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

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>January, 2012</u>
1		<u>ELECTRIC PLANT IN SERVICE</u>	
2	101	Electric Plant In Service	109,376,360
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	933,525
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	110,309,886
12	105	Plant Held For Future Use	0
13		<u>ACCUMULATED DEPRECIATION</u>	
14	108	Accumulated Provision for Depreciation of Electric Utility Plant	88,800,193
15	110	Accumulated Provision for Depreciation and Amort of Elec. Utility Plant	0
16	111	Accumulated Provision for Amortization of Electric Utility Plant	17,127,023
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	105,927,215
20		<u>MATERIAL AND SUPPLIES</u>	
21	151	Fuel Stock	15,794,721
22	152	Fuel Stock Expenses - Undistributed	620,171
23	153	Residuals	0
24	154	Plant Materials and Operating Supplies	12,032,680
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)	28,447,573
29	165	Prepayments	44,314
30	186	Other Deferred Debits	0

**AEP GENERATING COMPANY
 ROCKPORT POWER BILL
 OTHER WORKING CAPITAL, UNAMORTIZED DEBT EXPENSE
 AND OTHER DEFERRED CREDITS**

<u>Line No.</u>	<u>Account No.</u>	<u>Description *</u>	<u>UNIT 2 January, 2012</u>
1	128	Other Special Funds	0
2	131	Cash	0
3	135	Other Intra Company Adjustments	417,478
4	143	Accounts Receivable-Miscellaneous	681,908
5	146	Accounts Receivable-Associated Company	17,823,914
6	171	Interest and Dividends Receivable	20,069
7	174	Miscellaneous Current and Accrued Assets	0
8	232	Accounts Payable-General	(49,054)
9	234	Accounts Payable-Associated Company	(13,376,610)
10	236	Taxes Accrued	(486,421)
11	237	Interest Accrued	(207,086)
12	238	Dividends Declared	0
13	241	Tax Collections Payable	0
14	242	Misc Current and Accrued Liabilities	(17,660,464)
15		Total Other Working Capital	(12,836,266)
			=====
16	181+189	Unamortized Debt Expense	1,440,747
17	253	Other Deferred Credits	61,836,298

*		debit <credit>	

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

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
31		ACCUMULATED DEFERRED INCOME TAXES	
32	190	-Accumulated Deferred Income Taxes	25,100,768
33	281	+Accumulated Deferred Income Taxes - Accelerated Amortization Property	0
34	282	+Accumulated Deferred Income Taxes - Other Property	12,447,158
35	283	+Accumulated Deferred Income Taxes - Other	618,858
36		Total Accumulated Deferred Income Taxes (In-Service Portion)	----- (12,034,752) -----
37	255	+Accumulated Deferred Investment Tax Credits	21,505,695
38	186.50	-Accumulated Deferred Investment Tax Credit	0
39		Total Accumulated Deferred Investment Tax Credits	----- 21,505,695 -----
40		Total Net In-Service Investment - Unit 2	----- (49,828,204) =====

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

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
		<u>Non-In-Service Investment - CWIP</u>	
1	107	Construction Work In Process	19,256,559
2		<u>MATERIAL AND SUPPLIES</u>	
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		<u>ACCUMULATED DEFERRED INCOME TAXES</u>	
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	0
16		Total Accumulated Deferred Income Taxes (CWIP Portion)	0
17		TOTAL NON-IN-SERVICE INVESTMENT - CWIP	19,256,559
		<u>Non-In-Service Investment - Other</u>	
18	105	Plant Held for Future Use	0
19	186	Other Deferred Debits	1,340,325
20	151 10	Fuel Inventory Over Allowed Level *	(4,781,970)
21		Total Non-In-Service Investment - Other	(3,441,645)
		* INCLUDES ROCKPORT 1 AND 2	
		UNIT 1	(4,781,970)
		UNIT 2	0
		TOTAL	(4,781,970)

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
DETAIL OF NET CAPITALIZATION**

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UNIT 197
January, 2012

Line No.	Account No.	Description	
1		<u>COMMON CAPITAL STOCK</u>	
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		<u>OTHER PAID-IN CAPITAL</u>	
12	207	Premium on Capital Stock	0
13	208	Donations Received from Stockholders	69,478,987
14	211	Miscellaneous Paid-In Capital	0
15	213	Discount on Capital Stock	0
16		Total Other Paid-In Capital	69,478,987
17		<u>RETAINED EARNINGS</u>	
18	215	Appropriated Retained Earnings	0
19	215.1	Appropriated Retained Earnings- Amortization Reserve, Federal	0
20	216	Unappropriated Retained Earnings	4,851,444
21		Total Retained Earnings	4,851,444
22		Total Common Equity	74,713,431
23		<u>PREFERRED CAPITAL STOCK</u>	
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 27
January, 2012

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
28		<u>LONG-TERM DEBT</u>	
29	221	Bonds	0
30	222	Reacquired Bonds	0
31	223	Advances from Associated Companies	0
32	224	Other Long-Term Debt	66,487,612
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	66,487,612
		<u>SHORT-TERM DEBT</u>	
36a	231.02	Notes Payable (Short-Term Debt)	0
36b	231.03	Unamortized Discount	0
37	233.00	Notes Payable, Assoc Co(Money Pool)	51,508,881
38		Total Short-Term Debt	51,508,881
39		<u>TEMPORARY CASH INVESTMENTS</u>	
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	192,709,924

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

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<u>Line No.</u>		UNIT 2 January, 2012
1	Capitalization Balances (Prior Month Ending) :	
2	Long-Term Debt (Accts 221 thru 226)	66,487,612
3	+ Short-Term Debt (Accts 231 + 233)	51,508,881
4	+ Preferred Stock	0
5	+ Common Equity (Accts 201 thru 216)	74,713,431
6	- Capitalization Offsets	0
7	Total Capitalization Balances	192,709,924
=====		
8	<u>Weighting of Capitalization Balances :</u>	
9	Long-Term Debt (LTD/Total Capital)	34.5014%
10	+ Short-Term Debt (STD/Total Capital)	26.7287%
11	+ Preferred Stock	0.0000%
12	+ Common Equity (Common Equity/Total Capital)	38.7699%
13	- Capitalization Offsets	0.0000%
14	Total Capitalization	100.0000%
=====		
15	<u>Capitalization Cost Rates :</u>	
16	Long-Term Debt (avg LTD int rate)	5.4188%
17	Short-Term Debt (avg money pool STD int rate)	0.5262%
18	Preferred Stock	0.0000%
19	Common Equity (FERC fixed rate)	12.1600%
20	Capitalization Offsets (sum of weighted costs of debt)	3.2830%
21	<u>Rate of Return (Net of Tax) :</u>	
22	Long-Term Debt (LTD % x avg LTD int rate)	1.8696%
23	+ Short-Term Debt (STD % x avg MP STD int rate)	0.1406%
24	+ Preferred Stock	0.0000%
25	+ Common Equity (CE % x FERC fixed rate)	4.7144%
26	- Capitalization Offsets	0.0000%
27	Total Rate of Return (Net of Tax)	6.7246%
=====		
28	Weighted Net Cost of Debt	2.0102%
	(LTD Rate of Return + STD RR - Cap Offsets RR)	
29	+ Pre-Tax Common Equity (Line 25 / 65)	7.2529%
	(Common Equity Rate of Return grossed up for tax)	
30	= Rate of Return (Pre-Tax)	9.2631%
=====		

A E P GENERATING COMPANY

**January, 2012
 ESTIMATE**

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

500	SUPERVISION AND ENGINEERING	69,549
501	FUEL	9,706,369
502	STEAM EXPENSES	307,707
503	STEAM FROM OTHER SOURCES	0
504	STEAM TRANSFERRED - CR	0
505	ELECTRIC EXPENSES	49,082
506	MISC. STEAM POWER EXPENSES	312,003
507	RENTS	5,690,451
508	OPERATION SUPPLIES AND EXPENSES	0
509	CARRYING CHARGES - ALLOWANCES	0
	TOTAL OPERATION EXPENSE	16,135,162
510	MAINTENANCE SUPER. AND ENGINEERING	44,197
511	MAINTENANCE OF STRUCTURES	29,532
512	MAINTENANCE OF BOILER PLANT	430,108
513	MAINTENANCE OF ELECTRIC PLANT	41,451
514	MAINTENANCE OF MISC. STEAM PLANT	15,496
515	MAINTENANCE NORMALIZING	0
	TOTAL MAINTENANCE EXPENSES	560,784
555	PURCHASED POWER	0
556	SYSTEM CONTROL AND LOAD DISPATCHING	2,088
557	OTHER POWER SUPPLY EXPENSES	9,439
	TOTAL OTHER SUPPLY EXPENSES	11,527

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 >	366
CURRENT YEAR IS	2012
CURRENT MONTH IS	1
THIS BILLING IS FOR MONTH OF	January, 2012

A E P GENERATING COMPANY

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

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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 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	15,828
921	OFFICE SUPPLIES AND EXPENSES	12,971
922	ADMINISTRATIVE EXPENSES TRANSF - CR	0
923	OUTSIDE SERVICES	50,389
924	PROPERTY INSURANCE	9,571
925	INJURIES AND DAMAGES	1,556
926	EMPLOYEE PENSIONS AND BENEFITS	87,209
927	FRANCHISE REQUIREMENTS	0
928	REGULATORY COMMISSION	0
929	DUPLICATE CHARGES-CREDIT	0
930	MISCELLANEOUS GENERAL EXPENSES	27,642
931	RENTS	42
933	TRANSPORTATION EXPENSE	0
	TOTAL ADM & GEN EXPENSES OPERATION	205,208
935	MAINTENANCE OF GENERAL PLANT	2,399
	TOTAL ADM & GEN EXPENSES	207,607
	TOTAL AEG OPERATION & MAINTENANCE EXPENSES	16,915,079
	ACCOUNT 40190 TOTAL FOR CROSS FOOT	16,915,079
	-----DIFFERENCE-----	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
07-Mar-12

UNIT 1
POWER BILL -- February, 2012

IN ACCORDANCE WITH POWER AGREEMENT DATED OCTOBER 1, 1984 (AS AMENDED)
 ENERGY DELIVERED FOR THE MONTH OF February, 2012
 KWH FOR THE MONTH 304,953,000

<u>SUMMARY</u>	<u>TOTAL</u>
Current Month Bill:	
Return on Common Equity	627,684
Return on Other Capital	263,801
Total Return	891,485
Fuel	6,269,006
Purchased Power	0
Other Operating Revenues	(6,125)
Other Operation and Maintenance Exp	770,128
Depreciation Expense	1,164,698
Taxes Other Than Federal Income Tax	134,223
Federal Income Tax	240,143
TOTAL UNIT POWER BILL	9,463,558
Prior Month's Adjustment:	
Return on Common Equity & Other Capital	0
Fuel	0
Other Expenses (Includes taxes & interest)	22,966
TOTAL PRIOR MONTH'S ADJUSTMENTS	22,966
TOTAL UNIT POWER BILL	9,486,524

AMOUNTS WILL BE PAID DIRECT FROM GENERAL FUNDS.

DUE DATE - - - March 21, 2012

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

**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-12**

**UNIT 1
POWER BILL - - February, 2012**

IN ACCORDANCE WITH POWER AGREEMENT DATED OCTOBER 1, 1984 (AS AMENDED)
ENERGY DELIVERED FOR THE MONTH OF February, 2012
KWH FOR THE MONTH 130,730,000

	<u>SUMMARY</u>	<u>TOTAL</u>
Current Month Bill:		
Return on Common Equity		269,008
Return on Other Capital		113,057
Total Return		382,065
Fuel		2,686,717
Purchased Power		0
Other Operating Revenues		(2,625)
Other Operation and Maintenance Exp		330,055
Depreciation Expense		499,156
Taxes Other Than Federal Income Tax		57,525
Federal Income Tax		102,918
TOTAL CURRENT UNIT POWER BILL		4,055,811
Prior Month's Adjustment:		
Return on Common Equity & Other Capital		0
Fuel Expense		0
Other Expenses (Includes taxes & interest)		9,845
TOTAL PRIOR MONTH'S ADJUSTMENTS		9,845
TOTAL UNIT POWER BILL		4,065,656

AMOUNTS WILL BE PAID DIRECT FROM GENERAL FUNDS

DUE DATE - - - March 21, 2012

Cc: Steve Hornyak - Columbus	Kurt C Cooper - Ft Wayne
Dave Hille - Ft. Wayne	Shannon Listebarger - Columbus
Mike Stout - Ft. Wayne	
Mike Giardina - Columbus	Caitlin Kilkka-Columbus
Sid Lyons - Columbus	Michelle Howell - Columbus
Diane Keegan - Columbus	

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
SUMMARY OF MONTHLY POWER BILL**

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February, 2012

	<u>TOTAL UNIT 1 POWER BILL</u>	<u>KPCO SHARE</u>	<u>I&M SHARE</u>
Return on Common Equity	896,692	269,008	627,684
Return on Other Capital	376,858	113,057	263,801
Total Return	1,273,550	382,065	891,485
+ Fuel	8,955,723	2,686,717	6,269,006
+ Purchased Power	0	0	0
- Other Operating Revenues	(8,750)	(2,625)	(6,125)
+ Other Operation and Maintenance Exp	1,100,183	330,055	770,128
+ Depreciation Expense	1,663,854	499,156	1,164,698
+ Taxes Other Than Federal Income Tax	191,748	57,525	134,223
+ Federal and State Income Tax	343,061	102,918	240,143
= Total Unit 1 Monthly Power Bill	13,519,368	4,055,811	9,463,558
<u>Determination of Federal Income Tax :</u>			
Total Return (Line 3)	1,273,550	382,065	891,485
+ Unit 1 Schedule M Adjustments	(100,807)	(30,242)	(70,565)
+ Unit 1 Deferred Federal Income Taxes	(53,822)	(16,147)	(37,676)
- Unit 1 Interest Expense Deduction *	381,849	114,555	267,294
= Subtotal	737,071	221,121	515,950
x Gross-Up (FIT Rate / 1-FIT Rate)	0.538462	0.538462	0.538462
= Unit 1 Current Federal Income Tax	396,884	119,065	277,819
+ Unit 1 Def Fed & State Income Taxes	(53,822)	(16,147)	(37,676)
= Total Unit 1 Fed&State Income Taxes	343,061	102,918	240,143
<u>Proof of Federal Income Tax :</u>			
Total Unit 1 Monthly Power Bill	13,519,368	4,055,811	9,463,558
- Operation and Maintenance Expenses	10,055,905	3,016,772	7,039,134
- Depreciation Expense	1,663,854	499,156	1,164,698
- Taxes Other Than Federal Income Tax	191,748	57,525	134,223
- Unit 1 Interest Expense Deduction *	381,849	114,555	267,294
- Other Operating Revenues	(8,750)	(2,625)	(6,125)
= Pre-Tax Book Income	1,234,762	370,428	864,334
+ Unit 1 Schedule M Adjustments	(100,807)	(30,242)	(70,565)
= Unit 1 Taxable Income	1,133,955	340,186	793,769
x Current Federal Income Tax Rate	35%	35%	35%
= Unit 1 Current Federal Income Tax	396,884	119,065	277,819
+ Unit 1 Def Fed & State Income Taxes	(53,823)	(16,147)	(37,676)
= Total Unit 1 Fed&State Income Taxes	343,061	102,918	240,143

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

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

<u>Line No.</u>	<u>UNIT 1</u> <u>February, 2012</u>
1	<u>Operating Ratio:</u>
2	<u>Net In-Service Investment:</u>
3	Electric Plant In-Service 761,343,552
4	- Accumulated Depreciation 517,587,983
5	+ Materials & Supplies 60,573,813
6	+ Prepayments 72,268
7	+ Plant Held For Future Use (A/C 105) * 0
8	+ Other Deferred Debits (A/C 186) * 0
9	+ Other Working Capital *** (4,441,524)
10	+ Unamortized Debt Expense (A/C 181+189) 2,853,143
11	- Other Deferred Credits (A/C 253) 62,764,790
12	- Accumulated Deferred FIT 38,291,615
13	- Accumulated Deferred ITC 22,545,340
14	Total Net In-Service Investment 179,211,523
15	<u>Non-In-Service Investment - CWIP :</u>
16	Construction Work In Progress 19,490,377
17	+ Materials & Supplies 0
18	- Accumulated Deferred FIT 0
19	Total Non-In-Service Investment - CWIP 19,490,377
20	<u>Non-In-Service Investment - Other :</u>
21	Plant Held for Future Use (A/C 105) ** 1,034,099
22	+ Other Deferred Debits (A/C 186) ** 1,055,803
23	+ Fuel Inventory Over Allowed Level **** (7,138,944)
24	Total Non-In-Service Investment - Other (5,049,041)
25	Total Investment (Lines 14+19+24) 193,652,859
26	Operating Ratio (Line 14/Line 25) 92.5427%
27	Non-In-Service Investment-CWIP Ratio (Line 19/Line 25) 10.0646%
28	Non-In-Service Investment-Other Ratio (Line 24/Line 25) -2.6073%
29	Total Investment 100.0000%
* 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 ar	
**** Includes Rockport 1 and 2	

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

<u>Line No.</u>		<u>UNIT 1</u> <u>February, 2012</u>
1	<u>Net In-Service Investment Ratio:</u>	
2	Unit 1 Net In-Service Investment:	
3	Electric Plant In-Service	649,833,619
4	- Accumulated Depreciation	410,612,699
5	+ Materials & Supplies	33,856,378
6	+ Prepayments	36,134
7	+ Plant Held For Future Use (A/C 105) *	0
8	+ Other Deferred Debits (A/C 186) *	0
9	+ Other Working Capital **	10,725,455
10	+ Unamortized Debt Expense (A/C 181+189)	1,426,572
11	- Other Deferred Credits (A/C 253)	1,160,615
12	- Accumulated Deferred FIT	50,196,025
13	- Accumulated Deferred ITC	1,203,810
14	Total Unit 1 Net In-Service Investment	----- 232,705,008
15	Unit 2 Net In-Service Investment:	
16	Electric Plant In-Service	111,509,933
17	- Accumulated Depreciation	106,975,283
18	+ Materials & Supplies	26,717,434
19	+ Prepayments	36,134
20	+ Plant Held For Future Use (A/C 105) *	0
21	+ Other Deferred Debits (A/C 186) *	0
22	+ Other Working Capital **	(15,166,979)
23	+ Unamortized Debt Expense (A/C 181+189)	1,426,572
24	- Other Deferred Credits (A/C 253)	61,604,175
25	- Accumulated Deferred FIT	(11,904,409)
26	- Accumulated Deferred ITC	21,341,530
27	Total Unit 2 Net In-Service Investment	----- (53,493,485)
28	Total Net In-Service Investment	----- 179,211,523 =====
29	<u>Net In-Service Investment Ratio:</u>	
30	Unit 1 (Line 14 / Line 28)	129 8500%
31	Unit 2 (Line 27 / Line 28)	----- -29 8500%
		----- 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**

<u>Line No.</u>		UNIT 1 <u>February, 2012</u>
1	<u>Net Capitalization:</u>	
2	Long-Term Debt	66,487,612
3	+ Short-Term Debt	41,871,766
4	+ Preferred Stock	0
5	+ Common Equity	74,713,431
6	- Temporary Cash Investments	0
7	Net Capitalization	----- 183,072,809 -----
8	40% of Net Capitalization	73,229,123
9	<u>Return on Common Equity:</u>	
10	Lesser of Line 5 or Line 8	73,229,123
11	x Equity Return (Monthly Rate)	1.01333%
12	= Equity Return	742,053
13	x Operating Ratio	92.5427%
14	x Net In-Service Investment Ratio	129.8500%
15	= Subtotal	891,701
16	Excess of Line 5 Over Line 8	1,484,308
17	x Weighted Cost of Debt (Monthly Rate)	0.2798%
18	= Return on Equity over 40% of Capitalization	4,153
19	x Operating Ratio	92.5427%
20	x Net In-Service Investment Ratio	129.8500%
21	= Subtotal	4,991
22	Unit 1 Return on Equity (Line 15 + Line 21)	----- 896,692 -----
23	<u>Return on Other Capital:</u>	
24	Long-Term Debt Interest Expense	285,470
25	+ Short-Term Debt Interest Expense (a/c 430)	28,142
26	+ Other Interest Expense (a/c 431)	0
27	- Temporary Cash Investment Income *	0
28	= Net Interest Expense	----- 313,612
29	+ Preferred Stock Dividends (a/c 437)	0
30	= Net Cost of Other Capital	----- 313,612
31	x Operating Ratio	92.5427%
32	x Net In-Service Investment Ratio	129.8500%
33	= Unit 1 Return on Other Capital	----- 376,858 -----
	* Line 6 x Line 19 from Pg 6 of 18	

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

<u>Line No.</u>	<u>UNIT 1 February, 2012</u>	
1	<u>Debt Balances (Prior Month Ending) :</u>	
2	Long-Term Debt (Accts 221 thru 226)	66,487,612
3	+ Short-Term Debt (Accts 231 + 233)	41,871,766
4	+ Other Debt (Accts 132 thru 136 + 145)	0
5	Total Debt Balances (Prior Month Ending)	----- 108,359,377 =====
6	<u>Weighting of Debt Balances :</u>	
7	Long-Term Debt (LTD bal/Total Debt bal)	61 3584%
8	+ Short-Term Debt (STD bal/Total Debt bal)	38 6416%
9	+ Other Debt	0 0000%
10	Total Debt Balances	----- 100 0000% =====
11	<u>Debt Cost Rates :</u>	
12	Long-Term Debt (avg LTD int rate)	5 4188%
13	Short-Term Debt (avg Money Pool STD int rate)	0 5339%
14	Other Debt	0 0000%
15	<u>Weighted Cost of Debt :</u>	
16	Long-Term Debt (LTD % x avg LTD int rate)	3 3249%
17	+ Short-Term Debt (STD % x avg MP STD int rate)	0 2063%
18	+ Other Debt	0 0000%
19	Total Weighted Cost of Debt	----- 3.5312% =====

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

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UNIT 1

February, 2012

<u>Line No.</u>		
1	<u>Unit 1 Materials and Supplies:</u>	
2	Fuel Stock - Coal (per Line 23)	18,723,388
3	Fuel Stock Expenses - Undistributed (152)	494,206
4	Fuel Stock - Oil (1510002)	2,567,029
5	Plant Materials & Operating Supplies	12,071,755
6	Merchandise	0
7	Undistributed Stores Expense	0
8	Total Materials & Supplies	33,856,378
9	<u>Support of Coal Inventory Value:</u>	
10	Actual Coal Inventory (a/c 151 10)	11,584,444
11	+ Equivalent Inventory re: Deferred Return	16,430,537,980
12	= Imputed Coal Inventory	16,442,122,424
13	<u>Coal Inventory W/68 Day Supply Cap</u>	
14	Tons Consumed - CHANGE ANNUALLY FROM DEC PG 24	2,523,686
15	/ Hours Available * CHG ANNUALLY FROM GADS RPT 511	7474.6
16	= Tons Consumed per Hour	337.63
17	x 24 Hours per Day	24
18	= Tons Consumed Per Day	8103.12
19	x 68 days	68
20	= 68 day Supply (Tons)	551,012
21	x Coal Cost per Ton (per a/c 151.10 at End of Prior Month)	33.980
22	= 68 day Coal Inventory	18,723,388
23	Lesser of Imputed or Capped Coal Inventory	18,723,388
24	Imputed Inventory Minus Line 23	16,423,399,036
25	<u>Accumulated Deferred Inventory Return - Unit 1 (Memo Item):</u>	
26	Beginning Balance	125,637,765
27	+ Current Month Return on Beginning Balance	968,105
28	+ Current Month Deferral	0
29	- Current Month Recovery	53,368
30	= Ending Balance **	126,552,502

* 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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<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	UNIT 1 February, 2012
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**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>UNIT 1 February, 2012</u>
1	500,502-509	Steam Power Generation - Operation	367,019
2	501	Fuel - Operation	8,955,723
3	510-515	Steam Power Generating - Maintenance	625,783
4		Total Steam Power Generation Expenses	9,948,524
5	555-557	Other Power Supply Expenses	1,012
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 - Operation	103,470
16	935	Administrative and General Expenses - Maintenance	2,899
17		Total Administrative & General Exp.	106,369
18		Total Operation & Maintenance Expenses	10,055,905

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

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<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>UNIT 1 February, 2012</u>
1	403	Depreciation Expense	1,663,841
2	404	Amortization of Limited-Term Electric Plant	13
3	405	Amortization of Other Electric Plant	0
4	406	Amortization of Electric Plant Acquisition Adjustments	0
5	407	Amortization of Property Losses, Unrecovered Plant and Regulatory Study Costs	0
			<hr/>
6		Total Depreciation Exp. & Amortization	1,663,854
			<hr/> <hr/>

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

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<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>UNIT 1</u> <u>February, 2012</u>
BS1			
1	408 1	Taxes Other Than Federal Income Taxes, Utility Operating Income	159,187
2	409 1	State Income Taxes	32,561
3		Total Taxes Other than FIT	----- 191,748 =====

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

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<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>TOTAL</u>	<u>KPCO SHARE</u>	<u>I&M SHARE</u>
1		<u>Unit 1 Schedule 'M' Adjustments*</u>			
2	N/A	Excess ACRS Over Normalization Base Depreciation	(8,500)	(2,550)	(5,950)
3	N/A	Deferred Purchased Power Costs	0	0	0
4	N/A	Excess Normalization Base Over Book Depreciation	(17,500)	(5,250)	(12,250)
5	N/A	Other Unit 1 Schedule 'M' Adjustments	(74,807)	(22,442)	(52,365)
6	***	Total Unit 1 Schedule 'M' Adjustments	<u>(100,807)</u>	<u>(30,242)</u>	<u>(70,565)</u>
7		<u>Unit 1 Deferred Federal Income Tax</u>			
8	410.1	Excess ACRS Over Norm. Base Depr. (Line 2 x FIT Rate *-1)	(68,512)	(20,554)	(47,958)
9	410.1	Deferred Purchased Power Costs (Line 4 x FIT Rate *-1)	0	0	0
10	410 1&411 1	Other Unit 1 Schedule 'M' Adjustments - Clearing Accounts	0	0	0
12	411.1	Feedback of Accumulated DFIT re: ABFUDC - Unit 1 Negative Amount Denotes Reduction.	(77,747)	(23,324)	(54,423)
13	411.1	Feedback of Accumulated DFIT re: Overheads Capitalized - Unit 1	(3,276)	(983)	(2,293)
14	411.1	Feedback of Accumulated DFIT re: Other Schedule 'M' Adj -Utility	95,712	28,714	66,998
15	***	Total Unit 1 Deferred Federal Income Tax	<u>(53,822)</u>	<u>(16,147)</u>	<u>(37,676)</u>

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

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

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
1		<u>ELECTRIC PLANT IN SERVICE</u>	
2	101	Electric Plant In Service	628,185,637
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	21,647,982
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	649,833,619
12	105	Plant Held For Future Use	0
13		<u>ACCUMULATED DEPRECIATION</u>	
14	108	Accumulated Provision for Depreciation of Electric Utility Plant	410,071,344
15	110	Accumulated Provision for Depreciation and Amort. of Elec. Utility Plant	0
16	111	Accumulated Provision for Amortization of Electric Utility Plant	541,355
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	410,612,699
20		<u>MATERIAL AND SUPPLIES</u>	
21	151	Fuel Stock	21,290,417
22	152	Fuel Stock Expenses - Undistributed	494,206
23	153	Residuals	0
24	154	Plant Materials and Operating Supplies	12,071,755
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)	33,856,378
29	165	Prepayments	36,134
30	186	Other Deferred Debits	0

**AEP GENERATING COMPANY
 ROCKPORT POWER BILL
 OTHER WORKING CAPITAL, UNAMORTIZED DEBT EXPENSE,
 AND OTHER DEFERRED CREDITS**

**UNIT 1
 February, 2012**

<u>Line No.</u>	<u>Account No.</u>	<u>Description *</u>	
1	128	Other Special Funds	0
2	131	Cash	0
3	135	Other Intra Company Adjustments	(417,478)
4	143	Accounts Receivable-Miscellaneous	964,234
5	146	Accounts Receivable-Associated Company	17,850,192
6	171	Interest and Dividends Receivable	4,017
7	174	Miscellaneous Current and Accrued Assets	0
8	232	Accounts Payable-General	(16,106)
9	234	Accounts Payable-Associated Company	(12,996,983)
10	236	Taxes Accrued	(3,545,376)
11	237	Interest Accrued	(262,771)
12	238	Dividends Declared	0
13	241	Tax Collections Payable	0
14	242	Misc Current and Accrued Liabilities	9,145,726
15		Total Other Working Capital	----- 10,725,455 =====
16	181+189	Unamortized Debt Expense	1,426,572
17	253	Other Deferred Credits	----- 1,160,615 -----

* debit <credit>

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

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UNIT 1
February, 2012

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
31		<u>ACCUMULATED DEFERRED INCOME TAXES</u>	
32	190	-Accumulated Deferred Income Taxes	1,578,176
33	281	+Accumulated Deferred Income Taxes - Accelerated Amortization Property	0
34	282	+Accumulated Deferred Income Taxes - Other Property	51,293,538
35	283	+Accumulated Deferred Income Taxes - Other	480,662
36		Total Accumulated Deferred Income Taxes (In-Service Portion)	----- 50,196,025 -----
37	255	+Accumulated Deferred Investment Tax Credits	1,203,810
38	186.50	-Accumulated Deferred Investment Tax Credit	0
39		Total Accumulated Deferred Investment Tax Credits	----- 1,203,810 -----
40		Total Net In-Service Investment - Unit 1	----- 232,705,008 =====

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

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>February, 2012</u>
		<u>Non-In-Service Investment - CWIP</u>	
1	107	Construction Work In Process	19,490,377
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		<u>ACCUMULATED DEFERRED INCOME TAXES</u>	
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	0
16		Total Accumulated Deferred Income Taxes (CWIP Portion)	----- 0
17		TOTAL NON-IN-SERVICE INVESTMENT - CWIP	----- 19,490,377 =====
		<u>Non-In-Service Investment - Other</u>	
18	105	Plant Held for Future Use	1,034,099
19	186	Other Deferred Debits	1,055,803
20	151.10	Fuel Inventory Over Allowed Level *	(7,138,944)
21		Total Non-In-Service Investment - Other	----- (5,049,041) =====
		* INCLUDES ROCKPORT 1 AND 2	
		UNIT 1	(7,138,944)
		UNIT 2	0
		TOTAL	----- (7,138,944) =====

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
DETAIL OF NET CAPITALIZATION**

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UNIT 1
February, 2012

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
1		<u>COMMON CAPITAL STOCK</u>	
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		<u>OTHER PAID-IN CAPITAL</u>	
12	207	Premium on Capital Stock	0
13	208	Donations Received from Stockholders	69,478,987
14	211	Miscellaneous Paid-In Capital	0
15	213	Discount on Capital Stock	0
16		Total Other Paid-In Capital	69,478,987
17		<u>RETAINED EARNINGS</u>	
18	215	Appropriated Retained Earnings	0
19	215.1	Appropriated Retained Earnings- Amortization Reserve, Federal	0
20	216	Unappropriated Retained Earnings	4,851,444
21		Total Retained Earnings	4,851,444
22		Total Common Equity	74,713,431
23		<u>PREFERED CAPITAL STOCK</u>	
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)**

KPSC Case No. 2014-00396
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UNIT 1
February, 2012

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
28		<u>LONG-TERM DEBT</u>	
29	221	Bonds	0
30	222	Reacquired Bonds	0
31	223	Advances from Associated Companies	0
32	224	Other Long-Term Debt	66,487,612
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	66,487,612
		<u>SHORT-TERM DEBT</u>	
36a	231.02	Notes Payable (Short-Term Debt)	0
36b	231.03	Unamortized Discount	0
37	233.00	Notes Payable, Assoc Co(Money Pool)	41,871,766
38		Total Short-Term Debt	41,871,766
39		<u>TEMPORARY CASH INVESTMENTS</u>	
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	183,072,809

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

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**UNIT 1
February, 2012**

Line No.

1	<u>Capitalization Balances (Prior Month Ending) :</u>	
2	Long-Term Debt (Accts 221 thru 226)	66,487,612
3	+ Short-Term Debt (Accts 231 + 233)	41,871,766
4	+ Preferred Stock	0
5	+ Common Equity (Accts 201 thru 216)	74,713,431
6	- Capitalization Offsets	0
7	Total Capitalization Balances	----- 183,072,809 =====
8	<u>Weighting of Capitalization Balances :</u>	
9	Long-Term Debt (LTD/Total Capital)	36.3176%
10	+ Short-Term Debt (STD/Total Capital)	22.8716%
11	+ Preferred Stock	0.0000%
12	+ Common Equity (Common Equity/Total Capital)	40.8108%
13	- Capitalization Offsets	0.0000%
14	Total Capitalization	----- 100.0000% =====
15	<u>Capitalization Cost Rates :</u>	
16	Long-Term Debt (avg LTD int rate)	5.4188%
17	Short-Term Debt (avg money pool STD int rate)	0.5339%
18	Preferred Stock	0.0000%
19	Common Equity (FERC fixed rate)	12.1600%
20	Capitalization Offsets (sum of weighted costs of debt)	3.5312%
21	<u>Rate of Return (Net of Tax) :</u>	
22	Long-Term Debt (LTD % x avg LTD int rate)	1.9680%
23	+ Short-Term Debt (STD % x avg MP STD int rate)	0.1221%
24	+ Preferred Stock	0.0000%
25	+ Common Equity (CE % x FERC fixed rate)	4.9626%
26	- Capitalization Offsets	0.0000%
27	Total Rate of Return (Net of Tax)	----- 7.0527% =====
28	Weighted Net Cost of Debt (LTD Rate of Return + STD RR - Cap Offsets RR)	2.0901%
29	+ Pre-Tax Common Equity (Line 25 / 65) (Common Equity Rate of Return grossed up for tax)	----- 7.6348% -----
30	= Rate of Return (Pre-Tax)	----- 9.7249% =====

A E P GENERATING COMPANY

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

500	SUPERVISION AND ENGINEERING	97,453
501	FUEL	8,955,723
502	STEAM EXPENSES	133,672
503	STEAM FROM OTHER SOURCES	0
504	STEAM TRANSFERRED - CR	0
505	ELECTRIC EXPENSES	60,226
506	MISC. STEAM POWER EXPENSES	75,470
507	RENTS	198
508	OPERATION SUPPLIES AND EXPENSES	0
509	CARRYING CHARGES - ALLOWANCES	0
	TOTAL OPERATION EXPENSE	9,322,741
510	MAINTENANCE SUPER AND ENGINEERING	74,713
511	MAINTENANCE OF STRUCTURES	49,583
512	MAINTENANCE OF BOILER PLANT	315,150
513	MAINTENANCE OF ELECTRIC PLANT	71,683
514	MAINTENANCE OF MISC. STEAM PLANT	114,654
515	MAINTENANCE NORMALIZING	0
	TOTAL MAINTENANCE EXPENSES	625,783
555	PURCHASED POWER	0
556	SYSTEM CONTROL AND LOAD DISPATCHING	(26)
557	OTHER POWER SUPPLY EXPENSES	1,037
	TOTAL OTHER SUPPLY EXPENSES	1,012

IS FUEL IN BALANCE
 ON PAGE 2

AMOUNT MUST BE ZERO
 0

NO OF DAYS IN CURRENT MO	29
NO OF DAYS IN CURRENT YEAR	366
CURRENT YEAR IS	2012
CURRENT MONTH IS	2
THIS BILLING IS FOR MONTH OF	February, 2012

A E P GENERATING COMPANY

**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	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
	TOTAL SALES EXPENSES	0
920	ADMIN. & GENERAL SALARIES	27,120
921	OFFICE SUPPLIES AND EXPENSES	1,537
922	ADMINISTRATIVE EXPENSES TRANSF - CR	0
923	OUTSIDE SERVICES	(39,318)
924	PROPERTY INSURANCE	9,515
925	INJURIES AND DAMAGES	1,124
926	EMPLOYEE PENSIONS AND BENEFITS	95,976
927	FRANCHISE REQUIREMENTS	0
928	REGULATORY COMMISSION	0
929	DUPLICATE CHARGES-CREDIT	0
930	MISCELLANEOUS GENERAL EXPENSES	7,469
931	RENTS	48
933	TRANSPORTATION EXPENSE	0
	TOTAL ADM & GEN EXPENSES OPERATION	103,470
935	MAINTENANCE OF GENERAL PLANT	2,899
	TOTAL ADM & GEN EXPENSES	106,369
	TOTAL AEG OPERATION & MAINTENANCE EXPENSES	10,055,905
	ACCOUNT 40190 TOTAL FOR CROSS FOOT	10,055,905
	-----DIFFERENCE-----	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
07-Mar-12**

**UNIT 2
POWER BILL - - February, 2012**

IN ACCORDANCE WITH POWER AGREEMENT DATED OCTOBER 1, 1984 (AS AMENDED)
ENERGY DELIVERED FOR THE MONTH OF February, 2012
KWH FOR THE MONTH

289,919,000

SUMMARY

TOTAL

Current Month Bill:

Return on Common Equity	(145,067)
Return on Other Capital	(60,968)
Total Return	(206,035)
Fuel	6,147,774
Purchased Power	0
Other Operating Revenues	(6,125)
Other Operation and Maintenance Exp	4,741,644
Depreciation Expense	469,178
Taxes Other Than Federal Income Tax	140,943
Federal Income Tax	(24,135)
TOTAL CURRENT UNIT POWER BILL	11,263,245

Prior Month's Adjustment:

Return on Common Equity & Other Capital	0
Fuel Expense	0
Other Expenses (Includes taxes & interest)	16,766

TOTAL PRIOR MONTH'S ADJUSTMENTS	16,766
--	---------------

TOTAL UNIT POWER BILL

11,280,011

AMOUNTS WILL BE PAID DIRECT FROM GENERAL FUNDS.

DUE DATE - March 21, 2012

Cc: Steve Hornyak - Columbus	Kurt C Cooper - Ft Wayne
Dave Hille - Ft. Wayne	Shannon Listebarger - Columbus
Mike Stout - Ft. Wayne	
Mike Giardina - Columbus	Caitlin Kilkka-Columbus
Sid Lyons - Columbus	Michelle Howell - Columbus

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

KPSC Case No. 2014-00396
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**KENTUCKY POWER COMPANY
17TH ST. & CENTRAL AVE.
ASHLAND, KY 41101**

**ESTIMATE
07-Mar-12**

**UNIT 2
POWER BILL - - February, 2012**

IN ACCORDANCE WITH POWER AGREEMENT DATED OCTOBER 1, 1984 (AS AMENDED)
ENERGY DELIVERED FOR THE MONTH OF February, 2012
KWH FOR THE MONTH

124,249,000

SUMMARY

TOTAL

Current Month Bill:

Return on Common Equity	(62,171)
Return on Other Capital	(26,129)
Total Return	----- (88,300)
Fuel	2,634,760
Purchased Power	0
Other Operating Revenues	(2,625)
Other Operation and Maintenance Exp	2,032,134
Depreciation Expense	201,076
Taxes Other Than Federal Income Tax	60,405
Federal Income Tax	(10,342)
TOTAL CURRENT UNIT POWER BILL	----- 4,827,108 =====

Prior Month's Adjustment:

Return on Common Equity & Other Capital	0
Fuel Expense	0
Other Expenses (Includes taxes & interest)	7,187

TOTAL PRIOR MONTH'S ADJUSTMENTS	----- 7,187 -----
--	--------------------------------

TOTAL UNIT POWER BILL	----- 4,834,295 =====
------------------------------	------------------------------------

AMOUNTS WILL BE PAID DIRECT FROM GENERAL FUNDS.

DUE DATE - March 21, 2012

Cc: Steve Hornyak - Columbus	Kurt C Cooper - Ft Wayne
Dave Hille - Ft. Wayne	Shannon Listebarger - Columbus
Mike Stout - Ft Wayne	
Mike Giardina - Columbus	Caitlin Kilkka-Columbus
Sid Lyons - Columbus	Michelle Howell - Columbus

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
SUMMARY OF MONTHLY POWER BILL**

February, 2012

	TOTAL UNIT 2 POWER BILL	KPCO SHARE	I&M SHARE
Return on Common Equity	(207,238)	(62,171)	(145,067)
Return on Other Capital	(87,097)	(26,129)	(60,968)
Total Return	(294,335)	(88,300)	(206,035)
+ Fuel	8,782,535	2,634,760	6,147,774
+ Purchased Power	0	0	0
- Other Operating Revenues	(8,750)	(2,625)	(6,125)
+ Other Operation and Maintenance Exp	6,773,778	2,032,134	4,741,644
+ Depreciation Expense	670,254	201,076	469,178
+ Taxes Other Than Federal Income Tax	201,348	60,405	140,943
+ Federal and State Income Tax	(34,478)	(10,342)	(24,135)
= Total Unit 2 Monthly Power Bill	16,090,352	4,827,108	11,263,245
<u>Determination of Federal Income Tax :</u>			
Total Return (Line 3)	(294,335)	(88,300)	(206,035)
+ Unit 2 Schedule M Adjustments	(230,359)	(69,108)	(161,251)
+ Unit 2 Deferred Federal Income Taxes	130,344	39,103	91,241
- Unit 2 Interest Expense Deduction *	(88,250)	(26,475)	(61,775)
= Subtotal	(306,099)	(91,829)	(214,270)
x Gross-Up (FIT Rate / 1-FIT Rate)	0.538462	0.538462	0.538462
= Unit 2 Current Federal Income Tax	(164,822)	(49,446)	(115,376)
+ Unit 2 Def Fed & State Income Taxes	130,344	39,103	91,241
= Total Unit 2 Fed&State Income Taxes	(34,478)	(10,342)	(24,135)
<u>Proof of Federal Income Tax :</u>			
Total Unit 2 Monthly Power Bill	16,090,352	4,827,108	11,263,245
- Operation and Maintenance Expenses	15,556,313	4,666,894	10,889,419
- Depreciation Expense	670,254	201,076	469,178
- Taxes Other Than Federal Income Tax	201,348	60,405	140,943
- Unit 2 Interest Expense Deduction *	(88,250)	(26,475)	(61,775)
- Other Operating Revenues	(8,750)	(2,625)	(6,125)
= Pre-Tax Book Income	(240,563)	(72,167)	(168,395)
+ Unit 2 Schedule M Adjustments	(230,359)	(69,108)	(161,251)
= Unit 2 Taxable Income	(470,922)	(141,275)	(329,646)
x Current Federal Income Tax Rate	35%	35%	35%
= Unit 2 Current Federal Income Tax	(164,822)	(49,446)	(115,376)
+ Unit 2 Def Fed & State Income Taxes	130,344	39,103	91,241
= Total Unit 2 Fed&State Income Taxes	(34,478)	(10,343)	(24,135)

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

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

<u>Line No.</u>	<u>UNIT 2 February, 2012</u>
1	Operating Ratio:
2	<u>Net In-Service Investment:</u>
3	Electric Plant In-Service 761,343,552
4	- Accumulated Depreciation 517,587,983
5	+ Materials & Supplies 60,573,813
6	+ Prepayments 72,268
7	+ Plant Held For Future Use (A/C 105) * 0
8	+ Other Deferred Debits (A/C 186) * 0
9	+ Other Working Capital *** (4,441,524)
10	+ Unamortized Debt Expense (A/C 181+189) 2,853,143
11	- Other Deferred Credits (A/C 253) 62,764,790
12	- Accumulated Deferred FIT 38,291,615
13	- Accumulated Deferred ITC 22,545,340
14	Total Net In-Service Investment 179,211,523
15	<u>Non-In-Service Investment - CWIP :</u>
16	Construction Work In Progress 19,490,377
17	+ Materials & Supplies 0
18	- Accumulated Deferred FIT 0
19	Total Non-In-Service Investment - CWIP 19,490,377
20	<u>Non-In-Service Investment - Other :</u>
21	Plant Held for Future Use (A/C 105) ** 0
22	+ Other Deferred Debits (A/C 186) ** 1,055,803
23	+ Fuel Inventory Over Allowed Level **** (7,138,944)
24	Total Non-In-Service Investment - Other (6,083,141)
25	Total Investment (Lines 14+19+24) 192,618,759
26	Operating Ratio (Line 14/Line 25) 93.0395%
27	Non-In-Service Investment-CWIP Ratio (Line 19/Line 25) 10.1186%
28	Non-In-Service Investment-Other Ratio (Line 24/Line 25) -3.1581%
29	Total Investment 100.0000%
	* 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

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

<u>Line No.</u>		<u>UNIT 2</u> <u>February, 2012</u>
1	Net In-Service Investment Ratio:	
2	<u>Unit 2 Net In-Service Investment:</u>	
3	Electric Plant In-Service	111,509,933
4	- Accumulated Depreciation	106,975,283
5	+ Materials & Supplies	26,717,434
6	+ Prepayments	36,134
7	+ Plant Held For Future Use (A/C 105) *	0
8	+ Other Deferred Debits (A/C 186) *	0
9	+ Other Working Capital **	(15,166,979)
10	+ Unamortized Debt Expense (A/C 181+189)	1,426,572
11	- Other Deferred Credits (A/C 253)	61,604,175
12	- Accumulated Deferred FIT	(11,904,409)
13	- Accumulated Deferred ITC	21,341,530
14	Total Unit 2 Net In-Service Investment	(53,493,485)
15	<u>Unit 1 Net In-Service Investment:</u>	
16	Electric Plant In-Service	649,833,619
17	- Accumulated Depreciation	410,612,699
18	+ Materials & Supplies	33,856,378
19	+ Prepayments	36,134
20	+ Plant Held For Future Use (A/C 105) *	0
21	+ Other Deferred Debits (A/C 186) *	0
22	+ Other Working Capital **	10,725,455
23	+ Unamortized Debt Expense (A/C 181+189)	1,426,572
24	- Other Deferred Credits (A/C 253)	1,160,615
25	- Accumulated Deferred FIT	50,196,025
26	- Accumulated Deferred ITC	1,203,810
27	Total Unit 1 Net In-Service Investment	232,705,008
28	Total Net In-Service Investment	179,211,523
29	<u>Net In-Service Investment Ratio:</u>	
30	Unit 2 (Line 14 / Line 28)	-29 8500%
31	Unit 1 (Line 27 / Line 28)	129 8500%
		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**

**Line
No.**

**UNIT 2
February, 2012**

1	Net Capitalization:	
2	Long-Term Debt	66,487,612
3	+ Short-Term Debt	41,871,766
4	+ Preferred Stock	0
5	+ Common Equity	74,713,431
6	- Temporary Cash Investments	0
7	Net Capitalization	183,072,809
8	40% of Net Capitalization	73,229,123
9	<u>Return on Common Equity:</u>	
10	Lesser of Line 5 or Line 8	73,229,123
11	x Equity Return (Monthly Rate)	1.01333%
12	= Equity Return	742,053
13	x Operating Ratio	93.0395%
14	x Net In-Service Investment Ratio	-29.8500%
15	= Subtotal	(206,085)
16	Excess of Line 5 Over Line 8	1,484,308
17	x Weighted Cost of Debt (Monthly Rate)	0.2798%
18	= Return on Equity over 40% of Capitalization	4,153
19	x Operating Ratio	93.0395%
20	x Net In-Service Investment Ratio	-29.8500%
21	= Subtotal	(1,153)
22	Unit 2 Return on Equity (Line 15 + Line 21)	(207,238)
23	<u>Return on Other Capital:</u>	
24	Long-Term Debt Interest Expense	285,470
25	+ Short-Term Debt Interest Expense (a/c 430)	28,142
26	+ Other Interest Expense (a/c 431)	0
27	- Temporary Cash Investment Income *	0
28	= Net Interest Expense	313,612
29	+ Preferred Stock Dividends (a/c 437)	0
30	= Net Cost of Other Capital	313,612
31	x Operating Ratio	93.0395%
32	x Net In-Service Investment Ratio	-29.8500%
33	= Unit 2 Return on Other Capital	(87,097)

* Line 6 x Line 19 from Pg 6 of 18

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

<u>Line No.</u>		<u>UNIT 2 February, 2012</u>
1	Debt Balances (Prior Month Ending) :	
2	Long-Term Debt (Accts 221 thru 226)	66,487,612
3	+ Short-Term Debt (Accts 231 + 233)	41,871,766
4	+ Other Debt (Accts 132 thru 136 + 145)	0
5	Total Debt Balances (Prior Month Ending)	----- 108,359,377 =====
6	<u>Weighting of Debt Balances :</u>	
7	Long-Term Debt (LTD bal/Total Debt bal)	61.3584%
8	+ Short-Term Debt (STD bal/Total Debt bal)	38.6416%
9	+ Other Debt	0.0000%
10	Total Debt Balances	----- 100.0000% =====
11	<u>Debt Cost Rates :</u>	
12	Long-Term Debt (avg LTD int rate)	5.4188%
13	Short-Term Debt (avg Money Pool STD int rate)	0.5339%
14	Other Debt	0.0000%
15	<u>Weighted Cost of Debt :</u>	
16	Long-Term Debt (LTD % x avg LTD int rate)	3.3249%
17	+ Short-Term Debt (STD % x avg MP STD int rate)	0.2063%
18	+ Other Debt	0.0000%
19	Total Weighted Cost of Debt	----- 3.5312% =====

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

INCLUDE A/C 431 ON PG 5

UNIT 2

<u>Line No.</u>		<u>February, 2012</u>
1	Unit 2 Materials and Supplies:	
2	Fuel Stock - Coal (per Line 23)	11,584,444
3	Fuel Stock Expenses - Undistributed (152)	494,206
4	Fuel Stock - Oil (1510002)	2,567,029
5	Plant Materials & Operating Supplies	12,071,755
6	Merchandise	0
7	Undistributed Stores Expense	0
8	Total Materials & Supplies	26,717,434
9	<u>Support of Coal Inventory Value:</u>	
10	Actual Coal Inventory (a/c 151 10)	11,584,444
11	+ Equivalent Inventory re: Deferred Return	649,902,895
12	= Imputed Coal Inventory	661,487,339
13	<u>Coal Inventory W/68 Day Supply Cap</u>	
14	Tons Consumed - CHANGE ANNUALLY FROM DEC PG 24	2,333,062
15	/ Hours Available * CHG ANNUALLY FROM GADS RPT 511	6816.7
16	= Tons Consumed per Hour	342.26
17	x 24 Hours per Day	24
18	= Tons Consumed Per Day	8214.24
19	x 68 days	68
20	= 68 day Supply (Tons)	558,568
21	x Coal Cost per Ton (per a/c 151.10 at End of Prior Month)	33.980
22	= 68 day Coal Inventory	18,980,141
23	Lesser of Imputed or Capped Coal Inventory	18,980,141
24	Imputed Inventory Minus Line 23	642,507,198
25	<u>Accumulated Deferred Inventory Return - Unit 2 (Memo Item):</u>	
26	Beginning Balance	4,969,548
27	+ Current Month Return on Beginning Balance	38,293
28	+ Current Month Deferral	56,086
29	- Current Month Recovery	0
30	= Ending Balance **	5,063,927
	* Excludes Forced Outages, Scheduled Outages, and Curtailments	
	** May Not Be Less Than Zero	
	Total Unit 2 Monthly Power Bill with Actual	16,090,352
	Total Unit 2 Monthly Power Bill with 68 Day Capped	16,146,438
	Difference	56,086

**AEP GENERATING COMPANY
 ROCKPORT POWER BILL
DETAIL OF OTHER OPERATING REVENUES**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	UNIT 2 February, 2012
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**

			UNIT 2
<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>February, 2012</u>
1	500,502-509	Steam Power Generation - Operation	6,241,938
2	501	Fuel - Operation	8,782,535
3	510-515	Steam Power Generating - Maintenance	419,600
4		Total Steam Power Generation Expenses	15,444,073
5	555-557	Other Power Supply Expenses	1,012
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 Expense - Maintenance	0
11		Total Distribution Expense	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	108,329
16	935	Administrative and General Expenses - Maintenance	2,899
17		Total Administrative & General Exp	111,228
18		Total Operation & Maintenance Expenses	15,556,313

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

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	UNIT 2 February, 2012
1	403	Depreciation Expense *	368,600
2	404	Amortization of Limited-Term Electric Plant **	301,654
3	405	Amortization of Other Electric Plant	0
4	406	Amortization of Electric Plant Acquisition Adjustments	0
5	407	Amortization of Property Losses, Unrecovered Plant and Regulatory Study Costs	0
			<hr/>
6		Total Depreciation Exp. & Amortization	670,254 =====

* 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**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	UNIT 2 <u>February, 2012</u>
1	408.1	Taxes Other Than Federal Income Taxes, Utility Operating Income	168,787
2	409.1	State Income Taxes	32,561
3		Total Taxes Other than Federal Income Taxes	<u>201,348</u>

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

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>TOTAL</u>	<u>KPCO SHARE</u>	<u>I&M SHARE</u>
1		<u>Unit 2 Schedule 'M' Adjustments*</u>			
2	N/A	Excess ACRS Over Normalization Base Depreciation	(8,500)	(2,550)	(5,950)
3	N/A	Deferred Purchased Power Costs	0	0	0
4	N/A	Excess Normalization Base Over Book Depreciation	124,500	37,350	87,150
5	N/A	Other Unit 2 Schedule 'M' Adjustments	(346,359)	(103,908)	(242,451)
6	***	Total Unit 2 Schedule 'M' Adjustments	<u>(230,359)</u>	<u>(69,108)</u>	<u>(161,251)</u>
7		<u>Unit 2 Deferred Federal Income Tax</u>			
8	410.1	Excess ACRS Over Norm. Base Depr. (Line 2 x FIT Rate * -1)	(24,002)	(7,201)	(16,801)
9	410.1	Deferred Purchased Power Costs (Line 4 x FIT Rate * -1)	0	0	0
10	10.1&411	Other Unit 2 Schedule 'M' Adjustments - Clearing Accounts	0	0	0
12	411.1	Feedback of Accumulated DFIT re: ABFUJDC - Unit 2 Negative Amount Denotes Reduction.	(12,303)	(3,691)	(8,612)
13	411.1	Feedback of Accumulated DFIT re: Overheads Capitalized - Unit 2	(230)	(69)	(161)
14	411.1	Feedback of Accumulated DFIT re: Other Schedule 'M' Adj.-Utility	166,879	50,064	116,815
15	***	Total Unit 2 Deferred Federal Income Tax	<u>130,344</u>	<u>39,103</u>	<u>91,241</u>

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

Check Figure on Tax Page for Sch M (230,359)
Check Figure on Tax Page for DFIT 130,344

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

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>February, 2012</u>
1		<u>ELECTRIC PLANT IN SERVICE</u>	
2	101	Electric Plant In Service	109,550,502
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	1,959,431
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	111,509,933
12	105	Plant Held For Future Use	0
13		<u>ACCUMULATED DEPRECIATION</u>	
14	108	Accumulated Provision for Depreciation of Electric Utility Plant	89,848,073
15	110	Accumulated Provision for Depreciation and Amort. of Elec. Utility Plant	0
16	111	Accumulated Provision for Amortization of Electric Utility Plant	17,127,210
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	106,975,283
20		<u>MATERIAL AND SUPPLIES</u>	
21	151	Fuel Stock	14,151,473
22	152	Fuel Stock Expenses - Undistributed	494,206
23	153	Residuals	0
24	154	Plant Materials and Operating Supplies	12,071,755
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)	26,717,434
29	165	Prepayments	36,134
30	186	Other Deferred Debits	0

**AEP GENERATING COMPANY
 ROCKPORT POWER BILL
 OTHER WORKING CAPITAL, UNAMORTIZED DEBT EXPENSE,
 AND OTHER DEFERRED CREDITS**

**UNIT 2
 February, 2012**

<u>Line No.</u>	<u>Account No.</u>	<u>Description *</u>	
1	128	Other Special Funds	0
2	131	Cash	0
3	135	Other Intra Company Adjustments	417,478
4	143	Accounts Receivable-Miscellaneous	1,001,112
5	146	Accounts Receivable-Associated Company	18,172,017
6	171	Interest and Dividends Receivable	4,017
7	174	Miscellaneous Current and Accrued Assets	0
8	232	Accounts Payable-General	(16,106)
9	234	Accounts Payable-Associated Company	(12,936,981)
10	236	Taxes Accrued	(1,164,952)
11	237	Interest Accrued	(262,771)
12	238	Dividends Declared	0
13	241	Tax Collections Payable	0
14	242	Misc Current and Accrued Liabilities	(20,380,792)
15		Total Other Working Capital	(15,166,979)
			=====
16	181+189	Unamortized Debt Expense	1,426,572
17	253	Other Deferred Credits	61,604,175

*		debit <credit>	

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

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
31		ACCUMULATED DEFERRED INCOME TAXES	
32	190	-Accumulated Deferred Income Taxes	24,902,384
33	281	+Accumulated Deferred Income Taxes - Accelerated Amortization Property	0
34	282	+Accumulated Deferred Income Taxes - Other Property	12,383,157
35	283	+Accumulated Deferred Income Taxes - Other	614,818
36		Total Accumulated Deferred Income Taxes (In-Service Portion)	----- (11,904,409)
37	255	+Accumulated Deferred Investment Tax Credits	21,341,530
38	186.50	-Accumulated Deferred Investment Tax Credit	0
39		Total Accumulated Deferred Investment Tax Credits	----- 21,341,530
40		Total Net In-Service Investment - Unit 2	----- (53,493,485) =====

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

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UNIT 2
February, 2012

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
		<u>Non-In-Service Investment - CWIP</u>	
1	107	Construction Work In Process	19,490,377
2		<u>MATERIAL AND SUPPLIES</u>	
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		<u>ACCUMULATED DEFERRED INCOME TAXES</u>	
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	0
16		Total Accumulated Deferred Income Taxes (CWIP Portion)	0
17		TOTAL NON-IN-SERVICE INVESTMENT - CWIP	19,490,377
		<u>Non-In-Service Investment - Other</u>	
18	105	Plant Held for Future Use	0
19	186	Other Deferred Debits	1,055,803
20	151.10	Fuel Inventory Over Allowed Level *	(7,138,944)
21		Total Non-In-Service Investment - Other	(6,083,141)
		* INCLUDES ROCKPORT 1 AND 2	
		UNIT 1	(7,138,944)
		UNIT 2	0
		TOTAL	(7,138,944)

**AEP GENERATING COMPANY
 ROCKPORT POWER BILL
 DETAIL OF NET CAPITALIZATION**

**UNIT 2
 February, 2012**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
1		<u>COMMON CAPITAL STOCK</u>	
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		<u>OTHER PAID-IN CAPITAL</u>	
12	207	Premium on Capital Stock	0
13	208	Donations Received from Stockholders	69,478,987
14	211	Miscellaneous Paid-In Capital	0
15	213	Discount on Capital Stock	0
16		Total Other Paid-In Capital	69,478,987
17		<u>RETAINED EARNINGS</u>	
18	215	Appropriated Retained Earnings	0
19	215.1	Appropriated Retained Earnings- Amortization Reserve, Federal	0
20	216	Unappropriated Retained Earnings	4,851,444
21		Total Retained Earnings	4,851,444
22		Total Common Equity	74,713,431
23		<u>PREFERRED CAPITAL STOCK</u>	
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
February, 2012

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
28		<u>LONG-TERM DEBT</u>	
29	221	Bonds	0
30	222	Reacquired Bonds	0
31	223	Advances from Associated Companies	0
32	224	Other Long-Term Debt	66,487,612
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	66,487,612
		<u>SHORT-TERM DEBT</u>	
36a	231 02	Notes Payable (Short-Term Debt)	0
36b	231 03	Unamortized Discount	0
37	233 00	Notes Payable, Assoc Co(Money Pool)	41,871,766
38		Total Short-Term Debt	41,871,766
39		<u>TEMPORARY CASH INVESTMENTS</u>	
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	183,072,809

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

<u>Line No.</u>		UNIT 2 February, 2012
1	Capitalization Balances (Prior Month Ending) :	
2	Long-Term Debt (Accts 221 thru 226)	66,487,612
3	+ Short-Term Debt (Accts 231 + 233)	41,871,766
4	+ Preferred Stock	0
5	+ Common Equity (Accts 201 thru 216)	74,713,431
6	- Capitalization Offsets	0
7	Total Capitalization Balances	183,072,809
8	<u>Weighting of Capitalization Balances :</u>	
9	Long-Term Debt (LTD/Total Capital)	36.3176%
10	+ Short-Term Debt (STD/Total Capital)	22.8716%
11	+ Preferred Stock	0.0000%
12	+ Common Equity (Common Equity/Total Capital)	40.8108%
13	- Capitalization Offsets	0.0000%
14	Total Capitalization	100.0000%
15	<u>Capitalization Cost Rates :</u>	
16	Long-Term Debt (avg LTD int rate)	5.4188%
17	Short-Term Debt (avg money pool STD int rate)	0.5339%
18	Preferred Stock	0.0000%
19	Common Equity (FERC fixed rate)	12.1600%
20	Capitalization Offsets (sum of weighted costs of debt)	3.5312%
21	<u>Rate of Return (Net of Tax) :</u>	
22	Long-Term Debt (LTD % x avg LTD int rate)	1.9680%
23	+ Short-Term Debt (STD % x avg MP STD int rate)	0.1221%
24	+ Preferred Stock	0.0000%
25	+ Common Equity (CE % x FERC fixed rate)	4.9626%
26	- Capitalization Offsets	0.0000%
27	Total Rate of Return (Net of Tax)	7.0527%
28	Weighted Net Cost of Debt (LTD Rate of Return + STD RR - Cap Offsets RR)	2.0901%
29	+ Pre-Tax Common Equity (Line 25 / 65) (Common Equity Rate of Return grossed up for tax)	7.6348%
30	= Rate of Return (Pre-Tax)	9.7249%

A E P GENERATING COMPANY

February 2012
ESTIMATE

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

500	SUPERVISION AND ENGINEERING	98,202
501	FUEL	8,782,535
502	STEAM EXPENSES	319,902
503	STEAM FROM OTHER SOURCES	0
504	STEAM TRANSFERRED - CR	0
505	ELECTRIC EXPENSES	57,914
506	MISC. STEAM POWER EXPENSES	75,470
507	RENTS	5,690,451
508	OPERATION SUPPLIES AND EXPENSES	0
509	CARRYING CHARGES - ALLOWANCES	0
	TOTAL OPERATION EXPENSE	15,024,473
510	MAINTENANCE SUPER. AND ENGINEERING	74,292
511	MAINTENANCE OF STRUCTURES	17,413
512	MAINTENANCE OF BOILER PLANT	225,719
513	MAINTENANCE OF ELECTRIC PLANT	10,601
514	MAINTENANCE OF MISC. STEAM PLANT	91,575
515	MAINTENANCE NORMALIZING	0
	TOTAL MAINTENANCE EXPENSES	419,600
555	PURCHASED POWER	0
556	SYSTEM CONTROL AND LOAD DISPATCHING	(26)
557	OTHER POWER SUPPLY EXPENSES	1,037
	TOTAL OTHER SUPPLY EXPENSES	1,012

IS FUEL IN BALANCE
 ON PAGE 2

AMOUNT MUST BE ZERO
 0

BE SURE THIS IS CORRECT

NO OF DAYS IN CURRENT MO >	29
NO OF DAYS IN CURRENT YEAR >	366
CURRENT YEAR IS	2012
CURRENT MONTH IS	2
THIS BILLING IS FOR MONTH OF	February, 2012

A E P GENERATING COMPANY

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 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	31,942
921	OFFICE SUPPLIES AND EXPENSES	1,574
922	ADMINISTRATIVE EXPENSES TRANSF - CR	0
923	OUTSIDE SERVICES	(39,318)
924	PROPERTY INSURANCE	9,515
925	INJURIES AND DAMAGES	1,124
926	EMPLOYEE PENSIONS AND BENEFITS	95,976
927	FRANCHISE REQUIREMENTS	0
928	REGULATORY COMMISSION	0
929	DUPLICATE CHARGES-CREDIT	0
930	MISCELLANEOUS GENERAL EXPENSES	7,469
931	RENTS	48
933	TRANSPORTATION EXPENSE	0
	TOTAL ADM & GEN EXPENSES OPERATION	108,329
935	MAINTENANCE OF GENERAL PLANT	2,899
	TOTAL ADM & GEN EXPENSES	111,228
	TOTAL AEG OPERATION & MAINTENANCE EXPENSES	15,556,313
	ACCOUNT 40190 TOTAL FOR CROSS FOOT	15,556,313
	-----DIFFERENCE-----	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
06-Apr-12**

**UNIT 1
POWER BILL - - March, 2012**

IN ACCORDANCE WITH POWER AGREEMENT DATED OCTOBER 1, 1984 (AS AMENDED)
ENERGY DELIVERED FOR THE MONTH OF March, 2012
KWH FOR THE MONTH 46,673,000

	<u>SUMMARY</u>	<u>TOTAL</u>
Current Month Bill:		
Return on Common Equity		624,324
Return on Other Capital		366,372
Total Return		990,696
Fuel		1,437,539
Purchased Power		0
Other Operating Revenues		(6,125)
Other Operation and Maintenance Exp		833,599
Depreciation Expense		1,167,271
Taxes Other Than Federal Income Tax		133,400
Federal Income Tax		229,726
TOTAL UNIT POWER BILL		4,786,106

Prior Month's Adjustment:		
Return on Common Equity & Other Capital		0
Fuel		0
Other Expenses (Includes taxes & interest)		6,992
TOTAL PRIOR MONTH'S ADJUSTMENTS		6,992

	=====
TOTAL UNIT POWER BILL	4,793,098
	=====

AMOUNTS WILL BE PAID DIRECT FROM GENERAL FUNDS.

DUE DATE - - - April 20, 2012

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

**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-Apr-12**

**UNIT 1
POWER BILL - - March, 2012**

IN ACCORDANCE WITH POWER AGREEMENT DATED OCTOBER 1, 1984 (AS AMENDED)
ENERGY DELIVERED FOR THE MONTH OF March, 2012
KWH FOR THE MONTH 20,012,000

<u>SUMMARY</u>	<u>TOTAL</u>
Current Month Bill:	
Return on Common Equity	267,567
Return on Other Capital	157,016
Total Return	----- 424,583
Fuel	616,088
Purchased Power	0
Other Operating Revenues	(2,625)
Other Operation and Maintenance Exp	357,257
Depreciation Expense	500,259
Taxes Other Than Federal Income Tax	57,171
Federal Income Tax	98,452
TOTAL CURRENT UNIT POWER BILL	----- 2,051,185 -----

Prior Month's Adjustment:	
Return on Common Equity & Other Capital	0
Fuel Expense	0
Other Expenses (Includes taxes & interest)	2,995
TOTAL PRIOR MONTH'S ADJUSTMENTS	----- 2,995 -----

TOTAL UNIT POWER BILL	=====
	2,054,180
	=====

AMOUNTS WILL BE PAID DIRECT FROM GENERAL FUNDS.

DUE DATE - - - April 20, 2012

Cc: Steve Hornyak - Columbus	Kurt C Cooper - Ft Wayne
Dave Hille - Ft. Wayne	Shannon Listebarger - Columbus
Mike Stout - Ft. Wayne	
Mike Giardina - Columbus	Caitiin Kilka-Columbus
Sid Lyons - Columbus	Michelle Howell - Columbus
Diane Keegan - Columbus	

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
SUMMARY OF MONTHLY POWER BILL**

KPSC Case No. 2014-00396 **ESTIMATE**
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March, 2012

06-Apr-12

	<u>TOTAL UNIT 1 POWER BILL</u>	<u>KPCO SHARE</u>	<u>I&M SHARE</u>
Return on Common Equity	891,891	267,567	624,324
Return on Other Capital	523,388	157,016	366,372
Total Return	1,415,279	424,583	990,696
+ Fuel	2,053,627	616,088	1,437,539
+ Purchased Power	0	0	0
- Other Operating Revenues	(8,750)	(2,625)	(6,125)
+ Other Operation and Maintenance Exp	1,190,856	357,257	833,599
+ Depreciation Expense	1,667,530	500,259	1,167,271
+ Taxes Other Than Federal Income Tax	190,571	57,171	133,400
+ Federal and State Income Tax	328,178	98,452	229,726
= Total Unit 1 Monthly Power Bill	6,837,291	2,051,185	4,786,106
<u>Determination of Federal Income Tax :</u>			
Total Return (Line 3)	1,415,279	424,583	990,696
+ Unit 1 Schedule M Adjustments	(102,978)	(30,893)	(72,085)
+ Unit 1 Deferred Federal Income Taxes	(54,951)	(16,486)	(38,466)
- Unit 1 Interest Expense Deduction *	545,822	163,747	382,075
= Subtotal	711,527	213,457	498,070
x Gross-Up (FIT Rate / 1-FIT Rate)	0.538462	0.538462	0.538462
= Unit 1 Current Federal Income Tax	383,130	114,938	268,192
+ Unit 1 Def Fed & State Income Taxes	(54,951)	(16,486)	(38,466)
= Total Unit 1 Fed&State Income Taxes	328,178	98,452	229,726
<u>Proof of Federal Income Tax :</u>			
Total Unit 1 Monthly Power Bill	6,837,291	2,051,185	4,786,106
- Operation and Maintenance Expenses	3,244,483	973,345	2,271,138
- Depreciation Expense	1,667,530	500,259	1,167,271
- Taxes Other Than Federal Income Tax	190,571	57,171	133,400
- Unit 1 Interest Expense Deduction *	545,822	163,747	382,075
- Other Operating Revenues	(8,750)	(2,625)	(6,125)
= Pre-Tax Book Income	1,197,635	359,288	838,347
+ Unit 1 Schedule M Adjustments	(102,978)	(30,893)	(72,085)
= Unit 1 Taxable Income	1,094,657	328,395	766,262
x Current Federal Income Tax Rate	35%	35%	35%
= Unit 1 Current Federal Income Tax	383,130	114,938	268,192
+ Unit 1 Def Fed & State Income Taxes	(54,952)	(16,486)	(38,466)
= Total Unit 1 Fed&State Income Taxes	328,178	98,452	229,726

* 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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<u>Line No.</u>		<u>UNIT 1</u> <u>March, 2012</u>
1	<u>Operating Ratio:</u>	
2	<u>Net In-Service Investment:</u>	
3	Electric Plant In-Service	761,395,596
4	- Accumulated Depreciation	520,170,493
5	+ Materials & Supplies	61,637,369
6	+ Prepayments	55,908
7	+ Plant Held For Future Use (A/C 105) *	0
8	+ Other Deferred Debits (A/C 186) *	0
9	+ Other Working Capital ***	(14,776,942)
10	+ Unamortized Debt Expense (A/C 181+189)	2,824,793
11	- Other Deferred Credits (A/C 253)	62,764,790
12	- Accumulated Deferred FIT	38,366,387
13	- Accumulated Deferred ITC	22,271,799
14	Total Net In-Service Investment	----- 167,563,255
15	<u>Non-In-Service Investment - CWIP :</u>	
16	Construction Work In Progress	20,912,133
17	+ Materials & Supplies	0
18	- Accumulated Deferred FIT	0
19	Total Non-In-Service Investment - CWIP	----- 20,912,133
20	<u>Non-In-Service Investment - Other :</u>	
21	Plant Held for Future Use (A/C 105) **	1,034,099
22	+ Other Deferred Debits (A/C 186) **	769,441
23	+ Fuel Inventory Over Allowed Level ****	(7,570,015)
24	Total Non-In-Service Investment - Other	----- (5,766,475)
25	Total Investment (Lines 14+19+24)	----- 182,708,913 =====
26	Operating Ratio (Line 14/Line 25)	91.7105%
27	Non-In-Service Investment-CWIP Ratio (Line 19/Line 25)	11.4456%
28	Non-In-Service Investment-Other Ratio (Line 24/Line 25)	-3.1561%
29	Total Investment	----- 100.0000% =====
*	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	
****	Includes Rockport 1 and 2	

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

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**UNIT 1
March, 2012**

<u>Line No.</u>		
1	<u>Net In-Service Investment Ratio:</u>	
2	Unit 1 Net In-Service Investment:	
3	Electric Plant In-Service	649,828,878
4	- Accumulated Depreciation	412,038,632
5	+ Materials & Supplies	34,603,692
6	+ Prepayments	27,954
7	+ Plant Held For Future Use (A/C 105) *	0
8	+ Other Deferred Debits (A/C 186) *	0
9	+ Other Working Capital **	5,557,746
10	+ Unamortized Debt Expense (A/C 181+189)	1,412,396
11	- Other Deferred Credits (A/C 253)	1,392,738
12	- Accumulated Deferred FIT	50,141,072
13	- Accumulated Deferred ITC	1,094,434

14	Total Unit 1 Net In-Service Investment	226,763,789

15	Unit 2 Net In-Service Investment:	
16	Electric Plant In-Service	111,566,719
17	- Accumulated Depreciation	108,131,861
18	+ Materials & Supplies	27,033,677
19	+ Prepayments	27,954
20	+ Plant Held For Future Use (A/C 105) *	0
21	+ Other Deferred Debits (A/C 186) *	0
22	+ Other Working Capital **	(20,334,688)
23	+ Unamortized Debt Expense (A/C 181+189)	1,412,396
24	- Other Deferred Credits (A/C 253)	61,372,052
25	- Accumulated Deferred FIT	(11,774,685)
26	- Accumulated Deferred ITC	21,177,365

27	Total Unit 2 Net In-Service Investment	(59,200,535)

28	Total Net In-Service Investment	167,563,255
		=====
29	<u>Net In-Service Investment Ratio:</u>	
30	Unit 1 (Line 14 / Line 28)	135.3300%
31	Unit 2 (Line 27 / Line 28)	-35.3300%

		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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<u>Line No.</u>		<u>UNIT 1</u> <u>March, 2012</u>
1	<u>Net Capitalization:</u>	
2	Long-Term Debt	66,487,612
3	+ Short-Term Debt	31,630,910
4	+ Preferred Stock	0
5	+ Common Equity	74,713,431
6	- Temporary Cash Investments	0
7	Net Capitalization	----- 172,831,953 =====
8	40% of Net Capitalization	69,132,781
9	<u>Return on Common Equity:</u>	
10	Lesser of Line 5 or Line 8	69,132,781
11	x Equity Return (Monthly Rate)	1.01333%
12	= Equity Return	700,543
13	x Operating Ratio	91.7105%
14	x Net In-Service Investment Ratio	135.3300%
15	= Subtotal	869,457
16	Excess of Line 5 Over Line 8	5,580,650
17	x Weighted Cost of Debt (Monthly Rate)	0.3239%
18	= Return on Equity over 40% of Capitalization	18,076
19	x Operating Ratio	91.7105%
20	x Net In-Service Investment Ratio	135.3300%
21	= Subtotal	----- 22,434 -----
22	Unit 1 Return on Equity (Line 15 + Line 21)	----- 891,891 =====
23	<u>Return on Other Capital:</u>	
24	Long-Term Debt Interest Expense	305,190
25	+ Short-Term Debt Interest Expense (a/c 430)	116,517
26	+ Other Interest Expense (a/c 431)	0
27	- Temporary Cash Investment Income *	0
28	= Net Interest Expense	----- 421,707 -----
29	+ Preferred Stock Dividends (a/c 437)	0
30	= Net Cost of Other Capital	----- 421,707 -----
31	x Operating Ratio	91.7105%
32	x Net In-Service Investment Ratio	135.3300%
33	= Unit 1 Return on Other Capital	----- 523,388 =====
	* 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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**UNIT 1
March, 2012**

**Line
No.**

1	<u>Debt Balances (Prior Month Ending) :</u>	
2	Long-Term Debt (Accts 221 thru 226)	66,487,612
3	+ Short-Term Debt (Accts 231 + 233)	31,630,910
4	+ Other Debt (Accts 132 thru 136 + 145)	0

5	Total Debt Balances (Prior Month Ending)	98,118,522
		=====
6	<u>Weighting of Debt Balances :</u>	
7	Long-Term Debt (LTD bal/Total Debt bal)	67.7625%
8	+ Short-Term Debt (STD bal/Total Debt bal)	32.2375%
9	+ Other Debt	0.0000%

10	Total Debt Balances	100.0000%
		=====
11	<u>Debt Cost Rates :</u>	
12	Long-Term Debt (avg LTD int rate)	5.4194%
13	Short-Term Debt (avg Money Pool STD int rate)	0.4716%
14	Other Debt	0.0000%
15	<u>Weighted Cost of Debt :</u>	
16	Long-Term Debt (LTD % x avg LTD int rate)	3.6723%
17	+ Short-Term Debt (STD % x avg MP STD int rate)	0.1520%
18	+ Other Debt	0.0000%

19	Total Weighted Cost of Debt	3.8243%
		=====

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

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UNIT 1

<u>Line No.</u>		<u>March, 2012</u>
1	<u>Unit 1 Materials and Supplies:</u>	
2	Fuel Stock - Coal (per Line 23)	19,392,867
3	Fuel Stock Expenses - Undistributed (152)	498,495
4	Fuel Stock - Oil (1510002)	2,504,275
5	Plant Materials & Operating Supplies	12,208,055
6	Merchandise	0
7	Undistributed Stores Expense	0
8	Total Materials & Supplies	----- 34,603,692 =====
9	<u>Support of Coal Inventory Value:</u>	
10	Actual Coal Inventory (a/c 151.10)	11,822,852
11	+ Equivalent Inventory re: Deferred Return	14,691,836,776
12	= Imputed Coal Inventory	----- 14,703,659,628 -----
13	<u>Coal Inventory W/68 Day Supply Cap</u>	
14	Tons Consumed - CHANGE ANNUALLY FROM DEC PG 24	2,523,686
15	/ Hours Available * CHG ANNUALLY FROM GADS RPT 511	7474.6
16	= Tons Consumed per Hour	337.63
17	x 24 Hours per Day	24
18	= Tons Consumed Per Day	8103.12
19	x 68 days	68
20	= 68 day Supply (Tons)	551,012
21	x Coal Cost per Ton (per a/c 151.10 at End of Prior Month)	35.195
22	= 68 day Coal Inventory	----- 19,392,867 -----
23	Lesser of Imputed or Capped Coal Inventory	----- 19,392,867 -----
24	Imputed Inventory Minus Line 23	----- 14,684,266,761 =====
25	<u>Accumulated Deferred Inventory Return - Unit 1 (Memo Item):</u>	
26	Beginning Balance	126,552,502
27	+ Current Month Return on Beginning Balance	1,099,569
28	+ Current Month Deferral	0
29	- Current Month Recovery	62,868
30	= Ending Balance **	----- 127,589,203 =====

* 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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**UNIT 1
March, 2012**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</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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<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>UNIT 1</u> <u>March, 2012</u>
1	500,502-509	Steam Power Generation - Operation	415,887
2	501	Fuel - Operation	2,053,627
3	510-515	Steam Power Generating - Maintenance	640,622
4		Total Steam Power Generation Expenses	3,110,136
5	555-557	Other Power Supply Expenses	5,264
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 - Operation	126,256
16	935	Administrative and General Expenses - Maintenance	2,827
17		Total Administrative & General Exp.	129,083
18		Total Operation & Maintenance Expenses	3,244,483

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

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**UNIT 1
March, 2012**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
1	403	Depreciation Expense	1,667,519
2	404	Amortization of Limited-Term Electric Plant	11
3	405	Amortization of Other Electric Plant	0
4	406	Amortization of Electric Plant Acquisition Adjustments	0
5	407	Amortization of Property Losses, Unrecovered Plant and Regulatory Study Costs	0

6		Total Depreciation Exp. & Amortization	1,667,530
			=====

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

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<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>March, 2012</u>
BS1			
1	408.1	Taxes Other Than Federal Income Taxes, Utility Operating Income	154,631
2	409.1	State Income Taxes	35,939

3		Total Taxes Other than FIT	190,571
			=====

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

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<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>TOTAL</u>	<u>KPCO SHARE</u>	<u>I&M SHARE</u>
1		<u>Unit 1 Schedule `M' Adjustments*</u>			
2	N/A	Excess ACRS Over Normalization Base Depreciation	(8,500)	(2,550)	(5,950)
3	N/A	Deferred Purchased Power Costs	0	0	0
4	N/A	Excess Normalization Base Over Book Depreciation	(17,500)	(5,250)	(12,250)
5	N/A	Other Unit 1 Schedule `M' Adjustments	(76,978)	(23,093)	(53,885)
6	***	Total Unit 1 Schedule `M' Adjustments	(102,978)	(30,893)	(72,085)
			=====	=====	=====
7		<u>Unit 1 Deferred Federal Income Tax</u>			
8	410.1	Excess ACRS Over Norm. Base Depr. (Line 2 x FIT Rate * -1)	(68,512)	(20,554)	(47,958)
9	410.1	Deferred Purchased Power Costs (Line 4 x FIT Rate * -1)	0	0	0
10	-410.1&411.1	Other Unit 1 Schedule `M' Adjustments - Clearing Accounts	0	0	0
12	411.1	Feedback of Accumulated DFIT re: ABFUDC - Unit 1 Negative Amount Denotes Reduction.	(77,747)	(23,324)	(54,423)
13	411.1	Feedback of Accumulated DFIT re: Overheads Capitalized - Unit 1	(3,276)	(983)	(2,293)
14	411.1	Feedback of Accumulated DFIT re: Other Schedule `M' Adj.-Utility	94,583	28,375	66,208
15	***	Total Unit 1 Deferred Federal Income Tax	(54,951)	(16,486)	(38,466)
			=====	=====	=====

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

=====

=====

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

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Page **UNIT 1**
March 2012

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
1		<u>ELECTRIC PLANT IN SERVICE</u>	
2	101	Electric Plant In Service	631,246,507
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	18,582,370
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	649,828,878
12	105	Plant Held For Future Use	0
13		<u>ACCUMULATED DEPRECIATION</u>	
14	108	Accumulated Provision for Depreciation of Electric Utility Plant	411,497,264
15	110	Accumulated Provision for Depreciation and Amort. of Elec. Utility Plant	0
16	111	Accumulated Provision for Amortization of Electric Utility Plant	541,368
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	412,038,632
20		<u>MATERIAL AND SUPPLIES</u>	
21	151	Fuel Stock	21,897,142
22	152	Fuel Stock Expenses - Undistributed	498,495
23	153	Residuals	0
24	154	Plant Materials and Operating Supplies	12,208,055
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)	34,603,692
29	165	Prepayments	27,954
30	186	Other Deferred Debits	0

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
OTHER WORKING CAPITAL, UNAMORTIZED DEBT EXPENSE
AND OTHER DEFERRED CREDITS**

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<u>Line No.</u>	<u>Account No.</u>	<u>Description *</u>	UNIT 1 March, 2012
1	128	Other Special Funds	0
2	131	Cash	0
3	135	Other Intra Company Adjustments	(417,478)
4	143	Accounts Receivable-Miscellaneous	964,234
5	146	Accounts Receivable-Associated Company	14,940,371
6	171	Interest and Dividends Receivable	4,017
7	174	Miscellaneous Current and Accrued Assets	0
8	232	Accounts Payable-General	(28,029)
9	234	Accounts Payable-Associated Company	(11,941,143)
10	236	Taxes Accrued	(3,625,738)
11	237	Interest Accrued	(320,705)
12	238	Dividends Declared	0
13	241	Tax Collections Payable	0
14	242	Misc Current and Accrued Liabilities	5,982,216
15		Total Other Working Capital	----- 5,557,746 =====
16	181+189	Unamortized Debt Expense	1,412,396
17	253	Other Deferred Credits	----- 1,392,738 -----
	*	debit <credit>	

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

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March 2012

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
31		<u>ACCUMULATED DEFERRED INCOME TAXES</u>	
32	190	-Accumulated Deferred Income Taxes	1,576,157
33	281	+Accumulated Deferred Income Taxes - Accelerated Amortization Property	0
34	282	+Accumulated Deferred Income Taxes - Other Property	51,239,516
35	283	+Accumulated Deferred Income Taxes - Other	477,713
36		Total Accumulated Deferred Income Taxes (In-Service Portion)	----- 50,141,072 -----
37	255	+Accumulated Deferred Investment Tax Credits	1,094,434
38	186.50	-Accumulated Deferred Investment Tax Credit	0
39		Total Accumulated Deferred Investment Tax Credits	----- 1,094,434 -----
40		Total Net In-Service Investment - Unit 1	----- 226,763,789 =====

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

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<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>UNIT 1 March, 2012</u>
		<u>Non-In-Service Investment - CWIP</u>	
1	107	Construction Work In Process	20,912,133
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		<u>ACCUMULATED DEFERRED INCOME TAXES</u>	
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	0
16		Total Accumulated Deferred Income Taxes (CWIP Portion)	0
17		TOTAL NON-IN-SERVICE INVESTMENT - CWIP	20,912,133
		<u>Non-In-Service Investment - Other</u>	
18	105	Plant Held for Future Use	1,034,099
19	186	Other Deferred Debits	769,441
20	151.10	Fuel Inventory Over Allowed Level *	(7,570,015)
21		Total Non-In-Service Investment - Other	(5,766,475)
		* INCLUDES ROCKPORT 1 AND 2	
		UNIT 1	(7,570,015)
		UNIT 2	0
		TOTAL	(7,570,015)

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
DETAIL OF NET CAPITALIZATION**

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UNIT 1
March 2012

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
1		<u>COMMON CAPITAL STOCK</u>	
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		<u>OTHER PAID-IN CAPITAL</u>	
12	207	Premium on Capital Stock	0
13	208	Donations Received from Stockholders	69,478,987
14	211	Miscellaneous Paid-In Capital	0
15	213	Discount on Capital Stock	0
16		Total Other Paid-In Capital	69,478,987
17		<u>RETAINED EARNINGS</u>	
18	215	Appropriated Retained Earnings	0
19	215.1	Appropriated Retained Earnings- Amortization Reserve, Federal	0
20	216	Unappropriated Retained Earnings	4,851,444
21		Total Retained Earnings	4,851,444
22		Total Common Equity	74,713,431
23		<u>PREFERRED CAPITAL STOCK</u>	
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 (Continued)**

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**UNIT 1
March, 2012**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
28		<u>LONG-TERM DEBT</u>	
29	221	Bonds	0
30	222	Reacquired Bonds	0
31	223	Advances from Associated Companies	0
32	224	Other Long-Term Debt	66,487,612
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	----- 66,487,612
		<u>SHORT-TERM DEBT</u>	
36a	231.02	Notes Payable (Short-Term Debt)	0
36b	231.03	Unamortized Discount	0
37	233.00	Notes Payable, Assoc Co(Money Pool)	31,630,910
38		Total Short-Term Debt	----- 31,630,910
39		<u>TEMPORARY CASH INVESTMENTS</u>	
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	----- 172,831,953 =====

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

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**UNIT 1
March, 2012**

Line No.

1	<u>Capitalization Balances (Prior Month Ending) :</u>	
2	Long-Term Debt (Accts 221 thru 226)	66,487,612
3	+ Short-Term Debt (Accts 231 + 233)	31,630,910
4	+ Preferred Stock	0
5	+ Common Equity (Accts 201 thru 216)	74,713,431
6	- Capitalization Offsets	0

7	Total Capitalization Balances	172,831,953
		=====
8	<u>Weighting of Capitalization Balances :</u>	
9	Long-Term Debt (LTD/Total Capital)	38.4695%
10	+ Short-Term Debt (STD/Total Capital)	18.3015%
11	+ Preferred Stock	0.0000%
12	+ Common Equity (Common Equity/Total Capital)	43.2289%
13	- Capitalization Offsets	-0.0001%

14	Total Capitalization	100.0000%
		=====
15	<u>Capitalization Cost Rates :</u>	
16	Long-Term Debt (avg LTD int rate)	5.4194%
17	Short-Term Debt (avg money pool STD int rate)	0.4716%
18	Preferred Stock	0.0000%
19	Common Equity (FERC fixed rate)	12.1600%
20	Capitalization Offsets (sum of weighted costs of debt)	3.8243%
21	<u>Rate of Return (Net of Tax) :</u>	
22	Long-Term Debt (LTD % x avg LTD int rate)	2.0848%
23	+ Short-Term Debt (STD % x avg MP STD int rate)	0.0863%
24	+ Preferred Stock	0.0000%
25	+ Common Equity (CE % x FERC fixed rate)	5.2566%
26	- Capitalization Offsets	0.0000%

27	Total Rate of Return (Net of Tax)	7.4277%
		=====
28	Weighted Net Cost of Debt	2.1711%
	(LTD Rate of Return + STD RR - Cap Offsets RR)	
29	+ Pre-Tax Common Equity (Line 25 / .65)	8.0871%
	(Common Equity Rate of Return grossed up for tax)	-----
30	= Rate of Return (Pre-Tax)	10.2582%
		=====

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

500	SUPERVISION AND ENGINEERING	100,264
501	FUEL	2,053,627
502	STEAM EXPENSES	115,822
503	STEAM FROM OTHER SOURCES	0
504	STEAM TRANSFERRED - CR	0
505	ELECTRIC EXPENSES	78,506
506	MISC. STEAM POWER EXPENSES	121,098
507	RENTS	198
508	OPERATION SUPPLIES AND EXPENSES	0
509	CARRYING CHARGES - ALLOWANCES	0

TOTAL OPERATION EXPENSE 2,469,514

510	MAINTENANCE SUPER. AND ENGINEERING	70,327
511	MAINTENANCE OF STRUCTURES	33,805
512	MAINTENANCE OF BOILER PLANT	424,883
513	MAINTENANCE OF ELECTRIC PLANT	93,071
514	MAINTENANCE OF MISC. STEAM PLANT	18,536
515	MAINTENANCE NORMALIZING	0

TOTAL MAINTENANCE EXPENSES 640,622

555	PURCHASED POWER	0
556	SYSTEM CONTROL AND LOAD DISPATCHING	1,459
557	OTHER POWER SUPPLY EXPENSES	3,805

TOTAL OTHER SUPPLY EXPENSES 5,264

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	366
CURRENT YEAR IS	2012
CURRENT MONTH IS	3
THIS BILLING IS FOR MONTH OF	March, 2012

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	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
	TOTAL SALES EXPENSES	0
920	ADMIN. & GENERAL SALARIES	15,332
921	OFFICE SUPPLIES AND EXPENSES	28,738
922	ADMINISTRATIVE EXPENSES TRANSF - CR	0
923	OUTSIDE SERVICES	(21,169)
924	PROPERTY INSURANCE	9,603
925	INJURIES AND DAMAGES	1,816
926	EMPLOYEE PENSIONS AND BENEFITS	91,933
927	FRANCHISE REQUIREMENTS	0
928	REGULATORY COMMISSION	0
929	DUPLICATE CHARGES-CREDIT	0
930	MISCELLANEOUS GENERAL EXPENSES	(45)
931	RENTS	47
933	TRANSPORTATION EXPENSE	0
	TOTAL ADM & GEN EXPENSES OPERATION	126,256
935	MAINTENANCE OF GENERAL PLANT	2,827
	TOTAL ADM & GEN EXPENSES	129,083
	TOTAL AEG OPERATION & MAINTENANCE EXPENSES	3,244,483
	ACCOUNT 40190 TOTAL FOR CROSS FOOT	3,244,483
	-----DIFFERENCE-----	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
 06-Apr-12**

**UNIT 2
POWER BILL - - March, 2012**

IN ACCORDANCE WITH POWER AGREEMENT DATED OCTOBER 1, 1984 (AS AMENDED)
 ENERGY DELIVERED FOR THE MONTH OF March, 2012
 KWH FOR THE MONTH 214,092,000

SUMMARY

TOTAL

Current Month Bill:

Return on Common Equity	(163,917)
Return on Other Capital	(96,191)
Total Return	<u>(260,108)</u>
Fuel	5,333,985
Purchased Power	0
Other Operating Revenues	(6,125)
Other Operation and Maintenance Exp	4,792,192
Depreciation Expense	470,266
Taxes Other Than Federal Income Tax	130,880
Federal Income Tax	<u>(34,533)</u>
TOTAL CURRENT UNIT POWER BILL	<u>10,426,556</u>

Prior Month's Adjustment:

Return on Common Equity & Other Capital	0
Fuel Expense	0
Other Expenses (Includes taxes & interest)	6,992

TOTAL PRIOR MONTH'S ADJUSTMENTS 6,992

=====

TOTAL UNIT POWER BILL 10,433,548

=====

AMOUNTS WILL BE PAID DIRECT FROM GENERAL FUNDS.

DUE DATE - - April 20, 2012

Cc: Steve Hornyak - Columbus	Kurt C Cooper - Ft Wayne
Dave Hille - Ft. Wayne	Shannon Listebarger - Columbus
Mike Stout - Ft. Wayne	
Mike Giardina - Columbus	Caitlin Kilikka-Columbus
Sid Lyons - 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-Apr-12**

**UNIT 2
POWER BILL - - March, 2012**

IN ACCORDANCE WITH POWER AGREEMENT DATED OCTOBER 1, 1984 (AS AMENDED)
ENERGY DELIVERED FOR THE MONTH OF March, 2012
KWH FOR THE MONTH 91,782,000

SUMMARY

TOTAL

Current Month Bill:

Return on Common Equity	(70,250)
Return on Other Capital	(41,225)
Total Return	(111,475)
Fuel	2,285,993
Purchased Power	0
Other Operating Revenues	(2,625)
Other Operation and Maintenance Exp	2,053,796
Depreciation Expense	201,543
Taxes Other Than Federal Income Tax	56,091
Federal Income Tax	(14,799)
TOTAL CURRENT UNIT POWER BILL	4,468,524

Prior Month's Adjustment:

Return on Common Equity & Other Capital	0
Fuel Expense	0
Other Expenses (Includes taxes & interest)	2,995

TOTAL PRIOR MONTH'S ADJUSTMENTS 2,995

TOTAL UNIT POWER BILL 4,471,519

AMOUNTS WILL BE PAID DIRECT FROM GENERAL FUNDS.

DUE DATE - - April 20, 2012

Cc: Steve Hornyak - Columbus	Kurt C Cooper - Ft Wayne
Dave Hille - Ft. Wayne	Shannon Listebarger - Columbus
Mike Stout - Ft. Wayne	
Mike Giardina - Columbus	Caitlin Kilka-Columbus
Sid Lyons - Columbus	Michelle Howell - Columbus

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
SUMMARY OF MONTHLY POWER BILL**

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ESTIMATE
Pg 2 of 18

March, 2012 **06-Apr-12**

	TOTAL UNIT 2 POWER BILL	KPCO SHARE	I&M SHARE
Return on Common Equity	(234,167)	(70,250)	(163,917)
Return on Other Capital	(137,416)	(41,225)	(96,191)
Total Return	(371,583)	(111,475)	(260,108)
+ Fuel	7,619,978	2,285,993	5,333,985
+ Purchased Power	0	0	0
- Other Operating Revenues	(8,750)	(2,625)	(6,125)
+ Other Operation and Maintenance Exp	6,845,988	2,053,796	4,792,192
+ Depreciation Expense	671,809	201,543	470,266
+ Taxes Other Than Federal Income Tax	186,971	56,091	130,880
+ Federal and State Income Tax	(49,333)	(14,799)	(34,533)
= Total Unit 2 Monthly Power Bill	14,895,080	4,468,524	10,426,556
<u>Determination of Federal Income Tax :</u>			
Total Return (Line 3)	(371,583)	(111,475)	(260,108)
+ Unit 2 Schedule M Adjustments	(233,983)	(70,195)	(163,788)
+ Unit 2 Deferred Federal Income Taxes	129,724	38,917	90,807
- Unit 2 Interest Expense Deduction *	(143,306)	(42,992)	(100,314)
= Subtotal	(332,536)	(99,760)	(232,775)
x Gross-Up (FIT Rate / 1-FIT Rate)	0.538462	0.538462	0.538462
= Unit 2 Current Federal Income Tax	(179,057)	(53,717)	(125,340)
+ Unit 2 Def Fed & State Income Taxes	129,724	38,917	90,807
= Total Unit 2 Fed&State Income Taxes	(49,333)	(14,799)	(34,533)
<u>Proof of Federal Income Tax :</u>			
Total Unit 2 Monthly Power Bill	14,895,080	4,468,524	10,426,556
- Operation and Maintenance Expenses	14,465,966	4,339,789	10,126,177
- Depreciation Expense	671,809	201,543	470,266
- Taxes Other Than Federal Income Tax	186,971	56,091	130,880
- Unit 2 Interest Expense Deduction *	(143,306)	(42,992)	(100,314)
- Other Operating Revenues	(8,750)	(2,625)	(6,125)
= Pre-Tax Book Income	(277,610)	(83,282)	(194,327)
+ Unit 2 Schedule M Adjustments	(233,983)	(70,195)	(163,788)
= Unit 2 Taxable Income	(511,593)	(153,477)	(358,115)
x Current Federal Income Tax Rate	35%	35%	35%
= Unit 2 Current Federal Income Tax	(179,057)	(53,717)	(125,340)
+ Unit 2 Def Fed & State Income Taxes	129,724	38,917	90,807
= Total Unit 2 Fed&State Income Taxes	(49,333)	(14,800)	(34,533)

* 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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<u>Line No.</u>		UNIT 2 <u>March, 2012</u>
1	Operating Ratio:	
2	<u>Net In-Service Investment:</u>	
3	Electric Plant In-Service	761,395,596
4	- Accumulated Depreciation	520,170,493
5	+ Materials & Supplies	61,637,369
6	+ Prepayments	55,908
7	+ Plant Held For Future Use (A/C 105) *	0
8	+ Other Deferred Debits (A/C 186) *	0
9	+ Other Working Capital ***	(14,776,942)
10	+ Unamortized Debt Expense (A/C 181+189)	2,824,793
11	- Other Deferred Credits (A/C 253)	62,764,790
12	- Accumulated Deferred FIT	38,366,387
13	- Accumulated Deferred ITC	22,271,799
14	Total Net In-Service Investment	167,563,255
15	<u>Non-In-Service Investment - CWIP :</u>	
16	Construction Work In Progress	20,912,133
17	+ Materials & Supplies	0
18	- Accumulated Deferred FIT	0
19	Total Non-In-Service Investment - CWIP	20,912,133
20	<u>Non-In-Service Investment - Other :</u>	
21	Plant Held for Future Use (A/C 105) **	0
22	+ Other Deferred Debits (A/C 186) **	769,441
23	+ Fuel Inventory Over Allowed Level ****	(7,570,015)
24	Total Non-In-Service Investment - Other	(6,800,574)
25	Total Investment (Lines 14+19+24)	181,674,814
26	Operating Ratio (Line 14/Line 25)	92.2325%
27	Non-In-Service Investment-CWIP Ratio (Line 19/Line 25)	11.5107%
28	Non-In-Service Investment-Other Ratio (Line 24/Line 25)	-3.7432%
29	Total Investment	100.0000%
	* 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	

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

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**UNIT 2
March, 2012**

Line No.		
1	Net In-Service Investment Ratio:	
2	<u>Unit 2 Net In-Service Investment:</u>	
3	Electric Plant In-Service	111,566,719
4	- Accumulated Depreciation	108,131,861
5	+ Materials & Supplies	27,033,677
6	+ Prepayments	27,954
7	+ Plant Held For Future Use (A/C 105) *	0
8	+ Other Deferred Debits (A/C 186) *	0
9	+ Other Working Capital **	(20,334,688)
10	+ Unamortized Debt Expense (A/C 181+189)	1,412,396
11	- Other Deferred Credits (A/C 253)	61,372,052
12	- Accumulated Deferred FIT	(11,774,685)
13	- Accumulated Deferred ITC	21,177,365
14	Total Unit 2 Net In-Service Investment	(59,200,535)
15	<u>Unit 1 Net In-Service Investment:</u>	
16	Electric Plant In-Service	649,828,878
17	- Accumulated Depreciation	412,038,632
18	+ Materials & Supplies	34,603,692
19	+ Prepayments	27,954
20	+ Plant Held For Future Use (A/C 105) *	0
21	+ Other Deferred Debits (A/C 186) *	0
22	+ Other Working Capital **	5,557,746
23	+ Unamortized Debt Expense (A/C 181+189)	1,412,396
24	- Other Deferred Credits (A/C 253)	1,392,738
25	- Accumulated Deferred FIT	50,141,072
26	- Accumulated Deferred ITC	1,094,434
27	Total Unit 1 Net In-Service Investment	226,763,789
28	Total Net In-Service Investment	167,563,255
29	<u>Net In-Service Investment Ratio:</u>	
30	Unit 2 (Line 14 / Line 28)	-35.3300%
31	Unit 1 (Line 27 / Line 28)	135.3300%
		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 2
March, 2012**

1	Net Capitalization:	
2	Long-Term Debt	66,487,612
3	+ Short-Term Debt	31,630,910
4	+ Preferred Stock	0
5	+ Common Equity	74,713,431
6	- Temporary Cash Investments	0
7	Net Capitalization	172,831,953
8	40% of Net Capitalization	69,132,781
9	<u>Return on Common Equity:</u>	
10	Lesser of Line 5 or Line 8	69,132,781
11	x Equity Return (Monthly Rate)	1.01333%
12	= Equity Return	700,543
13	x Operating Ratio	92.2325%
14	x Net In-Service Investment Ratio	-35.3300%
15	= Subtotal	(228,277)
16	Excess of Line 5 Over Line 8	5,580,650
17	x Weighted Cost of Debt (Monthly Rate)	0.3239%
18	= Return on Equity over 40% of Capitalization	18,076
19	x Operating Ratio	92.2325%
20	x Net In-Service Investment Ratio	-35.3300%
21	= Subtotal	(5,890)
22	Unit 2 Return on Equity (Line 15 + Line 21)	(234,167)
23	<u>Return on Other Capital:</u>	
24	Long-Term Debt Interest Expense	305,190
25	+ Short-Term Debt Interest Expense (a/c 430)	116,517
26	+ Other Interest Expense (a/c 431)	0
27	- Temporary Cash Investment Income *	0
28	= Net Interest Expense	421,707
29	+ Preferred Stock Dividends (a/c 437)	0
30	= Net Cost of Other Capital	421,707
31	x Operating Ratio	92.2325%
32	x Net In-Service Investment Ratio	-35.3300%
33	= Unit 2 Return on Other Capital	(137,416)

* 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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**UNIT 2
March, 2012**

Line
No.

1	Debt Balances (Prior Month Ending) :	
2	Long-Term Debt (Accts 221 thru 226)	66,487,612
3	+ Short-Term Debt (Accts 231 + 233)	31,630,910
4	+ Other Debt (Accts 132 thru 136 + 145)	0

5	Total Debt Balances (Prior Month Ending)	98,118,522
		=====
6	<u>Weighting of Debt Balances :</u>	
7	Long-Term Debt (LTD bal/Total Debt bal)	67.7625%
8	+ Short-Term Debt (STD bal/Total Debt bal)	32.2375%
9	+ Other Debt	0.0000%

10	Total Debt Balances	100.0000%
		=====
11	<u>Debt Cost Rates :</u>	
12	Long-Term Debt (avg LTD int rate)	5.4194%
13	Short-Term Debt (avg Money Pool STD int rate)	0.4716%
14	Other Debt	0.0000%
15	<u>Weighted Cost of Debt :</u>	
16	Long-Term Debt (LTD % x avg LTD int rate)	3.6723%
17	+ Short-Term Debt (STD % x avg MP STD int rate)	0.1520%
18	+ Other Debt	0.0000%

19	Total Weighted Cost of Debt	3.8243%
		=====

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

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UNIT 2

INCLUDE A/C 431 ON PG 5

<u>Line No.</u>		<u>March, 2012</u>
1	Unit 2 Materials and Supplies:	
2	Fuel Stock - Coal (per Line 23)	11,822,852
3	Fuel Stock Expenses - Undistributed (152)	498,495
4	Fuel Stock - Oil (1510002)	2,504,275
5	Plant Materials & Operating Supplies	12,208,055
6	Merchandise	0
7	Undistributed Stores Expense	0
8	Total Materials & Supplies	<u>27,033,677</u>
9	<u>Support of Coal Inventory Value:</u>	
10	Actual Coal Inventory (a/c 151.10)	11,822,852
11	+ Equivalent Inventory re: Deferred Return	588,129,358
12	= Imputed Coal Inventory	<u>599,952,210</u>
13	<u>Coal Inventory W/68 Day Supply Cap</u>	
14	Tons Consumed - CHANGE ANNUALLY FROM DEC PG 24	2,333,062
15	/ Hours Available * CHG ANNUALLY FROM GADS RPT 511	6816.7
16	= Tons Consumed per Hour	342.26
17	x 24 Hours per Day	24
18	= Tons Consumed Per Day	8214.24
19	x 68 days	68
20	= 68 day Supply (Tons)	558,568
21	x Coal Cost per Ton (per a/c 151.10 at End of Prior Month)	35.195
22	= 68 day Coal Inventory	<u>19,658,801</u>
23	Lesser of Imputed or Capped Coal Inventory	<u>19,658,801</u>
24	Imputed Inventory Minus Line 23	<u>580,293,409</u>
25	<u>Accumulated Deferred Inventory Return - Unit 2 (Memo Item):</u>	
26	Beginning Balance	5,066,027
27	+ Current Month Return on Beginning Balance	44,017
28	+ Current Month Deferral	65,513
29	- Current Month Recovery	0
30	= Ending Balance **	<u>5,175,557</u>
	* Excludes Forced Outages, Scheduled Outages, and Curtailments	
	** May Not Be Less Than Zero	
	Total Unit 2 Monthly Power Bill with Actual	14,895,080
	Total Unit 2 Monthly Power Bill with 68 Day Capped	14,960,593
	Difference	65,513

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
DETAIL OF OTHER OPERATING REVENUES**

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**UNIT 2
March, 2012**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</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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UNIT 2
March, 2012

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>March, 2012</u>
1	500,502-509	Steam Power Generation - Operation	6,272,048
2	501	Fuel - Operation	7,619,978
3	510-515	Steam Power Generating - Maintenance	438,572
4		Total Steam Power Generation Expenses	14,330,599
5	555-557	Other Power Supply Expenses	5,264
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 Expense - Maintenance	0
11		Total Distribution Expense	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	127,277
16	935	Administrative and General Expenses - Maintenance	2,827
17		Total Administrative & General Exp.	130,104
18		Total Operation & Maintenance Expenses	14,465,966

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

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**UNIT 2
March, 2012**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
1	403	Depreciation Expense *	369,550
2	404	Amortization of Limited-Term Electric Plant **	302,259
3	405	Amortization of Other Electric Plant	0
4	406	Amortization of Electric Plant Acquisition Adjustments	0
5	407	Amortization of Property Losses, Unrecovered Plant and Regulatory Study Costs	0
			<hr/>
6		Total Depreciation Exp. & Amortization	671,809
			=====

* 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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March, 2012

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>March, 2012</u>
1	408.1	Taxes Other Than Federal Income Taxes, Utility Operating Income	151,031
2	409.1	State Income Taxes	35,939
3		Total Taxes Other than Federal Income Taxes	186,971 =====

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

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UNIT 2
March, 2012

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>TOTAL</u>	<u>KPCO SHARE</u>	<u>I&M SHARE</u>
1		<u>Unit 2 Schedule 'M' Adjustments*</u>			
2	N/A	Excess ACRS Over Normalization Base Depreciation	(8,500)	(2,550)	(5,950)
3	N/A	Deferred Purchased Power Costs	0	0	0
4	N/A	Excess Normalization Base Over Book Depreciation	124,500	37,350	87,150
5	N/A	Other Unit 2 Schedule 'M' Adjustments	(349,983)	(104,995)	(244,988)
6	***	Total Unit 2 Schedule 'M' Adjustments	<u>(233,983)</u>	<u>(70,195)</u>	<u>(163,788)</u>
7		<u>Unit 2 Deferred Federal Income Tax</u>			
8	410.1	Excess ACRS Over Norm. Base Depr. (Line 2 x FIT Rate * -1)	(24,002)	(7,201)	(16,801)
9	410.1	Deferred Purchased Power Costs (Line 4 x FIT Rate * -1)	0	0	0
10	10.1&411.	Other Unit 2 Schedule 'M' Adjustments - Clearing Accounts	0	0	0
12	411.1	Feedback of Accumulated DFIT re: ABFUDC - Unit 2 Negative Amount Denotes Reduction.	(12,108)	(3,633)	(8,476)
13	411.1	Feedback of Accumulated DFIT re: Overheads Capitalized - Unit 2	(230)	(69)	(161)
14	411.1	Feedback of Accumulated DFIT re: Other Schedule 'M' Adj.-Utility	166,064	49,819	116,245
15	***	Total Unit 2 Deferred Federal Income Tax	<u>129,724</u>	<u>38,917</u>	<u>90,807</u>

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

Check Figure on Tax Page for Sch M	(233,983)
Check Figure on Tax Page for DFIT	129,724

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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<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
1		<u>ELECTRIC PLANT IN SERVICE</u>	
2	101	Electric Plant In Service	109,594,830
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	1,971,888
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	111,566,719
12	105	Plant Held For Future Use	0
13		<u>ACCUMULATED DEPRECIATION</u>	
14	108	Accumulated Provision for Depreciation of Electric Utility Plant	90,412,445
15	110	Accumulated Provision for Depreciation and Amort. of Elec. Utility Plant	0
16	111	Accumulated Provision for Amortization of Electric Utility Plant	17,719,416
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	108,131,861
20		<u>MATERIAL AND SUPPLIES</u>	
21	151	Fuel Stock	14,327,127
22	152	Fuel Stock Expenses - Undistributed	498,495
23	153	Residuals	0
24	154	Plant Materials and Operating Supplies	12,208,055
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)	27,033,677
29	165	Prepayments	27,954
30	186	Other Deferred Debits	0

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
OTHER WORKING CAPITAL, UNAMORTIZED DEBT EXPENSE
AND OTHER DEFERRED CREDITS**

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<u>Line No.</u>	<u>Account No.</u>	<u>Description *</u>	
1	128	Other Special Funds	0
2	131	Cash	0
3	135	Other Intra Company Adjustments	417,478
4	143	Accounts Receivable-Miscellaneous	1,001,112
5	146	Accounts Receivable-Associated Company	15,262,196
6	171	Interest and Dividends Receivable	4,017
7	174	Miscellaneous Current and Accrued Assets	0
8	232	Accounts Payable-General	(28,029)
9	234	Accounts Payable-Associated Company	(11,881,141)
10	236	Taxes Accrued	(1,245,315)
11	237	Interest Accrued	(320,705)
12	238	Dividends Declared	0
13	241	Tax Collections Payable	0
14	242	Misc Current and Accrued Liabilities	(23,544,302)
			<hr/>
15		Total Other Working Capital	(20,334,688)
			=====
16	181+189	Unamortized Debt Expense	1,412,396
			<hr/>
17	253	Other Deferred Credits	61,372,052
			<hr/>
*		debit <credit>	

**AEP GENERATING COMPANY
ROCKPORT POWER BILL**

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

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
31		ACCUMULATED DEFERRED INCOME TAXES	
32	190	-Accumulated Deferred Income Taxes	24,704,000
33	281	+Accumulated Deferred Income Taxes - Accelerated Amortization Property	0
34	282	+Accumulated Deferred Income Taxes - Other Property	12,318,475
35	283	+Accumulated Deferred Income Taxes - Other	610,840
36		Total Accumulated Deferred Income Taxes (In-Service Portion)	<u>(11,774,685)</u>
37	255	+Accumulated Deferred Investment Tax Credits	21,177,365
38	186.50	-Accumulated Deferred Investment Tax Credit	0
39		Total Accumulated Deferred Investment Tax Credits	<u>21,177,365</u>
40		Total Net In-Service Investment - Unit 2	<u><u>(59,200,535)</u></u> =====

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

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<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
		<u>Non-In-Service Investment - CWIP</u>	
1	107	Construction Work In Process	20,912,133
2		<u>MATERIAL AND SUPPLIES</u>	
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		<u>ACCUMULATED DEFERRED INCOME TAXES</u>	
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	0
16		Total Accumulated Deferred Income Taxes (CWIP Portion)	0
17		TOTAL NON-IN-SERVICE INVESTMENT - CWIP	20,912,133
		<u>Non-In-Service Investment - Other</u>	
18	105	Plant Held for Future Use	0
19	186	Other Deferred Debits	769,441
20	151.10	Fuel Inventory Over Allowed Level *	(7,570,015)
21		Total Non-In-Service Investment - Other	(6,800,574)
		* INCLUDES ROCKPORT 1 AND 2	
		UNIT 1	(7,570,015)
		UNIT 2	0
		TOTAL	(7,570,015)

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
DETAIL OF NET CAPITALIZATION**

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**UNIT 2
March, 2012**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
1		<u>COMMON CAPITAL STOCK</u>	
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		<u>OTHER PAID-IN CAPITAL</u>	
12	207	Premium on Capital Stock	0
13	208	Donations Received from Stockholders	69,478,987
14	211	Miscellaneous Paid-In Capital	0
15	213	Discount on Capital Stock	0
16		Total Other Paid-In Capital	69,478,987
17		<u>RETAINED EARNINGS</u>	
18	215	Appropriated Retained Earnings	0
19	215.1	Appropriated Retained Earnings- Amortization Reserve, Federal	0
20	216	Unappropriated Retained Earnings	4,851,444
21		Total Retained Earnings	4,851,444
22		Total Common Equity	74,713,431
23		<u>PREFERRED CAPITAL STOCK</u>	
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
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<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
28		<u>LONG-TERM DEBT</u>	
29	221	Bonds	0
30	222	Reacquired Bonds	0
31	223	Advances from Associated Companies	0
32	224	Other Long-Term Debt	66,487,612
33	225	Unamortized Premium on Long-Term Debt-Credit	0
34	226	Unamortized Discount on Long-Term Debt-Debit	0
			<hr/>
35		Total Long-Term Debt	66,487,612
			<hr/>
		<u>SHORT-TERM DEBT</u>	
36a	231.02	Notes Payable (Short-Term Debt)	0
36b	231.03	Unamortized Discount	0
37	233.00	Notes Payable, Assoc Co(Money Pool)	31,630,910
			<hr/>
38		Total Short-Term Debt	31,630,910
			<hr/>
39		<u>TEMPORARY CASH INVESTMENTS</u>	
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
			<hr/>
44		Total Temporary Cash Investments	0
			<hr/>
45		NET CAPITALIZATION	172,831,953
			<hr/> <hr/>

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

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**UNIT 2
March, 2012**

Line No.

1	Capitalization Balances (Prior Month Ending) :	
2	Long-Term Debt (Accts 221 thru 226)	66,487,612
3	+ Short-Term Debt (Accts 231 + 233)	31,630,910
4	+ Preferred Stock	0
5	+ Common Equity (Accts 201 thru 216)	74,713,431
6	- Capitalization Offsets	0
7	Total Capitalization Balances	172,831,953
		=====
8	<u>Weighting of Capitalization Balances :</u>	
9	Long-Term Debt (LTD/Total Capital)	38.4695%
10	+ Short-Term Debt (STD/Total Capital)	18.3015%
11	+ Preferred Stock	0.0000%
12	+ Common Equity (Common Equity/Total Capital)	43.2289%
13	- Capitalization Offsets	-0.0001%
14	Total Capitalization	100.0000%
		=====
15	<u>Capitalization Cost Rates :</u>	
16	Long-Term Debt (avg LTD int rate)	5.4194%
17	Short-Term Debt (avg money pool STD int rate)	0.4716%
18	Preferred Stock	0.0000%
19	Common Equity (FERC fixed rate)	12.1600%
20	Capitalization Offsets (sum of weighted costs of debt)	3.8243%
21	<u>Rate of Return (Net of Tax) :</u>	
22	Long-Term Debt (LTD % x avg LTD int rate)	2.0848%
23	+ Short-Term Debt (STD % x avg MP STD int rate)	0.0863%
24	+ Preferred Stock	0.0000%
25	+ Common Equity (CE % x FERC fixed rate)	5.2566%
26	- Capitalization Offsets	0.0000%
27	Total Rate of Return (Net of Tax)	7.4277%
		=====
28	Weighted Net Cost of Debt	2.1711%
	(LTD Rate of Return + STD RR - Cap Offsets RR)	
29	+ Pre-Tax Common Equity (Line 25 / .65)	8.0871%
	(Common Equity Rate of Return grossed up for tax)	
30	= Rate of Return (Pre-Tax)	10.2582%
		=====

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

500	SUPERVISION AND ENGINEERING	100,485
501	FUEL	7,619,978
502	STEAM EXPENSES	166,897
503	STEAM FROM OTHER SOURCES	0
504	STEAM TRANSFERRED - CR	0
505	ELECTRIC EXPENSES	47,829
506	MISC. STEAM POWER EXPENSES	266,387
507	RENTS	5,690,451
508	OPERATION SUPPLIES AND EXPENSES	0
509	CARRYING CHARGES - ALLOWANCES	0

TOTAL OPERATION EXPENSE 13,892,026

510	MAINTENANCE SUPER. AND ENGINEERING	69,016
511	MAINTENANCE OF STRUCTURES	12,974
512	MAINTENANCE OF BOILER PLANT	258,971
513	MAINTENANCE OF ELECTRIC PLANT	110,887
514	MAINTENANCE OF MISC. STEAM PLANT	(13,275)
515	MAINTENANCE NORMALIZING	0

TOTAL MAINTENANCE EXPENSES 438,572

555	PURCHASED POWER	0
556	SYSTEM CONTROL AND LOAD DISPATCHING	1,459
557	OTHER POWER SUPPLY EXPENSES	3,805

TOTAL OTHER SUPPLY EXPENSES 5,264

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 >	366
CURRENT YEAR IS	2012
CURRENT MONTH IS	3
THIS BILLING IS FOR MONTH OF	March, 2012

A E P GENERATING COMPANY

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 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	16,348
921	OFFICE SUPPLIES AND EXPENSES	28,743
922	ADMINISTRATIVE EXPENSES TRANSF - CR	0
923	OUTSIDE SERVICES	(21,169)
924	PROPERTY INSURANCE	9,603
925	INJURIES AND DAMAGES	1,816
926	EMPLOYEE PENSIONS AND BENEFITS	91,933
927	FRANCHISE REQUIREMENTS	0
928	REGULATORY COMMISSION	0
929	DUPLICATE CHARGES-CREDIT	0
930	MISCELLANEOUS GENERAL EXPENSES	(45)
931	RENTS	47
933	TRANSPORTATION EXPENSE	0
	TOTAL ADM & GEN EXPENSES OPERATION	127,277
935	MAINTENANCE OF GENERAL PLANT	2,827
	TOTAL ADM & GEN EXPENSES	130,104
	TOTAL AEG OPERATION & MAINTENANCE EXPENSES	14,465,966
	ACCOUNT 40190 TOTAL FOR CROSS FOOT	14,465,966
	-----DIFFERENCE-----	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
07-May-12**

**UNIT 1
POWER BILL - - April, 2012**

IN ACCORDANCE WITH POWER AGREEMENT DATED OCTOBER 1, 1984 (AS AMENDED)
ENERGY DELIVERED FOR THE MONTH OF April, 2012
KWH FOR THE MONTH 259,956,000

	<u>SUMMARY</u>	<u>TOTAL</u>
Current Month Bill:		
Return on Common Equity		602,648
Return on Other Capital		281,043
Total Return		883,691
Fuel		5,520,102
Purchased Power		0
Other Operating Revenues		(6,125)
Other Operation and Maintenance Exp		938,872
Depreciation Expense		1,164,697
Taxes Other Than Federal Income Tax		131,582
Federal Income Tax		96,301
TOTAL UNIT POWER BILL		8,729,120
Prior Month's Adjustment:		
Return on Common Equity & Other Capital		0
Fuel		0
Other Expenses (Includes taxes & interest)		(108,403)
TOTAL PRIOR MONTH'S ADJUSTMENTS		(108,403)
TOTAL UNIT POWER BILL		8,620,717

AMOUNTS WILL BE PAID DIRECT FROM GENERAL FUNDS.

DUE DATE - - - May 21, 2012

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

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-12

UNIT 1
POWER BILL - - April, 2012

IN ACCORDANCE WITH POWER AGREEMENT DATED OCTOBER 1, 1984 (AS AMENDED)
 ENERGY DELIVERED FOR THE MONTH OF April, 2012
 KWH FOR THE MONTH 111,459,000

SUMMARY

TOTAL

Current Month Bill:

Return on Common Equity	258,278
Return on Other Capital	120,447
Total Return	378,725
Fuel	2,365,758
Purchased Power	0
Other Operating Revenues	(2,625)
Other Operation and Maintenance Exp	402,374
Depreciation Expense	499,156
Taxes Other Than Federal Income Tax	56,392
Federal Income Tax	41,271
TOTAL CURRENT UNIT POWER BILL	3,741,051

Prior Month's Adjustment:

Return on Common Equity & Other Capital	0
Fuel Expense	0
Other Expenses (Includes taxes & interest)	(46,457)
TOTAL PRIOR MONTH'S ADJUSTMENTS	(46,457)

TOTAL UNIT POWER BILL	3,694,594
------------------------------	------------------

AMOUNTS WILL BE PAID DIRECT FROM GENERAL FUNDS.

DUE DATE - - - May 21, 2012

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	

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
SUMMARY OF MONTHLY POWER BILL**

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April, 2012

	<u>TOTAL UNIT 1 POWER BILL</u>	<u>KPCO SHARE</u>	<u>I&M SHARE</u>
Return on Common Equity	860,926	258,278	602,648
Return on Other Capital	401,490	120,447	281,043
Total Return	1,262,416	378,725	883,691
+ Fuel	7,885,860	2,365,758	5,520,102
+ Purchased Power	0	0	0
- Other Operating Revenues	(8,750)	(2,625)	(6,125)
+ Other Operation and Maintenance Exp	1,341,246	402,374	938,872
+ Depreciation Expense	1,663,853	499,156	1,164,697
+ Taxes Other Than Federal Income Tax	187,974	56,392	131,582
+ Federal and State Income Tax	137,572	41,271	96,301
= Total Unit 1 Monthly Power Bill	12,470,171	3,741,051	8,729,120
<u>Determination of Federal Income Tax :</u>			
Total Return (Line 3)	1,262,416	378,725	883,691
+ Unit 1 Schedule M Adjustments	3,228,352	968,506	2,259,846
+ Unit 1 Deferred Federal Income Taxes	(1,329,318)	(398,796)	(930,523)
- Unit 1 Interest Expense Deduction *	437,222	131,167	306,055
= Subtotal	2,724,227	817,268	1,906,959
x Gross-Up (FIT Rate / 1-FIT Rate)	0.538462	0.538462	0.538462
= Unit 1 Current Federal Income Tax	1,466,891	440,067	1,026,824
+ Unit 1 Def Fed & State Income Taxes	(1,329,318)	(398,796)	(930,523)
= Total Unit 1 Fed&State Income Taxes	137,572	41,271	96,301
<u>Proof of Federal Income Tax :</u>			
Total Unit 1 Monthly Power Bill	12,470,171	3,741,051	8,729,120
- Operation and Maintenance Expenses	9,227,106	2,768,132	6,458,974
- Depreciation Expense	1,663,853	499,156	1,164,697
- Taxes Other Than Federal Income Tax	187,974	56,392	131,582
- Unit 1 Interest Expense Deduction *	437,222	131,167	306,055
- Other Operating Revenues	(8,750)	(2,625)	(6,125)
= Pre-Tax Book Income	962,766	288,829	673,936
+ Unit 1 Schedule M Adjustments	3,228,352	968,506	2,259,846
= Unit 1 Taxable Income	4,191,118	1,257,335	2,933,782
x Current Federal Income Tax Rate	35%	35%	35%
= Unit 1 Current Federal Income Tax	1,466,891	440,067	1,026,824
+ Unit 1 Def Fed & State Income Taxes	(1,329,319)	(398,796)	(930,523)
= Total Unit 1 Fed&State Income Taxes	137,572	41,271	96,301

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

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<u>Line No.</u>		<u>UNIT 1 April, 2012</u>
1	<u>Operating Ratio:</u>	
2	<u>Net In-Service Investment:</u>	
3	Electric Plant In-Service	761,590,213
4	- Accumulated Depreciation	522,520,280
5	+ Materials & Supplies	65,656,827
6	+ Prepayments	65,392
7	+ Plant Held For Future Use (A/C 105) *	0
8	+ Other Deferred Debits (A/C 186) *	0
9	+ Other Working Capital ***	(29,964,877)
10	+ Unamortized Debt Expense (A/C 181+189)	2,796,442
11	- Other Deferred Credits (A/C 253)	62,300,544
12	- Accumulated Deferred FIT	37,158,571
13	- Accumulated Deferred ITC	21,998,258
14	Total Net In-Service Investment	156,166,345
15	<u>Non-In-Service Investment - CWIP :</u>	
16	Construction Work In Progress	22,187,832
17	+ Materials & Supplies	0
18	- Accumulated Deferred FIT	0
19	Total Non-In-Service Investment - CWIP	22,187,832
20	<u>Non-In-Service Investment - Other :</u>	
21	Plant Held for Future Use (A/C 105) **	1,034,099
22	+ Other Deferred Debits (A/C 186) **	3,721,159
23	+ Fuel Inventory Over Allowed Level ****	(3,021,839)
24	Total Non-In-Service Investment - Other	1,733,419
25	Total Investment (Lines 14+19+24)	180,087,596
26	Operating Ratio (Line 14/Line 25)	86.7169%
27	Non-In-Service Investment-CWIP Ratio (Line 19/Line 25)	12.3206%
28	Non-In-Service Investment-Other Ratio (Line 24/Line 25)	0.9625%
29	Total Investment	100.0000%
*	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	
****	Includes Rockport 1 and 2	

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

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<u>Line No.</u>		<u>UNIT 1</u> <u>April, 2012</u>
1	<u>Net In-Service Investment Ratio:</u>	
2	Unit 1 Net In-Service Investment:	
3	Electric Plant In-Service	649,907,908
4	- Accumulated Depreciation	413,653,900
5	+ Materials & Supplies	34,339,333
6	+ Prepayments	32,696
7	+ Plant Held For Future Use (A/C 105) *	0
8	+ Other Deferred Debits (A/C 186) *	0
9	+ Other Working Capital **	1,041,028
10	+ Unamortized Debt Expense (A/C 181+189)	1,398,221
11	- Other Deferred Credits (A/C 253)	1,392,738
12	- Accumulated Deferred FIT	48,812,269
13	- Accumulated Deferred ITC	985,058
14	Total Unit 1 Net In-Service Investment	----- 221,875,221 -----
15	Unit 2 Net In-Service Investment:	
16	Electric Plant In-Service	111,682,305
17	- Accumulated Depreciation	108,866,380
18	+ Materials & Supplies	31,317,494
19	+ Prepayments	32,696
20	+ Plant Held For Future Use (A/C 105) *	0
21	+ Other Deferred Debits (A/C 186) *	0
22	+ Other Working Capital **	(31,005,905)
23	+ Unamortized Debt Expense (A/C 181+189)	1,398,221
24	- Other Deferred Credits (A/C 253)	60,907,806
25	- Accumulated Deferred FIT	(11,653,698)
26	- Accumulated Deferred ITC	21,013,200
27	Total Unit 2 Net In-Service Investment	----- (65,708,876) -----
28	Total Net In-Service Investment	----- 156,166,345 =====
29	<u>Net In-Service Investment Ratio:</u>	
30	Unit 1 (Line 14 / Line 28)	142.0800%
31	Unit 2 (Line 27 / Line 28)	-42.0800%
		----- 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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<u>Line No.</u>		<u>UNIT 1</u> <u>April, 2012</u>
1	<u>Net Capitalization:</u>	
2	Long-Term Debt	66,487,612
3	+ Short-Term Debt	24,036,252
4	+ Preferred Stock	0
5	+ Common Equity	74,713,431
6	- Temporary Cash Investments	0
7	Net Capitalization	----- 165,237,295 =====
8	40% of Net Capitalization	66,094,918
9	<u>Return on Common Equity:</u>	
10	Lesser of Line 5 or Line 8	66,094,918
11	x Equity Return (Monthly Rate)	1.01333%
12	= Equity Return	669,760
13	x Operating Ratio	86.7169%
14	x Net In-Service Investment Ratio	142.0800%
15	= Subtotal	825,194
16	Excess of Line 5 Over Line 8	8,618,513
17	x Weighted Cost of Debt (Monthly Rate)	0.3365%
18	= Return on Equity over 40% of Capitalization	29,001
19	x Operating Ratio	86.7169%
20	x Net In-Service Investment Ratio	142.0800%
21	= Subtotal	35,732
22	Unit 1 Return on Equity (Line 15 + Line 21)	----- 860,926 =====
23	<u>Return on Other Capital:</u>	
24	Long-Term Debt Interest Expense	295,345
25	+ Short-Term Debt Interest Expense (a/c 430)	30,521
26	+ Other Interest Expense (a/c 431)	0
27	- Temporary Cash Investment Income *	0
28	= Net Interest Expense	----- 325,866
29	+ Preferred Stock Dividends (a/c 437)	0
30	= Net Cost of Other Capital	----- 325,866
31	x Operating Ratio	86.7169%
32	x Net In-Service Investment Ratio	142.0800%
33	= Unit 1 Return on Other Capital	----- 401,490 =====
	* 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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UNIT 1
April, 2012

<u>Line No.</u>		
1	<u>Debt Balances (Prior Month Ending) :</u>	
2	Long-Term Debt (Accts 221 thru 226)	66,487,612
3	+ Short-Term Debt (Accts 231 + 233)	24,036,252
4	+ Other Debt (Accts 132 thru 136 + 145)	0

5	Total Debt Balances (Prior Month Ending)	90,523,864
		=====
6	<u>Weighting of Debt Balances :</u>	
7	Long-Term Debt (LTD bal/Total Debt bal)	73.4476%
8	+ Short-Term Debt (STD bal/Total Debt bal)	26.5524%
9	+ Other Debt	0.0000%

10	Total Debt Balances	100.0000%
		=====
11	<u>Debt Cost Rates :</u>	
12	Long-Term Debt (avg LTD int rate)	5.4194%
13	Short-Term Debt (avg Money Pool STD int rate)	0.4701%
14	Other Debt	0.0000%
15	<u>Weighted Cost of Debt :</u>	
16	Long-Term Debt (LTD % x avg LTD int rate)	3.9804%
17	+ Short-Term Debt (STD % x avg MP STD int rate)	0.1248%
18	+ Other Debt	0.0000%

19	Total Weighted Cost of Debt	4.1052%
		=====

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

<u>Line No.</u>		<u>April, 2012</u>
1	<u>Unit 1 Materials and Supplies:</u>	
2	Fuel Stock - Coal (per Line 23)	19,502,519
3	Fuel Stock Expenses - Undistributed (152)	763,551
4	Fuel Stock - Oil (1510002)	1,974,170
5	Plant Materials & Operating Supplies	12,099,093
6	Merchandise	0
7	Undistributed Stores Expense	0

8	Total Materials & Supplies	34,339,333
		=====
9	<u>Support of Coal Inventory Value:</u>	
10	Actual Coal Inventory (a/c 151.10)	16,480,680
11	+ Equivalent Inventory re: Deferred Return	14,664,546,156

12	= Imputed Coal Inventory	14,681,026,836

13	<u>Coal Inventory W/68 Day Supply Cap</u>	
14	Tons Consumed - CHANGE ANNUALLY FROM DEC PG 24	2,523,686
15	/ Hours Available * CHG ANNUALLY FROM GADS RPT 511	7474.6
16	= Tons Consumed per Hour	337.63
17	x 24 Hours per Day	24
18	= Tons Consumed Per Day	8103.12
19	x 68 days	68
20	= 68 day Supply (Tons)	551,012
21	x Coal Cost per Ton (per a/c 151.10 at End of Prior Month)	35.394

22	= 68 day Coal Inventory	19,502,519

23	Lesser of Imputed or Capped Coal Inventory	19,502,519

24	Imputed Inventory Minus Line 23	14,661,524,317
		=====
25	<u>Accumulated Deferred Inventory Return - Unit 1 (Memo Item):</u>	
26	Beginning Balance	127,589,203
27	+ Current Month Return on Beginning Balance	1,119,836
28	+ Current Month Deferral	0
29	- Current Month Recovery	23,804

30	= Ending Balance **	128,685,235
		=====

* 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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**UNIT 1
April, 2012**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</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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UNIT 1
April, 2012

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>April, 2012</u>
1	500,502-509	Steam Power Generation - Operation	573,700
2	501	Fuel - Operation	7,885,860
3	510-515	Steam Power Generating - Maintenance	586,364
4		Total Steam Power Generation Expenses	9,045,923
5	555-557	Other Power Supply Expenses	5,931
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 - Operation	173,105
16	935	Administrative and General Expenses - Maintenance	2,147
17		Total Administrative & General Exp.	175,252
18		Total Operation & Maintenance Expenses	9,227,106

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

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**UNIT 1
April, 2012**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
1	403	Depreciation Expense	1,663,843
2	404	Amortization of Limited-Term Electric Plant	10
3	405	Amortization of Other Electric Plant	0
4	406	Amortization of Electric Plant Acquisition Adjustments	0
5	407	Amortization of Property Losses, Unrecovered Plant and Regulatory Study Costs	0

6		Total Depreciation Exp. & Amortization	1,663,853 =====

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

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<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>April, 2012</u>
BS1			
1	408.1	Taxes Other Than Federal Income Taxes, Utility Operating Income	154,351
2	409.1	State Income Taxes	33,623
3		Total Taxes Other than FIT	----- 187,974 =====

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

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<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>TOTAL</u>	<u>KPCO SHARE</u>	<u>I&M SHARE</u>
1		<u>Unit 1 Schedule `M' Adjustments*</u>			
2	N/A	Excess ACRS Over Normalization Base Depreciation	3,500	1,050	2,450
3	N/A	Deferred Purchased Power Costs	0	0	0
4	N/A	Excess Normalization Base Over Book Depreciation	(17,500)	(5,250)	(12,250)
5	N/A	Other Unit 1 Schedule `M' Adjustments	3,242,352	972,706	2,269,646
6	***	Total Unit 1 Schedule `M' Adjustments	3,228,352	968,506	2,259,846
7		<u>Unit 1 Deferred Federal Income Tax</u>			
8	410.1	Excess ACRS Over Norm. Base Depr. (Line 2 x FIT Rate * -1)	(1,053,616)	(316,085)	(737,531)
9	410.1	Deferred Purchased Power Costs (Line 4 x FIT Rate * -1)	0	0	0
10	410.1&411.1	Other Unit 1 Schedule `M' Adjustments - Clearing Accounts	0	0	0
12	411.1	Feedback of Accumulated DFIT re: ABFUDC - Unit 1 Negative Amount Denotes Reduction.	(77,747)	(23,324)	(54,423)
13	411.1	Feedback of Accumulated DFIT re: Overheads Capitalized - Unit 1	(3,276)	(983)	(2,293)
14	411.1	Feedback of Accumulated DFIT re: Other Schedule `M' Adj.-Utility	(194,680)	(58,404)	(136,276)
15	***	Total Unit 1 Deferred Federal Income Tax	(1,329,318)	(398,796)	(930,523)

*** 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
April 2012

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
1		<u>ELECTRIC PLANT IN SERVICE</u>	
2	101	Electric Plant In Service	631,967,299
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	17,940,609
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	649,907,908
12	105	Plant Held For Future Use	0
13		<u>ACCUMULATED DEPRECIATION</u>	
14	108	Accumulated Provision for Depreciation of Electric Utility Plant	413,112,521
15	110	Accumulated Provision for Depreciation and Amort. of Elec. Utility Plant	0
16	111	Accumulated Provision for Amortization of Electric Utility Plant	541,379
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	413,653,900
20		<u>MATERIAL AND SUPPLIES</u>	
21	151	Fuel Stock	21,476,689
22	152	Fuel Stock Expenses - Undistributed	763,551
23	153	Residuals	0
24	154	Plant Materials and Operating Supplies	12,099,093
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)	34,339,333
29	165	Prepayments	32,696
30	186	Other Deferred Debits	0

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
OTHER WORKING CAPITAL, UNAMORTIZED DEBT EXPENSE
AND OTHER DEFERRED CREDITS**

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<u>Line No.</u>	<u>Account No.</u>	<u>Description *</u>	<u>UNIT 1 April, 2012</u>
1	128	Other Special Funds	0
2	131	Cash	0
3	135	Other Intra Company Adjustments	(417,478)
4	143	Accounts Receivable-Miscellaneous	964,234
5	146	Accounts Receivable-Associated Company	15,379,033
6	171	Interest and Dividends Receivable	4,178
7	174	Miscellaneous Current and Accrued Assets	0
8	232	Accounts Payable-General	(28,915)
9	234	Accounts Payable-Associated Company	(12,183,422)
10	236	Taxes Accrued	(5,486,656)
11	237	Interest Accrued	(3,018,651)
12	238	Dividends Declared	0
13	241	Tax Collections Payable	0
14	242	Misc Current and Accrued Liabilities	5,828,705
15		Total Other Working Capital	1,041,028
			=====
16	181+189	Unamortized Debt Expense	1,398,221
17	253	Other Deferred Credits	1,392,738

		* debit <credit>	

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

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UNIT 1
April 2012

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
31		<u>ACCUMULATED DEFERRED INCOME TAXES</u>	
32	190	-Accumulated Deferred Income Taxes	1,570,977
33	281	+Accumulated Deferred Income Taxes - Accelerated Amortization Property	0
34	282	+Accumulated Deferred Income Taxes - Other Property	49,908,480
35	283	+Accumulated Deferred Income Taxes - Other	474,766
36		Total Accumulated Deferred Income Taxes (In-Service Portion)	----- 48,812,269 -----
37	255	+Accumulated Deferred Investment Tax Credits	985,058
38	186.50	-Accumulated Deferred Investment Tax Credit	0
39		Total Accumulated Deferred Investment Tax Credits	----- 985,058 -----
40		Total Net In-Service Investment - Unit 1	----- 221,875,221 =====

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

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**UNIT 1
April, 2012**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
		<u>Non-In-Service Investment - CWIP</u>	
1	107	Construction Work In Process	22,187,832
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		<u>ACCUMULATED DEFERRED INCOME TAXES</u>	
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	0
16		Total Accumulated Deferred Income Taxes (CWIP Portion)	----- 0
17		TOTAL NON-IN-SERVICE INVESTMENT - CWIP	----- 22,187,832 =====
		<u>Non-In-Service Investment - Other</u>	
18	105	Plant Held for Future Use	1,034,099
19	186	Other Deferred Debits	3,721,159
20	151.10	Fuel Inventory Over Allowed Level *	(3,021,839)
21		Total Non-In-Service Investment - Other	----- 1,733,419 =====
		* INCLUDES ROCKPORT 1 AND 2	
		UNIT 1	(3,021,839)
		UNIT 2	0
		TOTAL	----- (3,021,839) =====

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
DETAIL OF NET CAPITALIZATION**

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<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
1		<u>COMMON CAPITAL STOCK</u>	
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		<u>OTHER PAID-IN CAPITAL</u>	
12	207	Premium on Capital Stock	0
13	208	Donations Received from Stockholders	69,478,987
14	211	Miscellaneous Paid-In Capital	0
15	213	Discount on Capital Stock	0
16		Total Other Paid-In Capital	69,478,987
17		<u>RETAINED EARNINGS</u>	
18	215	Appropriated Retained Earnings	0
19	215.1	Appropriated Retained Earnings- Amortization Reserve, Federal	0
20	216	Unappropriated Retained Earnings	4,851,444
21		Total Retained Earnings	4,851,444
22		Total Common Equity	74,713,431
23		<u>PREFERRED CAPITAL STOCK</u>	
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
April, 2012**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
28		<u>LONG-TERM DEBT</u>	
29	221	Bonds	0
30	222	Reacquired Bonds	0
31	223	Advances from Associated Companies	0
32	224	Other Long-Term Debt	66,487,612
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	66,487,612
		<u>SHORT-TERM DEBT</u>	
36a	231.02	Notes Payable (Short-Term Debt)	0
36b	231.03	Unamortized Discount	0
37	233.00	Notes Payable, Assoc Co(Money Pool)	24,036,252
38		Total Short-Term Debt	24,036,252
39		<u>TEMPORARY CASH INVESTMENTS</u>	
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	165,237,295

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

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**UNIT 1
April, 2012**

Line No.

1	<u>Capitalization Balances (Prior Month Ending) :</u>	
2	Long-Term Debt (Accts 221 thru 226)	66,487,612
3	+ Short-Term Debt (Accts 231 + 233)	24,036,252
4	+ Preferred Stock	0
5	+ Common Equity (Accts 201 thru 216)	74,713,431
6	- Capitalization Offsets	0

7	Total Capitalization Balances	165,237,295
		=====
8	<u>Weighting of Capitalization Balances :</u>	
9	Long-Term Debt (LTD/Total Capital)	40.2377%
10	+ Short-Term Debt (STD/Total Capital)	14.5465%
11	+ Preferred Stock	0.0000%
12	+ Common Equity (Common Equity/Total Capital)	45.2158%
13	- Capitalization Offsets	0.0000%

14	Total Capitalization	100.0000%
		=====
15	<u>Capitalization Cost Rates :</u>	
16	Long-Term Debt (avg LTD int rate)	5.4194%
17	Short-Term Debt (avg money pool STD int rate)	0.4701%
18	Preferred Stock	0.0000%
19	Common Equity (FERC fixed rate)	12.1600%
20	Capitalization Offsets (sum of weighted costs of debt)	4.1052%
21	<u>Rate of Return (Net of Tax) :</u>	
22	Long-Term Debt (LTD % x avg LTD int rate)	2.1806%
23	+ Short-Term Debt (STD % x avg MP STD int rate)	0.0684%
24	+ Preferred Stock	0.0000%
25	+ Common Equity (CE % x FERC fixed rate)	5.4982%
26	- Capitalization Offsets	0.0000%

27	Total Rate of Return (Net of Tax)	7.7472%
		=====
28	Weighted Net Cost of Debt	2.2490%
	(LTD Rate of Return + STD RR - Cap Offsets RR)	
29	+ Pre-Tax Common Equity (Line 25 / .65)	8.4588%
	(Common Equity Rate of Return grossed up for tax)	-----
30	= Rate of Return (Pre-Tax)	10.7078%
		=====

A E P GENERATING COMPANY

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

500	SUPERVISION AND ENGINEERING	101,307
501	FUEL	7,885,860
502	STEAM EXPENSES	278,344
503	STEAM FROM OTHER SOURCES	0
504	STEAM TRANSFERRED - CR	0
505	ELECTRIC EXPENSES	44,952
506	MISC. STEAM POWER EXPENSES	148,899
507	RENTS	198
508	OPERATION SUPPLIES AND EXPENSES	0
509	CARRYING CHARGES - ALLOWANCES	0

TOTAL OPERATION EXPENSE 8,459,560

510	MAINTENANCE SUPER. AND ENGINEERING	61,440
511	MAINTENANCE OF STRUCTURES	37,572
512	MAINTENANCE OF BOILER PLANT	322,011
513	MAINTENANCE OF ELECTRIC PLANT	128,220
514	MAINTENANCE OF MISC. STEAM PLANT	37,121
515	MAINTENANCE NORMALIZING	0

TOTAL MAINTENANCE EXPENSES 586,364

555	PURCHASED POWER	0
556	SYSTEM CONTROL AND LOAD DISPATCHING	862
557	OTHER POWER SUPPLY EXPENSES	5,069

TOTAL OTHER SUPPLY EXPENSES 5,931

IS FUEL IN BALANCE AMOUNT MUST BE ZERO
 ON PAGE 2 0

NO OF DAYS IN CURRENT MO 30
 NO OF DAYS IN CURRENT YEAR 366
 CURRENT YEAR IS 2012
 CURRENT MONTH IS 4
 THIS BILLING IS FOR MONTH OF April, 2012

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	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
	TOTAL SALES EXPENSES	0
920	ADMIN. & GENERAL SALARIES	24,989
921	OFFICE SUPPLIES AND EXPENSES	3,249
922	ADMINISTRATIVE EXPENSES TRANSF - CR	0
923	OUTSIDE SERVICES	42,847
924	PROPERTY INSURANCE	9,571
925	INJURIES AND DAMAGES	1,128
926	EMPLOYEE PENSIONS AND BENEFITS	88,619
927	FRANCHISE REQUIREMENTS	0
928	REGULATORY COMMISSION	0
929	DUPLICATE CHARGES-CREDIT	0
930	MISCELLANEOUS GENERAL EXPENSES	2,655
931	RENTS	47
933	TRANSPORTATION EXPENSE	0
	TOTAL ADM & GEN EXPENSES OPERATION	173,105
935	MAINTENANCE OF GENERAL PLANT	2,147
	TOTAL ADM & GEN EXPENSES	175,252
	TOTAL AEG OPERATION & MAINTENANCE EXPENSES	9,227,106
	ACCOUNT 40190 TOTAL FOR CROSS FOOT	9,227,106
	-----DIFFERENCE-----	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
 07-May-12**

**UNIT 2
POWER BILL - - April, 2012**

IN ACCORDANCE WITH POWER AGREEMENT DATED OCTOBER 1, 1984 (AS AMENDED)
 ENERGY DELIVERED FOR THE MONTH OF April, 2012
 KWH FOR THE MONTH 287,451,000

<u>SUMMARY</u>	<u>TOTAL</u>
Current Month Bill:	
Return on Common Equity	(179,518)
Return on Other Capital	(83,718)
Total Return	(263,236)
Fuel	6,333,646
Purchased Power	0
Other Operating Revenues	(6,125)
Other Operation and Maintenance Exp	4,704,955
Depreciation Expense	469,860
Taxes Other Than Federal Income Tax	129,062
Federal Income Tax	(44,606)
TOTAL CURRENT UNIT POWER BILL	11,323,556
Prior Month's Adjustment:	
Return on Common Equity & Other Capital	0
Fuel Expense	0
Other Expenses (Includes taxes & interest)	4,873
TOTAL PRIOR MONTH'S ADJUSTMENTS	4,873
TOTAL UNIT POWER BILL	11,328,429

AMOUNTS WILL BE PAID DIRECT FROM GENERAL FUNDS.

DUE DATE - - May 21, 2012

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**

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

**ESTIMATE
07-May-12**

**UNIT 2
POWER BILL - - April, 2012**

IN ACCORDANCE WITH POWER AGREEMENT DATED OCTOBER 1, 1984 (AS AMENDED)
ENERGY DELIVERED FOR THE MONTH OF April, 2012
KWH FOR THE MONTH 123,239,000

<u>SUMMARY</u>	<u>TOTAL</u>
Current Month Bill:	
Return on Common Equity	(76,936)
Return on Other Capital	(35,879)
Total Return	----- (112,815)
Fuel	2,714,420
Purchased Power	0
Other Operating Revenues	(2,625)
Other Operation and Maintenance Exp	2,016,409
Depreciation Expense	201,368
Taxes Other Than Federal Income Tax	55,312
Federal Income Tax	(19,117)
TOTAL CURRENT UNIT POWER BILL	----- 4,852,952 =====
Prior Month's Adjustment:	
Return on Common Equity & Other Capital	0
Fuel Expense	0
Other Expenses (Includes taxes & interest)	2,089
TOTAL PRIOR MONTH'S ADJUSTMENTS	----- 2,089 -----
TOTAL UNIT POWER BILL	----- 4,855,041 =====

AMOUNTS WILL BE PAID DIRECT FROM GENERAL FUNDS.

DUE DATE - - May 21, 2012

Cc: Steve Hornyak - Columbus	Kurt C Cooper - Ft Wayne
Dave Hille - Ft. Wayne	Shannon Listebarger - Columbus
Mike Stout - Ft. Wayne	
Mike Giardina - Columbus	Caitlin Kilka-Columbus
Sid Lyons - Columbus	Michelle Howell - Columbus

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
SUMMARY OF MONTHLY POWER BILL**

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ESTIMATE
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April, 2012 **07-May-12**

	TOTAL UNIT 2 POWER BILL	KPCO SHARE	I&M SHARE
Return on Common Equity	(256,454)	(76,936)	(179,518)
Return on Other Capital	(119,597)	(35,879)	(83,718)
Total Return	(376,051)	(112,815)	(263,236)
+ Fuel	9,048,066	2,714,420	6,333,646
+ Purchased Power	0	0	0
- Other Operating Revenues	(8,750)	(2,625)	(6,125)
+ Other Operation and Maintenance Exp	6,721,364	2,016,409	4,704,955
+ Depreciation Expense	671,228	201,368	469,860
+ Taxes Other Than Federal Income Tax	184,374	55,312	129,062
+ Federal and State Income Tax	(63,723)	(19,117)	(44,606)
= Total Unit 2 Monthly Power Bill	16,176,508	4,852,952	11,323,556
<u>Determination of Federal Income Tax :</u>			
Total Return (Line 3)	(376,051)	(112,815)	(263,236)
+ Unit 2 Schedule M Adjustments	(219,685)	(65,906)	(153,780)
+ Unit 2 Deferred Federal Income Taxes	121,503	36,451	85,052
- Unit 2 Interest Expense Deduction *	(130,241)	(39,072)	(91,169)
= Subtotal	(343,992)	(103,197)	(240,794)
x Gross-Up (FIT Rate / 1-FIT Rate)	0.538462	0.538462	0.538462
= Unit 2 Current Federal Income Tax	(185,226)	(55,568)	(129,658)
+ Unit 2 Def Fed & State Income Taxes	121,503	36,451	85,052
= Total Unit 2 Fed&State Income Taxes	(63,723)	(19,117)	(44,606)
<u>Proof of Federal Income Tax :</u>			
Total Unit 2 Monthly Power Bill	16,176,508	4,852,952	11,323,556
- Operation and Maintenance Expenses	15,769,431	4,730,829	11,038,602
- Depreciation Expense	671,228	201,368	469,860
- Taxes Other Than Federal Income Tax	184,374	55,312	129,062
- Unit 2 Interest Expense Deduction *	(130,241)	(39,072)	(91,169)
- Other Operating Revenues	(8,750)	(2,625)	(6,125)
= Pre-Tax Book Income	(309,533)	(92,860)	(216,673)
+ Unit 2 Schedule M Adjustments	(219,685)	(65,906)	(153,780)
= Unit 2 Taxable Income	(529,218)	(158,766)	(370,453)
x Current Federal Income Tax Rate	35%	35%	35%
= Unit 2 Current Federal Income Tax	(185,226)	(55,568)	(129,658)
+ Unit 2 Def Fed & State Income Taxes	121,503	36,451	85,052
= Total Unit 2 Fed&State Income Taxes	(63,723)	(19,117)	(44,606)

* 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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<u>Line No.</u>		<u>UNIT 2</u> <u>April, 2012</u>
1	Operating Ratio:	
2	<u>Net In-Service Investment:</u>	
3	Electric Plant In-Service	761,590,213
4	- Accumulated Depreciation	522,520,280
5	+ Materials & Supplies	65,656,827
6	+ Prepayments	65,392
7	+ Plant Held For Future Use (A/C 105) *	0
8	+ Other Deferred Debits (A/C 186) *	0
9	+ Other Working Capital ***	(29,964,877)
10	+ Unamortized Debt Expense (A/C 181+189)	2,796,442
11	- Other Deferred Credits (A/C 253)	62,300,544
12	- Accumulated Deferred FIT	37,158,571
13	- Accumulated Deferred ITC	21,998,258
14	Total Net In-Service Investment	156,166,345
15	<u>Non-In-Service Investment - CWIP :</u>	
16	Construction Work In Progress	22,187,832
17	+ Materials & Supplies	0
18	- Accumulated Deferred FIT	0
19	Total Non-In-Service Investment - CWIP	22,187,832
20	<u>Non-In-Service Investment - Other :</u>	
21	Plant Held for Future Use (A/C 105) **	0
22	+ Other Deferred Debits (A/C 186) **	3,721,159
23	+ Fuel Inventory Over Allowed Level ****	(3,021,839)
24	Total Non-In-Service Investment - Other	699,320
25	Total Investment (Lines 14+19+24)	179,053,497
26	Operating Ratio (Line 14/Line 25)	87.2177%
27	Non-In-Service Investment-CWIP Ratio (Line 19/Line 25)	12.3917%
28	Non-In-Service Investment-Other Ratio (Line 24/Line 25)	0.3906%
29	Total Investment	100.0000%
	* 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	

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

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**UNIT 2
April, 2012**

Line No.		
1	Net In-Service Investment Ratio:	
2	<u>Unit 2 Net In-Service Investment:</u>	
3	Electric Plant In-Service	111,682,305
4	- Accumulated Depreciation	108,866,380
5	+ Materials & Supplies	31,317,494
6	+ Prepayments	32,696
7	+ Plant Held For Future Use (A/C 105) *	0
8	+ Other Deferred Debits (A/C 186) *	0
9	+ Other Working Capital **	(31,005,905)
10	+ Unamortized Debt Expense (A/C 181+189)	1,398,221
11	- Other Deferred Credits (A/C 253)	60,907,806
12	- Accumulated Deferred FIT	(11,653,698)
13	- Accumulated Deferred ITC	21,013,200
14	Total Unit 2 Net In-Service Investment	(65,708,876)
15	<u>Unit 1 Net In-Service Investment:</u>	
16	Electric Plant In-Service	649,907,908
17	- Accumulated Depreciation	413,653,900
18	+ Materials & Supplies	34,339,333
19	+ Prepayments	32,696
20	+ Plant Held For Future Use (A/C 105) *	0
21	+ Other Deferred Debits (A/C 186) *	0
22	+ Other Working Capital **	1,041,028
23	+ Unamortized Debt Expense (A/C 181+189)	1,398,221
24	- Other Deferred Credits (A/C 253)	1,392,738
25	- Accumulated Deferred FIT	48,812,269
26	- Accumulated Deferred ITC	985,058
27	Total Unit 1 Net In-Service Investment	221,875,221
28	Total Net In-Service Investment	156,166,345
29	<u>Net In-Service Investment Ratio:</u>	
30	Unit 2 (Line 14 / Line 28)	-42.0800%
31	Unit 1 (Line 27 / Line 28)	142.0800%
		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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<u>Line No.</u>		UNIT 2 <u>April, 2012</u>
1	Net Capitalization:	
2	Long-Term Debt	66,487,612
3	+ Short-Term Debt	24,036,252
4	+ Preferred Stock	0
5	+ Common Equity	74,713,431
6	- Temporary Cash Investments	0
7	Net Capitalization	----- 165,237,295 =====
8	40% of Net Capitalization	66,094,918
9	<u>Return on Common Equity:</u>	
10	Lesser of Line 5 or Line 8	66,094,918
11	x Equity Return (Monthly Rate)	1.01333%
12	= Equity Return	669,760
13	x Operating Ratio	87.2177%
14	x Net In-Service Investment Ratio	-42.0800%
15	= Subtotal	(245,810)
16	Excess of Line 5 Over Line 8	8,618,513
17	x Weighted Cost of Debt (Monthly Rate)	0.3365%
18	= Return on Equity over 40% of Capitalization	29,001
19	x Operating Ratio	87.2177%
20	x Net In-Service Investment Ratio	-42.0800%
21	= Subtotal	(10,644)
22	Unit 2 Return on Equity (Line 15 + Line 21)	----- (256,454) =====
23	<u>Return on Other Capital:</u>	
24	Long-Term Debt Interest Expense	295,345
25	+ Short-Term Debt Interest Expense (a/c 430)	30,521
26	+ Other Interest Expense (a/c 431)	0
27	- Temporary Cash Investment Income *	0
28	= Net Interest Expense	----- 325,866
29	+ Preferred Stock Dividends (a/c 437)	0
30	= Net Cost of Other Capital	----- 325,866
31	x Operating Ratio	87.2177%
32	x Net In-Service Investment Ratio	-42.0800%
33	= Unit 2 Return on Other Capital	----- (119,597) =====

* 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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**UNIT 2
April, 2012**

**Line
No.**

1	Debt Balances (Prior Month Ending) :	
2	Long-Term Debt (Accts 221 thru 226)	66,487,612
3	+ Short-Term Debt (Accts 231 + 233)	24,036,252
4	+ Other Debt (Accts 132 thru 136 + 145)	0

5	Total Debt Balances (Prior Month Ending)	90,523,864
		=====
6	<u>Weighting of Debt Balances :</u>	
7	Long-Term Debt (LTD bal/Total Debt bal)	73.4476%
8	+ Short-Term Debt (STD bal/Total Debt bal)	26.5524%
9	+ Other Debt	0.0000%

10	Total Debt Balances	100.0000%
		=====
11	<u>Debt Cost Rates :</u>	
12	Long-Term Debt (avg LTD int rate)	5.4194%
13	Short-Term Debt (avg Money Pool STD int rate)	0.4701%
14	Other Debt	0.0000%
15	<u>Weighted Cost of Debt :</u>	
16	Long-Term Debt (LTD % x avg LTD int rate)	3.9804%
17	+ Short-Term Debt (STD % x avg MP STD int rate)	0.1248%
18	+ Other Debt	0.0000%

19	Total Weighted Cost of Debt	4.1052%
		=====

**AEP GENERATING COMPANY
ROCKPORT POWER BILL**

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DETERMINATION OF UNIT 2 MATERIALS AND SUPPLIES

<u>Line No.</u>	<u>INCLUDE A/C 431 ON PG 5</u>	<u>UNIT 2</u>	<u>April, 2012</u>
1	Unit 2 Materials and Supplies:		
2	Fuel Stock - Coal (per Line 23)		16,480,680
3	Fuel Stock Expenses - Undistributed (152)		763,551
4	Fuel Stock - Oil (1510002)		1,974,170
5	Plant Materials & Operating Supplies		12,099,093
6	Merchandise		0
7	Undistributed Stores Expense		0
8	Total Materials & Supplies		31,317,494
			=====
9	<u>Support of Coal Inventory Value:</u>		
10	Actual Coal Inventory (a/c 151.10)		16,480,680
11	+ Equivalent Inventory re: Deferred Return		594,855,934
12	= Imputed Coal Inventory		611,336,614

13	<u>Coal Inventory W/68 Day Supply Cap</u>		
14	Tons Consumed - CHANGE ANNUALLY FROM DEC PG 24		2,333,062
15	/ Hours Available * CHG ANNUALLY FROM GADS RPT 511		6816.7
16	= Tons Consumed per Hour		342.26
17	x 24 Hours per Day		24
18	= Tons Consumed Per Day		8214.24
19	x 68 days		68
20	= 68 day Supply (Tons)		558,568
21	x Coal Cost per Ton (per a/c 151.10 at End of Prior Month)		35,394
22	= 68 day Coal Inventory		19,769,956

23	Lesser of Imputed or Capped Coal Inventory		19,769,956

24	Imputed Inventory Minus Line 23		591,566,658
			=====
25	<u>Accumulated Deferred Inventory Return - Unit 2 (Memo Item):</u>		
26	Beginning Balance		5,175,557
27	+ Current Month Return on Beginning Balance		45,425
28	+ Current Month Deferral		25,439
29	- Current Month Recovery		0
30	= Ending Balance **		5,246,421
			=====
	* Excludes Forced Outages, Scheduled Outages, and Curtailments		
	** May Not Be Less Than Zero		
	Total Unit 2 Monthly Power Bill with Actual		16,176,508
	Total Unit 2 Monthly Power Bill with 68 Day Capped		16,201,947
	Difference		25,439

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
DETAIL OF OTHER OPERATING REVENUES**

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UNIT 2
April, 2012

<u>Line No.</u>	<u>Account No.</u>	<u>Description</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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April, 2012

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>April, 2012</u>
1	500,502-509	Steam Power Generation - Operation	6,310,896
2	501	Fuel - Operation	9,048,066
3	510-515	Steam Power Generating - Maintenance	225,049
4		Total Steam Power Generation Expenses	15,584,011
5	555-557	Other Power Supply Expenses	5,931
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 Expense	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	177,341
16	935	Administrative and General Expenses - Maintenance	2,147
17		Total Administrative & General Exp.	179,488
18		Total Operation & Maintenance Expenses	15,769,431

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

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**UNIT 2
April, 2012**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
1	403	Depreciation Expense *	369,121
2	404	Amortization of Limited-Term Electric Plant **	302,107
3	405	Amortization of Other Electric Plant	0
4	406	Amortization of Electric Plant Acquisition Adjustments	0
5	407	Amortization of Property Losses, Unrecovered Plant and Regulatory Study Costs	0
			<hr/>
6		Total Depreciation Exp. & Amortization	671,228
			<hr/> <hr/>

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

* Rockport 2 Associated Equipments (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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UNIT 2
April, 2012

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
1	408.1	Taxes Other Than Federal Income Taxes, Utility Operating Income	150,751
2	409.1	State Income Taxes	33,623
3		Total Taxes Other than Federal Income Taxes	----- 184,374 =====

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

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**UNIT 2
April, 2012**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>TOTAL</u>	<u>KPCO SHARE</u>	<u>I&M SHARE</u>
1		<u>Unit 2 Schedule 'M' Adjustments*</u>			
2	N/A	Excess ACRS Over Normalization Base Depreciation	3,500	1,050	2,450
3	N/A	Deferred Purchased Power Costs	0	0	0
4	N/A	Excess Normalization Base Over Book Depreciation	115,500	34,650	80,850
5	N/A	Other Unit 2 Schedule 'M' Adjustments	(338,685)	(101,606)	(237,080)
6	***	Total Unit 2 Schedule 'M' Adjustments	(219,685)	(65,906)	(153,780)
7		<u>Unit 2 Deferred Federal Income Tax</u>			
8	410.1	Excess ACRS Over Norm. Base Depr. (Line 2 x FIT Rate * -1)	(33,452)	(10,036)	(23,416)
9	410.1	Deferred Purchased Power Costs (Line 4 x FIT Rate * -1)	0	0	0
10	10.1&411	Other Unit 2 Schedule 'M' Adjustments - Clearing Accounts	0	0	0
12	411.1	Feedback of Accumulated DFIT re: ABFUDC - Unit 2 Negative Amount Denotes Reduction.	(11,911)	(3,573)	(8,338)
13	411.1	Feedback of Accumulated DFIT re: Overheads Capitalized - Unit 2	(230)	(69)	(161)
14	411.1	Feedback of Accumulated DFIT re: Other Schedule 'M' Adj.-Utility	167,095	50,129	116,967
15	***	Total Unit 2 Deferred Federal Income Tax	121,503	36,451	85,052

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

Check Figure on Tax Page for Sch M	(219,685)
Check Figure on Tax Page for DFIT	121,503

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 letters

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

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**UNIT 2
April, 2012**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
1		<u>ELECTRIC PLANT IN SERVICE</u>	
2	101	Electric Plant In Service	109,956,241
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	1,726,064
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	111,682,305
12	105	Plant Held For Future Use	0
13		<u>ACCUMULATED DEPRECIATION</u>	
14	108	Accumulated Provision for Depreciation of Electric Utility Plant	90,844,705
15	110	Accumulated Provision for Depreciation and Amort. of Elec. Utility Plant	0
16	111	Accumulated Provision for Amortization of Electric Utility Plant	18,021,675
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	108,866,380
20		<u>MATERIAL AND SUPPLIES</u>	
21	151	Fuel Stock	18,454,851
22	152	Fuel Stock Expenses - Undistributed	763,551
23	153	Residuals	0
24	154	Plant Materials and Operating Supplies	12,099,093
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)	31,317,494
29	165	Prepayments	32,696
30	186	Other Deferred Debits	0

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
OTHER WORKING CAPITAL, UNAMORTIZED DEBT EXPENSE,
AND OTHER DEFERRED CREDITS**

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**UNIT 2
April, 2012**

<u>Line No.</u>	<u>Account No.</u>	<u>Description *</u>	
1	128	Other Special Funds	0
2	131	Cash	0
3	135	Other Intra Company Adjustments	417,478
4	143	Accounts Receivable-Miscellaneous	1,001,112
5	146	Accounts Receivable-Associated Company	15,700,858
6	171	Interest and Dividends Receivable	4,178
7	174	Miscellaneous Current and Accrued Assets	0
8	232	Accounts Payable-General	(28,915)
9	234	Accounts Payable-Associated Company	(12,123,420)
10	236	Taxes Accrued	(3,106,232)
11	237	Interest Accrued	(3,018,651)
12	238	Dividends Declared	0
13	241	Tax Collections Payable	0
14	242	Misc Current and Accrued Liabilities	(29,852,312)

15		Total Other Working Capital	(31,005,905)
			=====
16	181+189	Unamortized Debt Expense	1,398,221

17	253	Other Deferred Credits	60,907,806

*		debit <credit>	

**AEP GENERATING COMPANY
ROCKPORT POWER BILL**

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

**UNIT 2
April, 2012**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
31		ACCUMULATED DEFERRED INCOME TAXES	
32	190	-Accumulated Deferred Income Taxes	24,501,590
33	281	+Accumulated Deferred Income Taxes - Accelerated Amortization Property	0
34	282	+Accumulated Deferred Income Taxes - Other Property	12,241,030
35	283	+Accumulated Deferred Income Taxes - Other	606,862
36		Total Accumulated Deferred Income Taxes (In-Service Portion)	----- (11,653,698) -----
37	255	+Accumulated Deferred Investment Tax Credits	21,013,200
38	186.50	-Accumulated Deferred Investment Tax Credit	0
39		Total Accumulated Deferred Investment Tax Credits	----- 21,013,200 -----
40		Total Net In-Service Investment - Unit 2	----- (65,708,876) =====

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

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UNIT 12
April 2012

Line No.	Account No.	Description	
		<u>Non-In-Service Investment - CWIP</u>	
1	107	Construction Work In Process	22,187,832
2		<u>MATERIAL AND SUPPLIES</u>	
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		<u>ACCUMULATED DEFERRED INCOME TAXES</u>	
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	0
16		Total Accumulated Deferred Income Taxes (CWIP Portion)	0
17		TOTAL NON-IN-SERVICE INVESTMENT - CWIP	22,187,832
		<u>Non-In-Service Investment - Other</u>	
18	105	Plant Held for Future Use	0
19	186	Other Deferred Debits	3,721,159
20	151.10	Fuel Inventory Over Allowed Level *	(3,021,839)
21		Total Non-In-Service Investment - Other	699,320
		* INCLUDES ROCKPORT 1 AND 2	
		UNIT 1	(3,021,839)
		UNIT 2	0
		TOTAL	(3,021,839)

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
DETAIL OF NET CAPITALIZATION**

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**UNIT 2
April, 2012**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
1		<u>COMMON CAPITAL STOCK</u>	
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		<u>OTHER PAID-IN CAPITAL</u>	
12	207	Premium on Capital Stock	0
13	208	Donations Received from Stockholders	69,478,987
14	211	Miscellaneous Paid-In Capital	0
15	213	Discount on Capital Stock	0
16		Total Other Paid-In Capital	69,478,987
17		<u>RETAINED EARNINGS</u>	
18	215	Appropriated Retained Earnings	0
19	215.1	Appropriated Retained Earnings- Amortization Reserve, Federal	0
20	216	Unappropriated Retained Earnings	4,851,444
21		Total Retained Earnings	4,851,444
22		Total Common Equity	74,713,431
23		<u>PREFERRED CAPITAL STOCK</u>	
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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<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
28		<u>LONG-TERM DEBT</u>	
29	221	Bonds	0
30	222	Reacquired Bonds	0
31	223	Advances from Associated Companies	0
32	224	Other Long-Term Debt	66,487,612
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	66,487,612

		<u>SHORT-TERM DEBT</u>	
36a	231.02	Notes Payable (Short-Term Debt)	0
36b	231.03	Unamortized Discount	0
37	233.00	Notes Payable, Assoc Co(Money Pool)	24,036,252

38		Total Short-Term Debt	24,036,252

39		<u>TEMPORARY CASH INVESTMENTS</u>	
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	165,237,295
			=====

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

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<u>Line No.</u>		UNIT 2 <u>April, 2012</u>
1	Capitalization Balances (Prior Month Ending) :	
2	Long-Term Debt (Accts 221 thru 226)	66,487,612
3	+ Short-Term Debt (Accts 231 + 233)	24,036,252
4	+ Preferred Stock	0
5	+ Common Equity (Accts 201 thru 216)	74,713,431
6	- Capitalization Offsets	0
7	Total Capitalization Balances	----- 165,237,295 =====
8	<u>Weighting of Capitalization Balances :</u>	
9	Long-Term Debt (LTD/Total Capital)	40.2377%
10	+ Short-Term Debt (STD/Total Capital)	14.5465%
11	+ Preferred Stock	0.0000%
12	+ Common Equity (Common Equity/Total Capital)	45.2158%
13	- Capitalization Offsets	0.0000%
14	Total Capitalization	----- 100.0000% =====
15	<u>Capitalization Cost Rates :</u>	
16	Long-Term Debt (avg LTD int rate)	5.4194%
17	Short-Term Debt (avg money pool STD int rate)	0.4701%
18	Preferred Stock	0.0000%
19	Common Equity (FERC fixed rate)	12.1600%
20	Capitalization Offsets (sum of weighted costs of debt)	4.1052%
21	<u>Rate of Return (Net of Tax) :</u>	
22	Long-Term Debt (LTD % x avg LTD int rate)	2.1806%
23	+ Short-Term Debt (STD % x avg MP STD int rate)	0.0684%
24	+ Preferred Stock	0.0000%
25	+ Common Equity (CE % x FERC fixed rate)	5.4982%
26	- Capitalization Offsets	0.0000%
27	Total Rate of Return (Net of Tax)	----- 7.7472% =====
28	Weighted Net Cost of Debt (LTD Rate of Return + STD RR - Cap Offsets RR)	2.2490%
29	+ Pre-Tax Common Equity (Line 25 / .65) (Common Equity Rate of Return grossed up for tax)	----- 8.4588% -----
30	= Rate of Return (Pre-Tax)	----- 10.7078% =====

A E P GENERATING COMPANY

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

500	SUPERVISION AND ENGINEERING	108,249
501	FUEL	9,048,066
502	STEAM EXPENSES	297,578
503	STEAM FROM OTHER SOURCES	0
504	STEAM TRANSFERRED - CR	0
505	ELECTRIC EXPENSES	53,780
506	MISC. STEAM POWER EXPENSES	160,839
507	RENTS	5,690,451
508	OPERATION SUPPLIES AND EXPENSES	0
509	CARRYING CHARGES - ALLOWANCES	0
	TOTAL OPERATION EXPENSE	15,358,962

510	MAINTENANCE SUPER. AND ENGINEERING	61,241
511	MAINTENANCE OF STRUCTURES	15,678
512	MAINTENANCE OF BOILER PLANT	125,757
513	MAINTENANCE OF ELECTRIC PLANT	2,310
514	MAINTENANCE OF MISC. STEAM PLANT	20,064
515	MAINTENANCE NORMALIZING	0
	TOTAL MAINTENANCE EXPENSES	225,049

555	PURCHASED POWER	0
556	SYSTEM CONTROL AND LOAD DISPATCHING	862
557	OTHER POWER SUPPLY EXPENSES	5,069
	TOTAL OTHER SUPPLY EXPENSES	5,931

IS FUEL IN BALANCE	AMOUNT MUST BE ZERO
ON PAGE 2	0

BE SURE THIS IS CORRECT	
NO OF DAYS IN CURRENT MO >	30
NO OF DAYS IN CURRENT YEAR >	366
CURRENT YEAR IS	2012
CURRENT MONTH IS	4
THIS BILLING IS FOR MONTH OF	April, 2012

A E P GENERATING COMPANY

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 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	29,204
921	OFFICE SUPPLIES AND EXPENSES	3,269
922	ADMINISTRATIVE EXPENSES TRANSF - CR	0
923	OUTSIDE SERVICES	42,847
924	PROPERTY INSURANCE	9,571
925	INJURIES AND DAMAGES	1,128
926	EMPLOYEE PENSIONS AND BENEFITS	88,619
927	FRANCHISE REQUIREMENTS	0
928	REGULATORY COMMISSION	0
929	DUPLICATE CHARGES-CREDIT	0
930	MISCELLANEOUS GENERAL EXPENSES	2,655
931	RENTS	47
933	TRANSPORTATION EXPENSE	0
	TOTAL ADM & GEN EXPENSES OPERATION	177,341
935	MAINTENANCE OF GENERAL PLANT	2,147
	TOTAL ADM & GEN EXPENSES	179,488
	TOTAL AEG OPERATION & MAINTENANCE EXPENSES	15,769,431
	ACCOUNT 40190 TOTAL FOR CROSS FOOT	15,769,431
	-----DIFFERENCE-----	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
07-Jun-12

UNIT 1
POWER BILL - - May, 2012

IN ACCORDANCE WITH POWER AGREEMENT DATED OCTOBER 1, 1984 (AS AMENDED)
 ENERGY DELIVERED FOR THE MONTH OF May, 2012
 KWH FOR THE MONTH 304,925,000

<u>SUMMARY</u>	<u>TOTAL</u>
Current Month Bill:	
Return on Common Equity	616,056
Return on Other Capital	170,704
Total Return	786,760
Fuel	6,440,514
Purchased Power	0
Other Operating Revenues	(6,125)
Other Operation and Maintenance Exp	834,389
Depreciation Expense	1,164,737
Taxes Other Than Federal Income Tax	135,458
Federal Income Tax	185,487
TOTAL UNIT POWER BILL	9,541,220
Prior Month's Adjustment:	
Return on Common Equity & Other Capital	(137,268)
Fuel	0
Other Expenses (Includes taxes & interest)	54,482
TOTAL PRIOR MONTH'S ADJUSTMENTS	(82,786)

=====

TOTAL UNIT POWER BILL 9,458,434

=====

AMOUNTS WILL BE PAID DIRECT FROM GENERAL FUNDS.

DUE DATE - - - June 21, 2012

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

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-Jun-12

UNIT 1
POWER BILL - - May, 2012

IN ACCORDANCE WITH POWER AGREEMENT DATED OCTOBER 1, 1984 (AS AMENDED)
 ENERGY DELIVERED FOR THE MONTH OF May, 2012
 KWH FOR THE MONTH 130,720,000

	<u>SUMMARY</u>	<u>TOTAL</u>
Current Month Bill:		
Return on Common Equity		264,024
Return on Other Capital		73,159
Total Return		----- 337,183
Fuel		2,760,220
Purchased Power		0
Other Operating Revenues		(2,625)
Other Operation and Maintenance Exp		357,596
Depreciation Expense		499,173
Taxes Other Than Federal Income Tax		58,054
Federal Income Tax		79,495
TOTAL CURRENT UNIT POWER BILL		----- 4,089,096 -----
Prior Month's Adjustment:		
Return on Common Equity & Other Capital		(58,829)
Fuel Expense		0
Other Expenses (Includes taxes & interest)		23,351
TOTAL PRIOR MONTH'S ADJUSTMENTS		----- (35,478) -----
=====		
TOTAL UNIT POWER BILL		4,053,618 =====

AMOUNTS WILL BE PAID DIRECT FROM GENERAL FUNDS.

DUE DATE - - - June 21, 2012

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

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
SUMMARY OF MONTHLY POWER BILL**

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ESTIMATE
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07-Jun-12

May, 2012

	<u>TOTAL UNIT 1 POWER BILL</u>	<u>KPCO SHARE</u>	<u>I&M SHARE</u>
Return on Common Equity	880,080	264,024	616,056
Return on Other Capital	243,863	73,159	170,704
Total Return	1,123,943	337,183	786,760
+ Fuel	9,200,734	2,760,220	6,440,514
+ Purchased Power	0	0	0
- Other Operating Revenues	(8,750)	(2,625)	(6,125)
+ Other Operation and Maintenance Exp	1,191,985	357,596	834,389
+ Depreciation Expense	1,663,910	499,173	1,164,737
+ Taxes Other Than Federal Income Tax	193,512	58,054	135,458
+ Federal and State Income Tax	264,982	79,495	185,487
= Total Unit 1 Monthly Power Bill	13,630,316	4,089,096	9,541,220
<u>Determination of Federal Income Tax :</u>			
Total Return (Line 3)	1,123,943	337,183	786,760
+ Unit 1 Schedule M Adjustments	1,013,340	304,002	709,338
+ Unit 1 Deferred Federal Income Taxes	(481,929)	(144,579)	(337,351)
- Unit 1 Interest Expense Deduction *	268,231	80,469	187,762
= Subtotal	1,387,122	416,137	970,985
x Gross-Up (FIT Rate / 1-FIT Rate)	0.538462	0.538462	0.538462
= Unit 1 Current Federal Income Tax	746,912	224,074	522,838
+ Unit 1 Def Fed & State Income Taxes	(481,929)	(144,579)	(337,351)
= Total Unit 1 Fed&State Income Taxes	264,982	79,495	185,487
<u>Proof of Federal Income Tax :</u>			
Total Unit 1 Monthly Power Bill	13,630,316	4,089,096	9,541,220
- Operation and Maintenance Expenses	10,392,719	3,117,816	7,274,903
- Depreciation Expense	1,663,910	499,173	1,164,737
- Taxes Other Than Federal Income Tax	193,512	58,054	135,458
- Unit 1 Interest Expense Deduction *	268,231	80,469	187,762
- Other Operating Revenues	(8,750)	(2,625)	(6,125)
= Pre-Tax Book Income	1,120,694	336,209	784,485
+ Unit 1 Schedule M Adjustments	1,013,340	304,002	709,338
= Unit 1 Taxable Income	2,134,034	640,211	1,493,823
x Current Federal Income Tax Rate	35%	35%	35%
= Unit 1 Current Federal Income Tax	746,912	224,074	522,838
+ Unit 1 Def Fed & State Income Taxes	(481,930)	(144,579)	(337,351)
= Total Unit 1 Fed&State Income Taxes	264,982	79,495	185,487

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

KPSC Case No. 2014-00396
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<u>Line No.</u>		<u>UNIT 1 May, 2012</u>
1	<u>Operating Ratio:</u>	
2	<u>Net In-Service Investment:</u>	
3	Electric Plant In-Service	761,574,234
4	- Accumulated Depreciation	524,765,648
5	+ Materials & Supplies	66,929,528
6	+ Prepayments	49,264
7	+ Plant Held For Future Use (A/C 105) *	0
8	+ Other Deferred Debits (A/C 186) *	0
9	+ Other Working Capital ***	(30,330,341)
10	+ Unamortized Debt Expense (A/C 181+189)	2,768,092
11	- Other Deferred Credits (A/C 253)	62,300,544
12	- Accumulated Deferred FIT	36,804,015
13	- Accumulated Deferred ITC	21,724,717
14	Total Net In-Service Investment	155,395,853
15	<u>Non-In-Service Investment - CWIP :</u>	
16	Construction Work In Progress	23,584,939
17	+ Materials & Supplies	0
18	- Accumulated Deferred FIT	0
19	Total Non-In-Service Investment - CWIP	23,584,939
20	<u>Non-In-Service Investment - Other :</u>	
21	Plant Held for Future Use (A/C 105) **	1,034,099
22	+ Other Deferred Debits (A/C 186) **	3,424,753
23	+ Fuel Inventory Over Allowed Level ****	(2,686,260)
24	Total Non-In-Service Investment - Other	1,772,592
25	Total Investment (Lines 14+19+24)	180,753,384
26	Operating Ratio (Line 14/Line 25)	85.9712%
27	Non-In-Service Investment-CWIP Ratio (Line 19/Line 25)	13.0481%
28	Non-In-Service Investment-Other Ratio (Line 24/Line 25)	0.9807%
29	Total Investment	100.0000%
*	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	
****	Includes Rockport 1 and 2	

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

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<u>Line No.</u>		<u>UNIT 1</u> <u>May, 2012</u>
1	<u>Net In-Service Investment Ratio:</u>	
2	Unit 1 Net In-Service Investment:	
3	Electric Plant In-Service	649,926,006
4	- Accumulated Depreciation	415,320,779
5	+ Materials & Supplies	34,807,894
6	+ Prepayments	24,632
7	+ Plant Held For Future Use (A/C 105) *	0
8	+ Other Deferred Debits (A/C 186) *	0
9	+ Other Working Capital **	858,296
10	+ Unamortized Debt Expense (A/C 181+189)	1,384,046
11	- Other Deferred Credits (A/C 253)	1,624,861
12	- Accumulated Deferred FIT	48,330,856
13	- Accumulated Deferred ITC	875,682
14	Total Unit 1 Net In-Service Investment	----- 220,848,697 -----
15	Unit 2 Net In-Service Investment:	
16	Electric Plant In-Service	111,648,227
17	- Accumulated Depreciation	109,444,869
18	+ Materials & Supplies	32,121,634
19	+ Prepayments	24,632
20	+ Plant Held For Future Use (A/C 105) *	0
21	+ Other Deferred Debits (A/C 186) *	0
22	+ Other Working Capital **	(31,188,637)
23	+ Unamortized Debt Expense (A/C 181+189)	1,384,046
24	- Other Deferred Credits (A/C 253)	60,675,683
25	- Accumulated Deferred FIT	(11,526,841)
26	- Accumulated Deferred ITC	20,849,035
27	Total Unit 2 Net In-Service Investment	----- (65,452,844) -----
28	Total Net In-Service Investment	----- 155,395,853 =====
29	<u>Net In-Service Investment Ratio:</u>	
30	Unit 1 (Line 14 / Line 28)	142.1200%
31	Unit 2 (Line 27 / Line 28)	-42.1200%
		----- 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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<u>Line No.</u>		<u>UNIT 1</u> <u>May, 2012</u>
1	<u>Net Capitalization:</u>	
2	Long-Term Debt	66,074,388
3	+ Short-Term Debt	26,828,380
4	+ Preferred Stock	0
5	+ Common Equity	79,883,132
6	- Temporary Cash Investments	0
7	Net Capitalization	----- 172,785,900 =====
8	40% of Net Capitalization	69,114,360
9	<u>Return on Common Equity:</u>	
10	Lesser of Line 5 or Line 8	69,114,360
11	x Equity Return (Monthly Rate)	1.01333%
12	= Equity Return	700,357
13	x Operating Ratio	85.9712%
14	x Net In-Service Investment Ratio	142.1200%
15	= Subtotal	855,712
16	Excess of Line 5 Over Line 8	10,768,772
17	x Weighted Cost of Debt (Monthly Rate)	0.1852%
18	= Return on Equity over 40% of Capitalization	19,944
19	x Operating Ratio	85.9712%
20	x Net In-Service Investment Ratio	142.1200%
21	= Subtotal	24,368
22	Unit 1 Return on Equity (Line 15 + Line 21)	----- 880,080 =====
23	<u>Return on Other Capital:</u>	
24	Long-Term Debt Interest Expense	161,328
25	+ Short-Term Debt Interest Expense (a/c 430)	38,262
26	+ Other Interest Expense (a/c 431)	0
27	- Temporary Cash Investment Income *	0
28	= Net Interest Expense	----- 199,590
29	+ Preferred Stock Dividends (a/c 437)	0
30	= Net Cost of Other Capital	----- 199,590
31	x Operating Ratio	85.9712%
32	x Net In-Service Investment Ratio	142.1200%
33	= Unit 1 Return on Other Capital	243,863
	* 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
May, 2012**

1	<u>Debt Balances (Prior Month Ending) :</u>	
2	Long-Term Debt (Accts 221 thru 226)	66,074,388
3	+ Short-Term Debt (Accts 231 + 233)	26,828,380
4	+ Other Debt (Accts 132 thru 136 + 145)	0

5	Total Debt Balances (Prior Month Ending)	92,902,769
		=====
6	<u>Weighting of Debt Balances :</u>	
7	Long-Term Debt (LTD bal/Total Debt bal)	71.1221%
8	+ Short-Term Debt (STD bal/Total Debt bal)	28.8779%
9	+ Other Debt	0.0000%

10	Total Debt Balances	100.0000%
		=====
11	<u>Debt Cost Rates :</u>	
12	Long-Term Debt (avg LTD int rate)	2.8827%
13	Short-Term Debt (avg Money Pool STD int rate)	0.4724%
14	Other Debt	0.0000%
15	<u>Weighted Cost of Debt :</u>	
16	Long-Term Debt (LTD % x avg LTD int rate)	2.0502%
17	+ Short-Term Debt (STD % x avg MP STD int rate)	0.1364%
18	+ Other Debt	0.0000%

19	Total Weighted Cost of Debt	2.1866%
		=====

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

UNIT 1

<u>Line No.</u>		<u>May, 2012</u>
1	<u>Unit 1 Materials and Supplies:</u>	
2	Fuel Stock - Coal (per Line 23)	19,733,944
3	Fuel Stock Expenses - Undistributed (152)	773,923
4	Fuel Stock - Oil (1510002)	2,296,747
5	Plant Materials & Operating Supplies	12,003,280
6	Merchandise	0
7	Undistributed Stores Expense	0

8	Total Materials & Supplies	34,807,894
		=====
9	<u>Support of Coal Inventory Value:</u>	
10	Actual Coal Inventory (a/c 151.10)	17,047,684
11	+ Equivalent Inventory re: Deferred Return	15,592,776,110

12	= Imputed Coal Inventory	15,609,823,794

13	<u>Coal Inventory W/68 Day Supply Cap</u>	
14	Tons Consumed - CHANGE ANNUALLY FROM DEC PG 24	2,523,686
15	/ Hours Available * CHG ANNUALLY FROM GADS RPT 511	7474.6
16	= Tons Consumed per Hour	337.63
17	x 24 Hours per Day	24
18	= Tons Consumed Per Day	8103.12
19	x 68 days	68
20	= 68 day Supply (Tons)	551,012
21	x Coal Cost per Ton (per a/c 151.10 at End of Prior Month)	35.814

22	= 68 day Coal Inventory	19,733,944

23	Lesser of Imputed or Capped Coal Inventory	19,733,944

24	Imputed Inventory Minus Line 23	15,590,089,850
		=====
25	<u>Accumulated Deferred Inventory Return - Unit 1 (Memo Item):</u>	
26	Beginning Balance	128,685,235
27	+ Current Month Return on Beginning Balance	1,070,861
28	+ Current Month Deferral	0
29	- Current Month Recovery	19,367

30	= Ending Balance **	129,736,729
		=====

* 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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**UNIT 1
May, 2012**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</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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**UNIT 1
May, 2012**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
1	500,502-509	Steam Power Generation - Operation	593,405
2	501	Fuel - Operation	9,200,734
3	510-515	Steam Power Generating - Maintenance	379,863
4		Total Steam Power Generation Expenses	10,174,002
5	555-557	Other Power Supply Expenses	4,992
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 - Operation	210,922
16	935	Administrative and General Expenses - Maintenance	2,802
17		Total Administrative & General Exp.	213,724
18		Total Operation & Maintenance Expenses	10,392,719

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

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<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>UNIT 1 May, 2012</u>
1	403	Depreciation Expense	1,663,910
2	404	Amortization of Limited-Term Electric Plant	0
3	405	Amortization of Other Electric Plant	0
4	406	Amortization of Electric Plant Acquisition Adjustments	0
5	407	Amortization of Property Losses, Unrecovered Plant and Regulatory Study Costs	0

6		Total Depreciation Exp. & Amortization	1,663,910 =====

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

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<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>May, 2012</u>
BS1			
1	408.1	Taxes Other Than Federal Income Taxes, Utility Operating Income	156,181
2	409.1	State Income Taxes	37,331
3		Total Taxes Other than FIT	----- 193,512 =====

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

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<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>TOTAL</u>	<u>KPCO SHARE</u>	<u>I&M SHARE</u>
1		<u>Unit 1 Schedule 'M' Adjustments*</u>			
2	N/A	Excess ACRS Over Normalization Base Depreciation	(4,500)	(1,350)	(3,150)
3	N/A	Deferred Purchased Power Costs	0	0	0
4	N/A	Excess Normalization Base Over Book Depreciation	(17,500)	(5,250)	(12,250)
5	N/A	Other Unit 1 Schedule 'M' Adjustments	1,035,340	310,602	724,738
6	***	Total Unit 1 Schedule 'M' Adjustments	1,013,340	304,002	709,338
			=====	=====	=====
7		<u>Unit 1 Deferred Federal Income Tax</u>			
8	410.1	Excess ACRS Over Norm. Base Depr. (Line 2 x FIT Rate * -1)	(396,880)	(119,064)	(277,816)
9	410.1	Deferred Purchased Power Costs (Line 4 x FIT Rate * -1)	0	0	0
10	410.1&411.1	Other Unit 1 Schedule 'M' Adjustments - Clearing Accounts	0	0	0
12	411.1	Feedback of Accumulated DFIT re: ABFUDC - Unit 1 Negative Amount Denotes Reduction.	(77,747)	(23,324)	(54,423)
13	411.1	Feedback of Accumulated DFIT re: Overheads Capitalized - Unit 1	(3,276)	(983)	(2,293)
14	411.1	Feedback of Accumulated DFIT re: Other Schedule 'M' Adj.-Utility	(4,027)	(1,208)	(2,819)
			-----	-----	-----
15	***	Total Unit 1 Deferred Federal Income Tax	(481,929)	(144,579)	(337,351)
			=====	=====	=====

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

=====

=====

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

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**UNIT 1
May, 2012**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
1		<u>ELECTRIC PLANT IN SERVICE</u>	
2	101	Electric Plant In Service	632,097,906
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	17,828,100
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	649,926,006
12	105	Plant Held For Future Use	0
13		<u>ACCUMULATED DEPRECIATION</u>	
14	108	Accumulated Provision for Depreciation of Electric Utility Plant	414,779,389
15	110	Accumulated Provision for Depreciation and Amort. of Elec. Utility Plant	0
16	111	Accumulated Provision for Amortization of Electric Utility Plant	541,389
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	415,320,779
20		<u>MATERIAL AND SUPPLIES</u>	
21	151	Fuel Stock	22,030,691
22	152	Fuel Stock Expenses - Undistributed	773,923
23	153	Residuals	0
24	154	Plant Materials and Operating Supplies	12,003,280
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)	34,807,894
29	165	Prepayments	24,632
30	186	Other Deferred Debits	0

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
OTHER WORKING CAPITAL, UNAMORTIZED DEBT EXPENSE,
AND OTHER DEFERRED CREDITS**

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			UNIT 1
<u>Line</u>	<u>Account</u>	<u>Description *</u>	<u>May, 2012</u>
<u>No.</u>	<u>No.</u>		
1	128	Other Special Funds	0
2	131	Cash	0
3	135	Other Intra Company Adjustments	(417,478)
4	143	Accounts Receivable-Miscellaneous	964,234
5	146	Accounts Receivable-Associated Company	14,440,059
6	171	Interest and Dividends Receivable	4,178
7	174	Miscellaneous Current and Accrued Assets	0
8	232	Accounts Payable-General	(13,056)
9	234	Accounts Payable-Associated Company	(11,684,522)
10	236	Taxes Accrued	(5,327,344)
11	237	Interest Accrued	(83,210)
12	238	Dividends Declared	0
13	241	Tax Collections Payable	0
14	242	Misc Current and Accrued Liabilities	2,975,435
15		Total Other Working Capital	858,296
			=====
16	181+189	Unamortized Debt Expense	1,384,046
17	253	Other Deferred Credits	1,624,861

		* debit <credit>	

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

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UNIT 1
May, 2012

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
31		<u>ACCUMULATED DEFERRED INCOME TAXES</u>	
32	190	-Accumulated Deferred Income Taxes	1,570,916
33	281	+Accumulated Deferred Income Taxes - Accelerated Amortization Property	0
34	282	+Accumulated Deferred Income Taxes - Other Property	49,429,953
35	283	+Accumulated Deferred Income Taxes - Other	471,819
36		Total Accumulated Deferred Income Taxes (In-Service Portion)	----- 48,330,856
37	255	+Accumulated Deferred Investment Tax Credits	875,682
38	186.50	-Accumulated Deferred Investment Tax Credit	0
39		Total Accumulated Deferred Investment Tax Credits	----- 875,682
40		Total Net In-Service Investment - Unit 1	----- 220,848,697 =====

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

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**UNIT 1
May, 2012**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
		<u>Non-In-Service Investment - CWIP</u>	
1	107	Construction Work In Process	23,584,939
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		<u>ACCUMULATED DEFERRED INCOME TAXES</u>	
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	0
16		Total Accumulated Deferred Income Taxes (CWIP Portion)	----- 0
17		TOTAL NON-IN-SERVICE INVESTMENT - CWIP	----- 23,584,939 =====
		<u>Non-In-Service Investment - Other</u>	
18	105	Plant Held for Future Use	1,034,099
19	186	Other Deferred Debits	3,424,753
20	151.10	Fuel Inventory Over Allowed Level *	(2,686,260)
21		Total Non-In-Service Investment - Other	----- 1,772,592 =====
		* INCLUDES ROCKPORT 1 AND 2	
		UNIT 1	(2,686,260)
		UNIT 2	0
		TOTAL	----- (2,686,260) =====

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
DETAIL OF NET CAPITALIZATION**

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**UNIT 1
MAY, 2012**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
1		<u>COMMON CAPITAL STOCK</u>	
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		<u>OTHER PAID-IN CAPITAL</u>	
12	207	Premium on Capital Stock	0
13	208	Donations Received from Stockholders	69,478,987
14	211	Miscellaneous Paid-In Capital	0
15	213	Discount on Capital Stock	0
16		Total Other Paid-In Capital	69,478,987
17		<u>RETAINED EARNINGS</u>	
18	215	Appropriated Retained Earnings	0
19	215.1	Appropriated Retained Earnings- Amortization Reserve, Federal	0
20	216	Unappropriated Retained Earnings	10,021,145
21		Total Retained Earnings	10,021,145
22		Total Common Equity	79,883,132
23		<u>PREFERED CAPITAL STOCK</u>	
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
May, 2012**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
28		<u>LONG-TERM DEBT</u>	
29	221	Bonds	0
30	222	Reacquired Bonds	0
31	223	Advances from Associated Companies	0
32	224	Other Long-Term Debt	66,074,388
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	----- 66,074,388 -----
		<u>SHORT-TERM DEBT</u>	
36a	231.02	Notes Payable (Short-Term Debt)	0
36b	231.03	Unamortized Discount	0
37	233.00	Notes Payable, Assoc Co(Money Pool)	26,828,380
38		Total Short-Term Debt	----- 26,828,380 -----
39		<u>TEMPORARY CASH INVESTMENTS</u>	
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	----- 172,785,900 =====

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

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**UNIT 1
May, 2012**

Line No.

1	<u>Capitalization Balances (Prior Month Ending) :</u>	
2	Long-Term Debt (Accts 221 thru 226)	66,074,388
3	+ Short-Term Debt (Accts 231 + 233)	26,828,380
4	+ Preferred Stock	0
5	+ Common Equity (Accts 201 thru 216)	79,883,132
6	- Capitalization Offsets	0

7	Total Capitalization Balances	172,785,900
		=====
8	<u>Weighting of Capitalization Balances :</u>	
9	Long-Term Debt (LTD/Total Capital)	38.2406%
10	+ Short-Term Debt (STD/Total Capital)	15.5270%
11	+ Preferred Stock	0.0000%
12	+ Common Equity (Common Equity/Total Capital)	46.2324%
13	- Capitalization Offsets	0.0000%

14	Total Capitalization	100.0000%
		=====
15	<u>Capitalization Cost Rates :</u>	
16	Long-Term Debt (avg LTD int rate)	2.8827%
17	Short-Term Debt (avg money pool STD int rate)	0.4724%
18	Preferred Stock	0.0000%
19	Common Equity (FERC fixed rate)	12.1600%
20	Capitalization Offsets (sum of weighted costs of debt)	2.1866%
21	<u>Rate of Return (Net of Tax) :</u>	
22	Long-Term Debt (LTD % x avg LTD int rate)	1.1024%
23	+ Short-Term Debt (STD % x avg MP STD int rate)	0.0733%
24	+ Preferred Stock	0.0000%
25	+ Common Equity (CE % x FERC fixed rate)	5.6219%
26	- Capitalization Offsets	0.0000%

27	Total Rate of Return (Net of Tax)	6.7976%
		=====
28	Weighted Net Cost of Debt	1.1757%
	(LTD Rate of Return + STD RR - Cap Offsets RR)	
29	+ Pre-Tax Common Equity (Line 25 / .65)	8.6491%
	(Common Equity Rate of Return grossed up for tax)	-----
30	= Rate of Return (Pre-Tax)	9.8248%
		=====

A E P GENERATING COMPANY

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

500	SUPERVISION AND ENGINEERING	99,600
501	FUEL	9,200,734
502	STEAM EXPENSES	354,256
503	STEAM FROM OTHER SOURCES	0
504	STEAM TRANSFERRED - CR	0
505	ELECTRIC EXPENSES	61,601
506	MISC. STEAM POWER EXPENSES	77,751
507	RENTS	198
508	OPERATION SUPPLIES AND EXPENSES	0
509	CARRYING CHARGES - ALLOWANCES	0

TOTAL OPERATION EXPENSE 9,794,139

510	MAINTENANCE SUPER. AND ENGINEERING	84,744
511	MAINTENANCE OF STRUCTURES	30,345
512	MAINTENANCE OF BOILER PLANT	140,191
513	MAINTENANCE OF ELECTRIC PLANT	65,093
514	MAINTENANCE OF MISC. STEAM PLANT	59,490
515	MAINTENANCE NORMALIZING	0

TOTAL MAINTENANCE EXPENSES 379,863

555	PURCHASED POWER	0
556	SYSTEM CONTROL AND LOAD DISPATCHING	2,105
557	OTHER POWER SUPPLY EXPENSES	2,888

TOTAL OTHER SUPPLY EXPENSES 4,992

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 366
CURRENT YEAR IS 2012
CURRENT MONTH IS 5
THIS BILLING IS FOR MONTH OF May, 2012

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	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
	TOTAL SALES EXPENSES	0
920	ADMIN. & GENERAL SALARIES	33,190
921	OFFICE SUPPLIES AND EXPENSES	1,349
922	ADMINISTRATIVE EXPENSES TRANSF - CR	0
923	OUTSIDE SERVICES	76,508
924	PROPERTY INSURANCE	9,547
925	INJURIES AND DAMAGES	1,047
926	EMPLOYEE PENSIONS AND BENEFITS	86,156
927	FRANCHISE REQUIREMENTS	0
928	REGULATORY COMMISSION	0
929	DUPLICATE CHARGES-CREDIT	0
930	MISCELLANEOUS GENERAL EXPENSES	3,078
931	RENTS	47
933	TRANSPORTATION EXPENSE	0
	TOTAL ADM & GEN EXPENSES OPERATION	210,922
935	MAINTENANCE OF GENERAL PLANT	2,802
	TOTAL ADM & GEN EXPENSES	213,724
	TOTAL AEG OPERATION & MAINTENANCE EXPENSES	10,392,719
	ACCOUNT 40190 TOTAL FOR CROSS FOOT	10,392,719
	-----DIFFERENCE-----	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
 07-Jun-12**

**UNIT 2
POWER BILL - - May, 2012**

IN ACCORDANCE WITH POWER AGREEMENT DATED OCTOBER 1, 1984 (AS AMENDED)
 ENERGY DELIVERED FOR THE MONTH OF May, 2012
 KWH FOR THE MONTH 79,210,000

<u>SUMMARY</u>	<u>TOTAL</u>
Current Month Bill:	
Return on Common Equity	(183,630)
Return on Other Capital	(50,882)
Total Return	<hr style="width:100%; border: 0.5px solid black; margin: 0;"/> (234,512)
Fuel	1,916,899
Purchased Power	0
Other Operating Revenues	(6,125)
Other Operation and Maintenance Exp	5,452,885
Depreciation Expense	469,830
Taxes Other Than Federal Income Tax	132,938
Federal Income Tax	(45,189)
TOTAL CURRENT UNIT POWER BILL	<hr style="width:100%; border: 0.5px solid black; margin: 0;"/> 7,686,725
Prior Month's Adjustment:	
Return on Common Equity & Other Capital	40,891
Fuel Expense	0
Other Expenses (Includes taxes & interest)	(20,294)
TOTAL PRIOR MONTH'S ADJUSTMENTS	<hr style="width:100%; border: 0.5px solid black; margin: 0;"/> 20,597

TOTAL UNIT POWER BILL	===== 7,707,322 =====
-----------------------	------------------------------------

AMOUNTS WILL BE PAID DIRECT FROM GENERAL FUNDS.

DUE DATE - - June 21, 2012

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**

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

**ESTIMATE
07-Jun-12**

**UNIT 2
POWER BILL - - May, 2012**

IN ACCORDANCE WITH POWER AGREEMENT DATED OCTOBER 1, 1984 (AS AMENDED)
ENERGY DELIVERED FOR THE MONTH OF May, 2012
KWH FOR THE MONTH 33,966,000

<u>SUMMARY</u>	<u>TOTAL</u>
Current Month Bill:	
Return on Common Equity	(78,699)
Return on Other Capital	(21,807)
Total Return	<u>(100,506)</u>
Fuel	821,528
Purchased Power	0
Other Operating Revenues	(2,625)
Other Operation and Maintenance Exp	2,336,950
Depreciation Expense	201,356
Taxes Other Than Federal Income Tax	56,974
Federal Income Tax	(19,366)
TOTAL CURRENT UNIT POWER BILL	<u>3,294,311</u> =====
Prior Month's Adjustment:	
Return on Common Equity & Other Capital	17,524
Fuel Expense	0
Other Expenses (Includes taxes & interest)	(8,697)
TOTAL PRIOR MONTH'S ADJUSTMENTS	<u>8,827</u> =====
TOTAL UNIT POWER BILL	<u>3,303,138</u> =====

AMOUNTS WILL BE PAID DIRECT FROM GENERAL FUNDS.

DUE DATE - - June 21, 2012

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
ROCKPORT POWER BILL
SUMMARY OF MONTHLY POWER BILL**

May, 2012

07-Jun-12

	<u>TOTAL UNIT 2 POWER BILL</u>	<u>KPCO SHARE</u>	<u>I&M SHARE</u>
Return on Common Equity	(262,329)	(78,699)	(183,630)
Return on Other Capital	(72,689)	(21,807)	(50,882)
Total Return	(335,018)	(100,506)	(234,512)
+ Fuel	2,738,427	821,528	1,916,899
+ Purchased Power	0	0	0
- Other Operating Revenues	(8,750)	(2,625)	(6,125)
+ Other Operation and Maintenance Exp	7,789,835	2,336,950	5,452,885
+ Depreciation Expense	671,186	201,356	469,830
+ Taxes Other Than Federal Income Tax	189,912	56,974	132,938
+ Federal and State Income Tax	(64,555)	(19,366)	(45,189)
= Total Unit 2 Monthly Power Bill	10,981,036	3,294,311	7,686,725
<u>Determination of Federal Income Tax :</u>			
Total Return (Line 3)	(335,018)	(100,506)	(234,512)
+ Unit 2 Schedule M Adjustments	(228,753)	(68,626)	(160,127)
+ Unit 2 Deferred Federal Income Taxes	127,375	38,213	89,163
- Unit 2 Interest Expense Deduction *	(79,952)	(23,986)	(55,966)
= Subtotal	(356,443)	(106,933)	(249,510)
x Gross-Up (FIT Rate / 1-FIT Rate)	0.538462	0.538462	0.538462
= Unit 2 Current Federal Income Tax	(191,931)	(57,579)	(134,352)
+ Unit 2 Def Fed & State Income Taxes	127,375	38,213	89,163
= Total Unit 2 Fed&State Income Taxes	(64,555)	(19,366)	(45,189)
<u>Proof of Federal Income Tax :</u>			
Total Unit 2 Monthly Power Bill	10,981,036	3,294,311	7,686,725
- Operation and Maintenance Expenses	10,528,262	3,158,478	7,369,784
- Depreciation Expense	671,186	201,356	469,830
- Taxes Other Than Federal Income Tax	189,912	56,974	132,938
- Unit 2 Interest Expense Deduction *	(79,952)	(23,986)	(55,966)
- Other Operating Revenues	(8,750)	(2,625)	(6,125)
= Pre-Tax Book Income	(319,621)	(95,886)	(223,735)
+ Unit 2 Schedule M Adjustments	(228,753)	(68,626)	(160,127)
= Unit 2 Taxable Income	(548,374)	(164,512)	(383,862)
x Current Federal Income Tax Rate	35%	35%	35%
= Unit 2 Current Federal Income Tax	(191,931)	(57,579)	(134,352)
+ Unit 2 Def Fed & State Income Taxes	127,375	38,213	89,163
= Total Unit 2 Fed&State Income Taxes	(64,556)	(19,366)	(45,189)

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

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

<u>Line No.</u>	<u>UNIT 2</u> <u>May, 2012</u>
1	Operating Ratio:
2	<u>Net In-Service Investment:</u>
3	Electric Plant In-Service 761,574,234
4	- Accumulated Depreciation 524,765,648
5	+ Materials & Supplies 66,929,528
6	+ Prepayments 49,264
7	+ Plant Held For Future Use (A/C 105) * 0
8	+ Other Deferred Debits (A/C 186) * 0
9	+ Other Working Capital *** (30,330,341)
10	+ Unamortized Debt Expense (A/C 181+189) 2,768,092
11	- Other Deferred Credits (A/C 253) 62,300,544
12	- Accumulated Deferred FIT 36,804,015
13	- Accumulated Deferred ITC 21,724,717
14	Total Net In-Service Investment 155,395,853
15	<u>Non-In-Service Investment - CWIP :</u>
16	Construction Work In Progress 23,584,939
17	+ Materials & Supplies 0
18	- Accumulated Deferred FIT 0
19	Total Non-In-Service Investment - CWIP 23,584,939
20	<u>Non-In-Service Investment - Other :</u>
21	Plant Held for Future Use (A/C 105) ** 0
22	+ Other Deferred Debits (A/C 186) ** 3,424,753
23	+ Fuel Inventory Over Allowed Level **** (2,686,260)
24	Total Non-In-Service Investment - Other 738,493
25	Total Investment (Lines 14+19+24) 179,719,284
26	Operating Ratio (Line 14/Line 25) 86.4659%
27	Non-In-Service Investment-CWIP Ratio (Line 19/Line 25) 13.1232%
28	Non-In-Service Investment-Other Ratio (Line 24/Line 25) 0.4109%
29	Total Investment 100.0000%
	* 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

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

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**Line
No.**

**UNIT 2
May, 2012**

1	Net In-Service Investment Ratio:	
2	<u>Unit 2 Net In-Service Investment:</u>	
3	Electric Plant In-Service	111,648,227
4	- Accumulated Depreciation	109,444,869
5	+ Materials & Supplies	32,121,634
6	+ Prepayments	24,632
7	+ Plant Held For Future Use (A/C 105) *	0
8	+ Other Deferred Debits (A/C 186) *	0
9	+ Other Working Capital **	(31,188,637)
10	+ Unamortized Debt Expense (A/C 181+189)	1,384,046
11	- Other Deferred Credits (A/C 253)	60,675,683
12	- Accumulated Deferred FIT	(11,526,841)
13	- Accumulated Deferred ITC	20,849,035
14	Total Unit 2 Net In-Service Investment	(65,452,844)
15	<u>Unit 1 Net In-Service Investment:</u>	
16	Electric Plant In-Service	649,926,006
17	- Accumulated Depreciation	415,320,779
18	+ Materials & Supplies	34,807,894
19	+ Prepayments	24,632
20	+ Plant Held For Future Use (A/C 105) *	0
21	+ Other Deferred Debits (A/C 186) *	0
22	+ Other Working Capital **	858,296
23	+ Unamortized Debt Expense (A/C 181+189)	1,384,046
24	- Other Deferred Credits (A/C 253)	1,624,861
25	- Accumulated Deferred FIT	48,330,856
26	- Accumulated Deferred ITC	875,682
27	Total Unit 1 Net In-Service Investment	220,848,697
28	Total Net In-Service Investment	155,395,853
29	<u>Net In-Service Investment Ratio:</u>	
30	Unit 2 (Line 14 / Line 28)	-42.1200%
31	Unit 1 (Line 27 / Line 28)	142.1200%
		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**

<u>Line No.</u>		UNIT 2 <u>May, 2012</u>
1	Net Capitalization:	
2	Long-Term Debt	66,074,388
3	+ Short-Term Debt	26,828,380
4	+ Preferred Stock	0
5	+ Common Equity	79,883,132
6	- Temporary Cash Investments	0
7	Net Capitalization	<hr style="border-top: 1px solid black;"/> 172,785,900 =====
8	40% of Net Capitalization	69,114,360
9	<u>Return on Common Equity:</u>	
10	Lesser of Line 5 or Line 8	69,114,360
11	x Equity Return (Monthly Rate)	1.01333%
12	= Equity Return	700,357
13	x Operating Ratio	86.4659%
14	x Net In-Service Investment Ratio	-42.1200%
15	= Subtotal	(255,066)
16	Excess of Line 5 Over Line 8	10,768,772
17	x Weighted Cost of Debt (Monthly Rate)	0.1852%
18	= Return on Equity over 40% of Capitalization	19,944
19	x Operating Ratio	86.4659%
20	x Net In-Service Investment Ratio	-42.1200%
21	= Subtotal	(7,263)
22	Unit 2 Return on Equity (Line 15 + Line 21)	<hr style="border-top: 1px solid black;"/> (262,329) =====
23	<u>Return on Other Capital:</u>	
24	Long-Term Debt Interest Expense	161,328
25	+ Short-Term Debt Interest Expense (a/c 430)	38,262
26	+ Other Interest Expense (a/c 431)	0
27	- Temporary Cash Investment Income *	0
28	= Net Interest Expense	<hr style="border-top: 1px solid black;"/> 199,590
29	+ Preferred Stock Dividends (a/c 437)	0
30	= Net Cost of Other Capital	<hr style="border-top: 1px solid black;"/> 199,590
31	x Operating Ratio	86.4659%
32	x Net In-Service Investment Ratio	-42.1200%
33	= Unit 2 Return on Other Capital	<hr style="border-top: 1px solid black;"/> (72,689) =====

* 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 2
May, 2012**

1	Debt Balances (Prior Month Ending) :	
2	Long-Term Debt (Accts 221 thru 226)	66,074,388
3	+ Short-Term Debt (Accts 231 + 233)	26,828,380
4	+ Other Debt (Accts 132 thru 136 + 145)	0
5	Total Debt Balances (Prior Month Ending)	92,902,769 =====
6	<u>Weighting of Debt Balances :</u>	
7	Long-Term Debt (LTD bal/Total Debt bal)	71.1221%
8	+ Short-Term Debt (STD bal/Total Debt bal)	28.8779%
9	+ Other Debt	0.0000%
10	Total Debt Balances	100.0000% =====
11	<u>Debt Cost Rates :</u>	
12	Long-Term Debt (avg LTD int rate)	2.8827%
13	Short-Term Debt (avg Money Pool STD int rate)	0.4724%
14	Other Debt	0.0000%
15	<u>Weighted Cost of Debt :</u>	
16	Long-Term Debt (LTD % x avg LTD int rate)	2.0502%
17	+ Short-Term Debt (STD % x avg MP STD int rate)	0.1364%
18	+ Other Debt	0.0000%
19	Total Weighted Cost of Debt	2.1866% =====

**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

<u>Line No.</u>		<u>May, 2012</u>
1	Unit 2 Materials and Supplies:	
2	Fuel Stock - Coal (per Line 23)	17,047,684
3	Fuel Stock Expenses - Undistributed (152)	773,923
4	Fuel Stock - Oil (1510002)	2,296,747
5	Plant Materials & Operating Supplies	12,003,280
6	Merchandise	0
7	Undistributed Stores Expense	0
8	Total Materials & Supplies	32,121,634
9	<u>Support of Coal Inventory Value:</u>	
10	Actual Coal Inventory (a/c 151.10)	17,047,684
11	+ Equivalent Inventory re: Deferred Return	635,708,633
12	= Imputed Coal Inventory	652,756,317
13	<u>Coal Inventory W/68 Day Supply Cap</u>	
14	Tons Consumed - CHANGE ANNUALLY FROM DEC PG 24	2,333,062
15	/ Hours Available * CHG ANNUALLY FROM GADS RPT 511	6816.7
16	= Tons Consumed per Hour	342.26
17	x 24 Hours per Day	24
18	= Tons Consumed Per Day	8214.24
19	x 68 days	68
20	= 68 day Supply (Tons)	558,568
21	x Coal Cost per Ton (per a/c 151.10 at End of Prior Month)	35.814
22	= 68 day Coal Inventory	20,004,554
23	Lesser of Imputed or Capped Coal Inventory	20,004,554
24	Imputed Inventory Minus Line 23	632,751,763
25	<u>Accumulated Deferred Inventory Return - Unit 2 (Memo Item):</u>	
26	Beginning Balance	5,246,424
27	+ Current Month Return on Beginning Balance	43,658
28	+ Current Month Deferral	21,297
29	- Current Month Recovery	0
30	= Ending Balance **	5,311,379
	* Excludes Forced Outages, Scheduled Outages, and Curtailments	
	** May Not Be Less Than Zero	
	Total Unit 2 Monthly Power Bill with Actual	10,981,036
	Total Unit 2 Monthly Power Bill with 68 Day Capped	11,002,333
	Difference	21,297

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
DETAIL OF OTHER OPERATING REVENUES**

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<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>UNIT 2 May, 2012</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	<hr/> (8,750) <hr/> =====

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

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<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>May, 2012</u>
1	500,502-509	Steam Power Generation - Operation	6,122,793
2	501	Fuel - Operation	2,738,427
3	510-515	Steam Power Generating - Maintenance	1,444,873
4		Total Steam Power Generation Expenses	10,306,092
5	555-557	Other Power Supply Expenses	4,992
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 Expense - Maintenance	0
11		Total Distribution Expense	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	214,375
16	935	Administrative and General Expenses - Maintenance	2,802
17		Total Administrative & General Exp.	217,177
18		Total Operation & Maintenance Expenses	10,528,262

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

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<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	UNIT 2 <u>May, 2012</u>
1	403	Depreciation Expense *	369,047
2	404	Amortization of Limited-Term Electric Plant **	302,138
3	405	Amortization of Other Electric Plant	0
4	406	Amortization of Electric Plant Acquisition Adjustments	0
5	407	Amortization of Property Losses, Unrecovered Plant and Regulatory Study Costs	0
			<hr/>
6		Total Depreciation Exp. & Amortization	671,186
			<hr/> <hr/>

* 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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<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>May, 2012</u>
1	408.1	Taxes Other Than Federal Income Taxes, Utility Operating Income	152,581
2	409.1	State Income Taxes	37,331
3		Total Taxes Other than Federal Income Taxes	<hr/> 189,912 =====

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

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<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>TOTAL</u>	<u>KPCO SHARE</u>	<u>I&M SHARE</u>
1		<u>Unit 2 Schedule 'M' Adjustments*</u>			
2	N/A	Excess ACRS Over Normalization Base Depreciation	(4,500)	(1,350)	(3,150)
3	N/A	Deferred Purchased Power Costs	0	0	0
4	N/A	Excess Normalization Base Over Book Depreciation	121,500	36,450	85,050
5	N/A	Other Unit 2 Schedule 'M' Adjustments	(345,753)	(103,726)	(242,027)
6	***	Total Unit 2 Schedule 'M' Adjustments	<u>(228,753)</u>	<u>(68,626)</u>	<u>(160,127)</u>
7		<u>Unit 2 Deferred Federal Income Tax</u>			
8	410.1	Excess ACRS Over Norm. Base Depr. (Line 2 x FIT Rate * -1)	(27,152)	(8,146)	(19,006)
9	410.1	Deferred Purchased Power Costs (Line 4 x FIT Rate * -1)	0	0	0
10	10.1&411.	Other Unit 2 Schedule 'M' Adjustments - Clearing Accounts	0	0	0
12	411.1	Feedback of Accumulated DFIT re: ABFUDC - Unit 2 Negative Amount Denotes Reduction.	(11,773)	(3,532)	(8,241)
13	411.1	Feedback of Accumulated DFIT re: Overheads Capitalized - Unit 2	(230)	(69)	(161)
14	411.1	Feedback of Accumulated DFIT re: Other Schedule 'M' Adj.-Utility	166,530	49,959	116,571
15	***	Total Unit 2 Deferred Federal Income Tax	<u>127,375</u>	<u>38,213</u>	<u>89,163</u>

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

Check Figure on Tax Page for Sch M	(228,753)
Check Figure on Tax Page for DFIT	127,375

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. 2014-00396
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**UNIT 2
May 2012**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
1		<u>ELECTRIC PLANT IN SERVICE</u>	
2	101	Electric Plant In Service	109,924,989
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	1,723,238
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	111,648,227
12	105	Plant Held For Future Use	0
13		<u>ACCUMULATED DEPRECIATION</u>	
14	108	Accumulated Provision for Depreciation of Electric Utility Plant	91,136,201
15	110	Accumulated Provision for Depreciation and Amort. of Elec. Utility Plant	0
16	111	Accumulated Provision for Amortization of Electric Utility Plant	18,308,668
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	109,444,869
20		<u>MATERIAL AND SUPPLIES</u>	
21	151	Fuel Stock	19,344,431
22	152	Fuel Stock Expenses - Undistributed	773,923
23	153	Residuals	0
24	154	Plant Materials and Operating Supplies	12,003,280
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)	32,121,634
29	165	Prepayments	24,632
30	186	Other Deferred Debits	0

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
OTHER WORKING CAPITAL, UNAMORTIZED DEBT EXPENSE,
AND OTHER DEFERRED CREDITS**

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<u>Line No.</u>	<u>Account No.</u>	<u>Description *</u>	<u>UNIT 2 May, 2012</u>
1	128	Other Special Funds	0
2	131	Cash	0
3	135	Other Intra Company Adjustments	417,478
4	143	Accounts Receivable-Miscellaneous	1,001,112
5	146	Accounts Receivable-Associated Company	14,761,884
6	171	Interest and Dividends Receivable	4,178
7	174	Miscellaneous Current and Accrued Assets	0
8	232	Accounts Payable-General	(13,056)
9	234	Accounts Payable-Associated Company	(11,624,521)
10	236	Taxes Accrued	(2,946,920)
11	237	Interest Accrued	(83,210)
12	238	Dividends Declared	0
13	241	Tax Collections Payable	0
14	242	Misc Current and Accrued Liabilities	(32,705,583)
			<hr/>
15		Total Other Working Capital	(31,188,637)
			<hr/> <hr/>
16	181+189	Unamortized Debt Expense	1,384,046
			<hr/>
17	253	Other Deferred Credits	60,675,683
			<hr/>
*		debit <credit>	

**AEP GENERATING COMPANY
ROCKPORT POWER BILL**

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UNIT 2
May, 2012

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

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
31		ACCUMULATED DEFERRED INCOME TAXES	
32	190	-Accumulated Deferred Income Taxes	24,303,255
33	281	+Accumulated Deferred Income Taxes - Accelerated Amortization Property	0
34	282	+Accumulated Deferred Income Taxes - Other Property	12,173,530
35	283	+Accumulated Deferred Income Taxes - Other	602,884
36		Total Accumulated Deferred Income Taxes (In-Service Portion)	<u>(11,526,841)</u>
37	255	+Accumulated Deferred Investment Tax Credits	20,849,035
38	186.50	-Accumulated Deferred Investment Tax Credit	0
39		Total Accumulated Deferred Investment Tax Credits	<u>20,849,035</u>
40		Total Net In-Service Investment - Unit 2	<u>(65,452,844)</u> =====

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

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UNIT 2
May 2012

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
		<u>Non-In-Service Investment - CWIP</u>	
1	107	Construction Work In Process	23,584,939
2		<u>MATERIAL AND SUPPLIES</u>	
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		<u>ACCUMULATED DEFERRED INCOME TAXES</u>	
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	0
16		Total Accumulated Deferred Income Taxes (CWIP Portion)	0
17		TOTAL NON-IN-SERVICE INVESTMENT - CWIP	23,584,939
		<u>Non-In-Service Investment - Other</u>	
18	105	Plant Held for Future Use	0
19	186	Other Deferred Debits	3,424,753
20	151.10	Fuel Inventory Over Allowed Level *	(2,686,260)
21		Total Non-In-Service Investment - Other	738,493
		* INCLUDES ROCKPORT 1 AND 2	
		UNIT 1	(2,686,260)
		UNIT 2	0
		TOTAL	(2,686,260)

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
DETAIL OF NET CAPITALIZATION**

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**UNIT 2
May, 2012**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
1		<u>COMMON CAPITAL STOCK</u>	
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		<u>OTHER PAID-IN CAPITAL</u>	
12	207	Premium on Capital Stock	0
13	208	Donations Received from Stockholders	69,478,987
14	211	Miscellaneous Paid-In Capital	0
15	213	Discount on Capital Stock	0
16		Total Other Paid-In Capital	69,478,987
17		<u>RETAINED EARNINGS</u>	
18	215	Appropriated Retained Earnings	0
19	215.1	Appropriated Retained Earnings- Amortization Reserve, Federal	0
20	216	Unappropriated Retained Earnings	10,021,145
21		Total Retained Earnings	10,021,145
22		Total Common Equity	79,883,132
23		<u>PREFERRED CAPITAL STOCK</u>	
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
May, 2012

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
28		<u>LONG-TERM DEBT</u>	
29	221	Bonds	0
30	222	Reacquired Bonds	0
31	223	Advances from Associated Companies	0
32	224	Other Long-Term Debt	66,074,388
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	66,074,388
		<u>SHORT-TERM DEBT</u>	
36a	231.02	Notes Payable (Short-Term Debt)	0
36b	231.03	Unamortized Discount	0
37	233.00	Notes Payable, Assoc Co(Money Pool)	26,828,380
38		Total Short-Term Debt	26,828,380
39		<u>TEMPORARY CASH INVESTMENTS</u>	
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	172,785,900

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

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**UNIT 2
May, 2012**

Line No.

1	Capitalization Balances (Prior Month Ending) :	
2	Long-Term Debt (Accts 221 thru 226)	66,074,388
3	+ Short-Term Debt (Accts 231 + 233)	26,828,380
4	+ Preferred Stock	0
5	+ Common Equity (Accts 201 thru 216)	79,883,132
6	- Capitalization Offsets	0
7	Total Capitalization Balances	172,785,900
		=====
8	<u>Weighting of Capitalization Balances :</u>	
9	Long-Term Debt (LTD/Total Capital)	38.2406%
10	+ Short-Term Debt (STD/Total Capital)	15.5270%
11	+ Preferred Stock	0.0000%
12	+ Common Equity (Common Equity/Total Capital)	46.2324%
13	- Capitalization Offsets	0.0000%
14	Total Capitalization	100.0000%
		=====
15	<u>Capitalization Cost Rates :</u>	
16	Long-Term Debt (avg LTD int rate)	2.8827%
17	Short-Term Debt (avg money pool STD int rate)	0.4724%
18	Preferred Stock	0.0000%
19	Common Equity (FERC fixed rate)	12.1600%
20	Capitalization Offsets (sum of weighted costs of debt)	2.1866%
21	<u>Rate of Return (Net of Tax) :</u>	
22	Long-Term Debt (LTD % x avg LTD int rate)	1.1024%
23	+ Short-Term Debt (STD % x avg MP STD int rate)	0.0733%
24	+ Preferred Stock	0.0000%
25	+ Common Equity (CE % x FERC fixed rate)	5.6219%
26	- Capitalization Offsets	0.0000%
27	Total Rate of Return (Net of Tax)	6.7976%
		=====
28	Weighted Net Cost of Debt (LTD Rate of Return + STD RR - Cap Offsets RR)	1.1757%
29	+ Pre-Tax Common Equity (Line 25 / .65) (Common Equity Rate of Return grossed up for tax)	8.6491%
30	= Rate of Return (Pre-Tax)	9.8248%
		=====

A E P GENERATING COMPANY

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

500	SUPERVISION AND ENGINEERING	105,654
501	FUEL	2,738,427
502	STEAM EXPENSES	103,680
503	STEAM FROM OTHER SOURCES	0
504	STEAM TRANSFERRED - CR	0
505	ELECTRIC EXPENSES	67,882
506	MISC. STEAM POWER EXPENSES	155,126
507	RENTS	5,690,451
508	OPERATION SUPPLIES AND EXPENSES	0
509	CARRYING CHARGES - ALLOWANCES	0
	TOTAL OPERATION EXPENSE	8,861,220

510	MAINTENANCE SUPER. AND ENGINEERING	88,895
511	MAINTENANCE OF STRUCTURES	17,680
512	MAINTENANCE OF BOILER PLANT	986,691
513	MAINTENANCE OF ELECTRIC PLANT	329,486
514	MAINTENANCE OF MISC. STEAM PLANT	22,121
515	MAINTENANCE NORMALIZING	0
	TOTAL MAINTENANCE EXPENSES	1,444,873

555	PURCHASED POWER	0
556	SYSTEM CONTROL AND LOAD DISPATCHING	2,105
557	OTHER POWER SUPPLY EXPENSES	2,888
	TOTAL OTHER SUPPLY EXPENSES	4,992

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 >	366
CURRENT YEAR IS	2012
CURRENT MONTH IS	5
THIS BILLING IS FOR MONTH OF	May, 2012

A E P GENERATING COMPANY

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 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	36,630
921	OFFICE SUPPLIES AND EXPENSES	1,362
922	ADMINISTRATIVE EXPENSES TRANSF - CR	0
923	OUTSIDE SERVICES	76,508
924	PROPERTY INSURANCE	9,547
925	INJURIES AND DAMAGES	1,047
926	EMPLOYEE PENSIONS AND BENEFITS	86,156
927	FRANCHISE REQUIREMENTS	0
928	REGULATORY COMMISSION	0
929	DUPLICATE CHARGES-CREDIT	0
930	MISCELLANEOUS GENERAL EXPENSES	3,078
931	RENTS	47
933	TRANSPORTATION EXPENSE	0
	TOTAL ADM & GEN EXPENSES OPERATION	214,375
935	MAINTENANCE OF GENERAL PLANT	2,802
	TOTAL ADM & GEN EXPENSES	217,177
	TOTAL AEG OPERATION & MAINTENANCE EXPENSES	10,528,262
	ACCOUNT 40190 TOTAL FOR CROSS FOOT	10,528,262
	-----DIFFERENCE-----	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
07-Jul-12

UNIT 1
POWER BILL - - June, 2012

IN ACCORDANCE WITH POWER AGREEMENT DATED OCTOBER 1, 1984 (AS AMENDED)
 ENERGY DELIVERED FOR THE MONTH OF June, 2012
 KWH FOR THE MONTH 275,829,000

<u>SUMMARY</u>	<u>TOTAL</u>
Current Month Bill:	
Return on Common Equity	614,203
Return on Other Capital	166,746
Total Return	780,949
Fuel	5,899,475
Purchased Power	0
Other Operating Revenues	(6,125)
Other Operation and Maintenance Exp	780,184
Depreciation Expense	1,165,092
Taxes Other Than Federal Income Tax	107,813
Federal Income Tax	179,936
TOTAL UNIT POWER BILL	8,907,324
Prior Month's Adjustment:	
Return on Common Equity & Other Capital	(1,258,515)
Fuel	0
Other Expenses (Includes taxes & interest)	(1,913,604)
TOTAL PRIOR MONTH'S ADJUSTMENTS	(3,172,119)
TOTAL UNIT POWER BILL	5,735,205

AMOUNTS WILL BE PAID DIRECT FROM GENERAL FUNDS.

DUE DATE - - - July 20, 2012

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

**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-Jul-12**

**UNIT 1
POWER BILL - - June, 2012**

IN ACCORDANCE WITH POWER AGREEMENT DATED OCTOBER 1, 1984 (AS AMENDED)
 ENERGY DELIVERED FOR THE MONTH OF June, 2012
 KWH FOR THE MONTH 118,249,000

<u>SUMMARY</u>	<u>TOTAL</u>
Current Month Bill:	
Return on Common Equity	263,230
Return on Other Capital	71,463
Total Return	----- 334,693
Fuel	2,528,346
Purchased Power	0
Other Operating Revenues	(2,625)
Other Operation and Maintenance Exp	334,365
Depreciation Expense	499,325
Taxes Other Than Federal Income Tax	46,206
Federal Income Tax	77,115
TOTAL CURRENT UNIT POWER BILL	----- 3,817,425 -----
Prior Month's Adjustment:	
Return on Common Equity & Other Capital	(539,364)
Fuel Expense	0
Other Expenses (Includes taxes & interest)	(820,115)
TOTAL PRIOR MONTH'S ADJUSTMENTS	----- (1,359,479) -----
TOTAL UNIT POWER BILL	=====
	2,457,946
	=====

AMOUNTS WILL BE PAID DIRECT FROM GENERAL FUNDS.

DUE DATE - - - July 20, 2012

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

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
SUMMARY OF MONTHLY POWER BILL**

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**ESTIMATE
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07-Jul-12

June, 2012

	<u>TOTAL UNIT 1 POWER BILL</u>	<u>KPCO SHARE</u>	<u>I&M SHARE</u>
Return on Common Equity	877,433	263,230	614,203
Return on Other Capital	238,209	71,463	166,746
Total Return	1,115,642	334,693	780,949
+ Fuel	8,427,821	2,528,346	5,899,475
+ Purchased Power	0	0	0
- Other Operating Revenues	(8,750)	(2,625)	(6,125)
+ Other Operation and Maintenance Exp	1,114,549	334,365	780,184
+ Depreciation Expense	1,664,417	499,325	1,165,092
+ Taxes Other Than Federal Income Tax	154,019	46,206	107,813
+ Federal and State Income Tax	257,051	77,115	179,936
= Total Unit 1 Monthly Power Bill	12,724,749	3,817,425	8,907,324
<u>Determination of Federal Income Tax :</u>			
Total Return (Line 3)	1,115,642	334,693	780,949
+ Unit 1 Schedule M Adjustments	1,009,947	302,984	706,963
+ Unit 1 Deferred Federal Income Taxes	(484,762)	(145,429)	(339,334)
- Unit 1 Interest Expense Deduction *	263,172	78,952	184,220
= Subtotal	1,377,654	413,296	964,358
x Gross-Up (FIT Rate / 1-FIT Rate)	0.538462	0.538462	0.538462
= Unit 1 Current Federal Income Tax	741,814	222,544	519,270
+ Unit 1 Def Fed & State Income Taxes	(484,762)	(145,429)	(339,334)
= Total Unit 1 Fed&State Income Taxes	257,051	77,115	179,936
<u>Proof of Federal Income Tax :</u>			
Total Unit 1 Monthly Power Bill	12,724,749	3,817,425	8,907,324
- Operation and Maintenance Expenses	9,542,370	2,862,711	6,679,659
- Depreciation Expense	1,664,417	499,325	1,165,092
- Taxes Other Than Federal Income Tax	154,019	46,206	107,813
- Unit 1 Interest Expense Deduction *	263,172	78,952	184,220
- Other Operating Revenues	(8,750)	(2,625)	(6,125)
= Pre-Tax Book Income	1,109,521	332,856	776,665
+ Unit 1 Schedule M Adjustments	1,009,947	302,984	706,963
= Unit 1 Taxable Income	2,119,468	635,840	1,483,628
x Current Federal Income Tax Rate	35%	35%	35%
= Unit 1 Current Federal Income Tax	741,814	222,544	519,270
+ Unit 1 Def Fed & State Income Taxes	(484,763)	(145,429)	(339,334)
= Total Unit 1 Fed&State Income Taxes	257,051	77,115	179,936

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

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<u>Line No.</u>		<u>UNIT 1</u> <u>June, 2012</u>
1	<u>Operating Ratio:</u>	
2	<u>Net In-Service Investment:</u>	
3	Electric Plant In-Service	761,784,363
4	- Accumulated Depreciation	527,150,465
5	+ Materials & Supplies	68,272,807
6	+ Prepayments	33,137
7	+ Plant Held For Future Use (A/C 105) *	0
8	+ Other Deferred Debits (A/C 186) *	0
9	+ Other Working Capital ***	(38,510,131)
10	+ Unamortized Debt Expense (A/C 181+189)	2,739,742
11	- Other Deferred Credits (A/C 253)	62,300,544
12	- Accumulated Deferred FIT	36,445,811
13	- Accumulated Deferred ITC	21,451,176
14	Total Net In-Service Investment	146,971,923
15	<u>Non-In-Service Investment - CWIP :</u>	
16	Construction Work In Progress	25,166,359
17	+ Materials & Supplies	0
18	- Accumulated Deferred FIT	0
19	Total Non-In-Service Investment - CWIP	25,166,359
20	<u>Non-In-Service Investment - Other :</u>	
21	Plant Held for Future Use (A/C 105) **	1,034,099
22	+ Other Deferred Debits (A/C 186) **	3,122,805
23	+ Fuel Inventory Over Allowed Level ****	(685,335)
24	Total Non-In-Service Investment - Other	3,471,569
25	Total Investment (Lines 14+19+24)	175,609,851
26	Operating Ratio (Line 14/Line 25)	83.6923%
27	Non-In-Service Investment-CWIP Ratio (Line 19/Line 25)	14.3308%
28	Non-In-Service Investment-Other Ratio (Line 24/Line 25)	1.9769%
29	Total Investment	100.0000%
*	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	
****	Includes Rockport 1 and 2	

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

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<u>Line No.</u>		<u>UNIT 1</u> <u>June, 2012</u>
1	<u>Net In-Service Investment Ratio:</u>	
2	Unit 1 Net In-Service Investment:	
3	Electric Plant In-Service	650,019,143
4	- Accumulated Depreciation	415,870,978
5	+ Materials & Supplies	34,479,071
6	+ Prepayments	16,569
7	+ Plant Held For Future Use (A/C 105) *	0
8	+ Other Deferred Debits (A/C 186) *	0
9	+ Other Working Capital **	(154,350)
10	+ Unamortized Debt Expense (A/C 181+189)	1,369,871
11	- Other Deferred Credits (A/C 253)	1,856,984
12	- Accumulated Deferred FIT	47,846,567
13	- Accumulated Deferred ITC	766,306
14	Total Unit 1 Net In-Service Investment	219,389,469
15	Unit 2 Net In-Service Investment:	
16	Electric Plant In-Service	111,765,220
17	- Accumulated Depreciation	111,279,487
18	+ Materials & Supplies	33,793,736
19	+ Prepayments	16,569
20	+ Plant Held For Future Use (A/C 105) *	0
21	+ Other Deferred Debits (A/C 186) *	0
22	+ Other Working Capital **	(38,355,781)
23	+ Unamortized Debt Expense (A/C 181+189)	1,369,871
24	- Other Deferred Credits (A/C 253)	60,443,560
25	- Accumulated Deferred FIT	(11,400,756)
26	- Accumulated Deferred ITC	20,684,870
27	Total Unit 2 Net In-Service Investment	(72,417,546)
28	Total Net In-Service Investment	146,971,923
29	<u>Net In-Service Investment Ratio:</u>	
30	Unit 1 (Line 14 / Line 28)	149.2700%
31	Unit 2 (Line 27 / Line 28)	-49.2700%
		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
June, 2012**

1	<u>Net Capitalization:</u>	
2	Long-Term Debt	66,074,388
3	+ Short-Term Debt	23,901,251
4	+ Preferred Stock	0
5	+ Common Equity	78,373,171
6	- Temporary Cash Investments	0
7	Net Capitalization	168,348,809
8	40% of Net Capitalization	67,339,524
9	<u>Return on Common Equity:</u>	
10	Lesser of Line 5 or Line 8	67,339,524
11	x Equity Return (Monthly Rate)	1.01333%
12	= Equity Return	682,372
13	x Operating Ratio	83.6923%
14	x Net In-Service Investment Ratio	149.2700%
15	= Subtotal	852,470
16	Excess of Line 5 Over Line 8	11,033,647
17	x Weighted Cost of Debt (Monthly Rate)	0.1811%
18	= Return on Equity over 40% of Capitalization	19,982
19	x Operating Ratio	83.6923%
20	x Net In-Service Investment Ratio	149.2700%
21	= Subtotal	24,963
22	Unit 1 Return on Equity (Line 15 + Line 21)	877,433
23	<u>Return on Other Capital:</u>	
24	Long-Term Debt Interest Expense	153,819
25	+ Short-Term Debt Interest Expense (a/c 430)	36,858
26	+ Other Interest Expense (a/c 431)	0
27	- Temporary Cash Investment Income *	0
28	= Net Interest Expense	190,677
29	+ Preferred Stock Dividends (a/c 437)	0
30	= Net Cost of Other Capital	190,677
31	x Operating Ratio	83.6923%
32	x Net In-Service Investment Ratio	149.2700%
33	= Unit 1 Return on Other Capital	238,209
	* 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
June, 2012**

1	<u>Debt Balances (Prior Month Ending) :</u>	
2	Long-Term Debt (Accts 221 thru 226)	66,074,388
3	+ Short-Term Debt (Accts 231 + 233)	23,901,251
4	+ Other Debt (Accts 132 thru 136 + 145)	0

5	Total Debt Balances (Prior Month Ending)	89,975,639
		=====
6	<u>Weighting of Debt Balances :</u>	
7	Long-Term Debt (LTD bal/Total Debt bal)	73.4359%
8	+ Short-Term Debt (STD bal/Total Debt bal)	26.5641%
9	+ Other Debt	0.0000%

10	Total Debt Balances	100.0000%
		=====
11	<u>Debt Cost Rates :</u>	
12	Long-Term Debt (avg LTD int rate)	2.8401%
13	Short-Term Debt (avg Money Pool STD int rate)	0.4637%
14	Other Debt	0.0000%
15	<u>Weighted Cost of Debt :</u>	
16	Long-Term Debt (LTD % x avg LTD int rate)	2.0857%
17	+ Short-Term Debt (STD % x avg MP STD int rate)	0.1232%
18	+ Other Debt	0.0000%

19	Total Weighted Cost of Debt	2.2089%
		=====

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

<u>Line No.</u>		<u>June, 2012</u>
1	<u>Unit 1 Materials and Supplies:</u>	
2	Fuel Stock - Coal (per Line 23)	19,544,396
3	Fuel Stock Expenses - Undistributed (152)	938,563
4	Fuel Stock - Oil (1510002)	2,083,319
5	Plant Materials & Operating Supplies	11,912,793
6	Merchandise	0
7	Undistributed Stores Expense	0

8	Total Materials & Supplies	34,479,071
		=====
9	<u>Support of Coal Inventory Value:</u>	
10	Actual Coal Inventory (a/c 151.10)	18,859,061
11	+ Equivalent Inventory re: Deferred Return	16,134,146,305

12	= Imputed Coal Inventory	16,153,005,366

13	<u>Coal Inventory W/68 Day Supply Cap</u>	
14	Tons Consumed - CHANGE ANNUALLY FROM DEC PG 24	2,523,686
15	/ Hours Available * CHG ANNUALLY FROM GADS RPT 511	7474.6
16	= Tons Consumed per Hour	337.63
17	x 24 Hours per Day	24
18	= Tons Consumed Per Day	8103.12
19	x 68 days	68
20	= 68 day Supply (Tons)	551,012
21	x Coal Cost per Ton (per a/c 151.10 at End of Prior Month)	35.470

22	= 68 day Coal Inventory	19,544,396

23	Lesser of Imputed or Capped Coal Inventory	19,544,396

24	Imputed Inventory Minus Line 23	16,133,460,970
		=====
25	<u>Accumulated Deferred Inventory Return - Unit 1 (Memo Item):</u>	
26	Beginning Balance	129,736,729
27	+ Current Month Return on Beginning Balance	1,051,686
28	+ Current Month Deferral	0
29	- Current Month Recovery	4,996

30	= Ending Balance **	130,783,419
		=====

* 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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<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	UNIT 1 June, 2012
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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			UNIT 1
<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>June, 2012</u>
1	500,502-509	Steam Power Generation - Operation	559,187
2	501	Fuel - Operation	8,427,821
3	510-515	Steam Power Generating - Maintenance	405,199
4		Total Steam Power Generation Expenses	9,392,207
5	555-557	Other Power Supply Expenses	(25,517)
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 - Operation	172,408
16	935	Administrative and General Expenses - Maintenance	3,273
17		Total Administrative & General Exp.	175,680
18		Total Operation & Maintenance Expenses	9,542,370

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

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**UNIT 1
June, 2012**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
1	403	Depreciation Expense	1,664,417
2	404	Amortization of Limited-Term Electric Plant	0
3	405	Amortization of Other Electric Plant	0
4	406	Amortization of Electric Plant Acquisition Adjustments	0
5	407	Amortization of Property Losses, Unrecovered Plant and Regulatory Study Costs	0
			<hr/>
6		Total Depreciation Exp. & Amortization	1,664,417
			<hr/> <hr/> <hr/>

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

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<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>June, 2012</u>
BS1			
1	408.1	Taxes Other Than Federal Income Taxes, Utility Operating Income	114,822
2	409.1	State Income Taxes	39,197
3		Total Taxes Other than FIT	----- 154,019 =====

UNIT 1

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

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<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>TOTAL</u>	<u>KPCO SHARE</u>	<u>I&M SHARE</u>
1		<u>Unit 1 Schedule `M' Adjustments*</u>			
2	N/A	Excess ACRS Over Normalization Base Depreciation	(4,500)	(1,350)	(3,150)
3	N/A	Deferred Purchased Power Costs	0	0	0
4	N/A	Excess Normalization Base Over Book Depreciation	(17,500)	(5,250)	(12,250)
5	N/A	Other Unit 1 Schedule `M' Adjustments	1,031,947	309,584	722,363
6	***	Total Unit 1 Schedule `M' Adjustments	<u>1,009,947</u>	<u>302,984</u>	<u>706,963</u>
7		<u>Unit 1 Deferred Federal Income Tax</u>			
8	410.1	Excess ACRS Over Norm. Base Depr. (Line 2 x FIT Rate * -1)	(396,880)	(119,064)	(277,816)
9	410.1	Deferred Purchased Power Costs (Line 4 x FIT Rate * -1)	0	0	0
10	410.1&411.1	Other Unit 1 Schedule `M' Adjustments - Clearing Accounts	0	0	0
12	411.1	Feedback of Accumulated DFIT re: ABFUDC - Unit 1 Negative Amount Denotes Reduction.	(77,747)	(23,324)	(54,423)
13	411.1	Feedback of Accumulated DFIT re: Overheads Capitalized - Unit 1	(3,276)	(983)	(2,293)
14	411.1	Feedback of Accumulated DFIT re: Other Schedule `M' Adj.-Utility	(6,860)	(2,058)	(4,802)
15	***	Total Unit 1 Deferred Federal Income Tax	<u>(484,762)</u>	<u>(145,429)</u>	<u>(339,334)</u>

*** 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
June, 2012

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
1		<u>ELECTRIC PLANT IN SERVICE</u>	
2	101	Electric Plant In Service	649,638,388
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	380,754
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	650,019,143
12	105	Plant Held For Future Use	0
13		<u>ACCUMULATED DEPRECIATION</u>	
14	108	Accumulated Provision for Depreciation of Electric Utility Plant	415,329,588
15	110	Accumulated Provision for Depreciation and Amort. of Elec. Utility Plant	0
16	111	Accumulated Provision for Amortization of Electric Utility Plant	541,389
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	415,870,978
20		<u>MATERIAL AND SUPPLIES</u>	
21	151	Fuel Stock	21,627,715
22	152	Fuel Stock Expenses - Undistributed	938,563
23	153	Residuals	0
24	154	Plant Materials and Operating Supplies	11,912,793
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)	34,479,071
29	165	Prepayments	16,569
30	186	Other Deferred Debits	0

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
OTHER WORKING CAPITAL, UNAMORTIZED DEBT EXPENSE
AND OTHER DEFERRED CREDITS**

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<u>Line No.</u>	<u>Account No.</u>	<u>Description *</u>	<u>UNIT 1 June, 2012</u>
1	128	Other Special Funds	0
2	131	Cash	0
3	135	Other Intra Company Adjustments	(417,478)
4	143	Accounts Receivable-Miscellaneous	964,234
5	146	Accounts Receivable-Associated Company	12,173,315
6	171	Interest and Dividends Receivable	4,178
7	174	Miscellaneous Current and Accrued Assets	0
8	232	Accounts Payable-General	(24,363)
9	234	Accounts Payable-Associated Company	(10,835,263)
10	236	Taxes Accrued	(4,876,034)
11	237	Interest Accrued	(138,720)
12	238	Dividends Declared	0
13	241	Tax Collections Payable	0
14	242	Misc Current and Accrued Liabilities	2,995,782
15		Total Other Working Capital	(154,350)
			=====
16	181+189	Unamortized Debt Expense	1,369,871
17	253	Other Deferred Credits	1,856,984

		* debit <credit>	

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

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**UNIT 1
June, 2012**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
31		<u>ACCUMULATED DEFERRED INCOME TAXES</u>	
32	190	-Accumulated Deferred Income Taxes	1,571,488
33	281	+Accumulated Deferred Income Taxes - Accelerated Amortization Property	0
34	282	+Accumulated Deferred Income Taxes - Other Property	48,949,676
35	283	+Accumulated Deferred Income Taxes - Other	468,379
36		Total Accumulated Deferred Income Taxes (In-Service Portion)	----- 47,846,567
37	255	+Accumulated Deferred Investment Tax Credits	766,306
38	186.50	-Accumulated Deferred Investment Tax Credit	0
39		Total Accumulated Deferred Investment Tax Credits	----- 766,306
40		Total Net In-Service Investment - Unit 1	----- 219,389,469 =====

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

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UNIT 1
June, 2012

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
		<u>Non-In-Service Investment - CWIP</u>	
1	107	Construction Work In Process	25,166,359
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		<u>ACCUMULATED DEFERRED INCOME TAXES</u>	
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	0
16		Total Accumulated Deferred Income Taxes (CWIP Portion)	----- 0
17		TOTAL NON-IN-SERVICE INVESTMENT - CWIP	----- 25,166,359 =====
		<u>Non-In-Service Investment - Other</u>	
18	105	Plant Held for Future Use	1,034,099
19	186	Other Deferred Debits	3,122,805
20	151.10	Fuel Inventory Over Allowed Level *	(685,335)
21		Total Non-In-Service Investment - Other	----- 3,471,569 =====
		* INCLUDES ROCKPORT 1 AND 2	
		UNIT 1	(685,335)
		UNIT 2	0
		TOTAL	----- (685,335) =====

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
DETAIL OF NET CAPITALIZATION**

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UNIT 1
June, 2012

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
1		<u>COMMON CAPITAL STOCK</u>	
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		<u>OTHER PAID-IN CAPITAL</u>	
12	207	Premium on Capital Stock	0
13	208	Donations Received from Stockholders	69,478,987
14	211	Miscellaneous Paid-In Capital	0
15	213	Discount on Capital Stock	0
16		Total Other Paid-In Capital	69,478,987
17		<u>RETAINED EARNINGS</u>	
18	215	Appropriated Retained Earnings	0
19	215.1	Appropriated Retained Earnings- Amortization Reserve, Federal	0
20	216	Unappropriated Retained Earnings	8,511,183
21		Total Retained Earnings	8,511,183
22		Total Common Equity	78,373,171
23		<u>PREFERRED CAPITAL STOCK</u>	
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
June, 2012**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
28		<u>LONG-TERM DEBT</u>	
29	221	Bonds	0
30	222	Reacquired Bonds	0
31	223	Advances from Associated Companies	0
32	224	Other Long-Term Debt	66,074,388
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	66,074,388
		<u>SHORT-TERM DEBT</u>	
36a	231.02	Notes Payable (Short-Term Debt)	0
36b	231.03	Unamortized Discount	0
37	233.00	Notes Payable, Assoc Co(Money Pool)	23,901,251
38		Total Short-Term Debt	23,901,251
39		<u>TEMPORARY CASH INVESTMENTS</u>	
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	168,348,809

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

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**UNIT 1
June, 2012**

Line No.

1	<u>Capitalization Balances (Prior Month Ending) :</u>	
2	Long-Term Debt (Accts 221 thru 226)	66,074,388
3	+ Short-Term Debt (Accts 231 + 233)	23,901,251
4	+ Preferred Stock	0
5	+ Common Equity (Accts 201 thru 216)	78,373,171
6	- Capitalization Offsets	0

7	Total Capitalization Balances	168,348,809
		=====
8	<u>Weighting of Capitalization Balances :</u>	
9	Long-Term Debt (LTD/Total Capital)	39.2485%
10	+ Short-Term Debt (STD/Total Capital)	14.1975%
11	+ Preferred Stock	0.0000%
12	+ Common Equity (Common Equity/Total Capital)	46.5540%
13	- Capitalization Offsets	0.0000%

14	Total Capitalization	100.0000%
		=====
15	<u>Capitalization Cost Rates :</u>	
16	Long-Term Debt (avg LTD int rate)	2.8401%
17	Short-Term Debt (avg money pool STD int rate)	0.4637%
18	Preferred Stock	0.0000%
19	Common Equity (FERC fixed rate)	12.1600%
20	Capitalization Offsets (sum of weighted costs of debt)	2.2089%
21	<u>Rate of Return (Net of Tax) :</u>	
22	Long-Term Debt (LTD % x avg LTD int rate)	1.1147%
23	+ Short-Term Debt (STD % x avg MP STD int rate)	0.0658%
24	+ Preferred Stock	0.0000%
25	+ Common Equity (CE % x FERC fixed rate)	5.6610%
26	- Capitalization Offsets	0.0000%

27	Total Rate of Return (Net of Tax)	6.8415%
		=====
28	Weighted Net Cost of Debt	1.1805%
	(LTD Rate of Return + STD RR - Cap Offsets RR)	
29	+ Pre-Tax Common Equity (Line 25 / .65)	8.7092%
	(Common Equity Rate of Return grossed up for tax)	

30	= Rate of Return (Pre-Tax)	9.8897%
		=====

A E P GENERATING COMPANY

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

500	SUPERVISION AND ENGINEERING	92,506
501	FUEL	8,427,821
502	STEAM EXPENSES	280,676
503	STEAM FROM OTHER SOURCES	0
504	STEAM TRANSFERRED - CR	0
505	ELECTRIC EXPENSES	52,308
506	MISC. STEAM POWER EXPENSES	133,501
507	RENTS	198
508	OPERATION SUPPLIES AND EXPENSES	0
509	CARRYING CHARGES - ALLOWANCES	0
	TOTAL OPERATION EXPENSE	8,987,008
510	MAINTENANCE SUPER. AND ENGINEERING	60,708
511	MAINTENANCE OF STRUCTURES	46,073
512	MAINTENANCE OF BOILER PLANT	199,672
513	MAINTENANCE OF ELECTRIC PLANT	54,079
514	MAINTENANCE OF MISC. STEAM PLANT	44,667
515	MAINTENANCE NORMALIZING	0
	TOTAL MAINTENANCE EXPENSES	405,199
555	PURCHASED POWER	0
556	SYSTEM CONTROL AND LOAD DISPATCHING	(6,386)
557	OTHER POWER SUPPLY EXPENSES	(19,131)
	TOTAL OTHER SUPPLY EXPENSES	(25,517)

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 366
CURRENT YEAR IS 2012
CURRENT MONTH IS 6
THIS BILLING IS FOR MONTH OF June, 2012

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

June 2012
 ESTIMATE

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 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	33,438
921	OFFICE SUPPLIES AND EXPENSES	2,998
922	ADMINISTRATIVE EXPENSES TRANSF - CR	0
923	OUTSIDE SERVICES	11,992
924	PROPERTY INSURANCE	9,556
925	INJURIES AND DAMAGES	818
926	EMPLOYEE PENSIONS AND BENEFITS	111,388
927	FRANCHISE REQUIREMENTS	0
928	REGULATORY COMMISSION	0
929	DUPLICATE CHARGES-CREDIT	0
930	MISCELLANEOUS GENERAL EXPENSES	2,171
931	RENTS	47
933	TRANSPORTATION EXPENSE	0
	TOTAL ADM & GEN EXPENSES OPERATION	172,408
935	MAINTENANCE OF GENERAL PLANT	3,273
	TOTAL ADM & GEN EXPENSES	175,680
	TOTAL AEG OPERATION & MAINTENANCE EXPENSES	9,542,370
	ACCOUNT 40190 TOTAL FOR CROSS FOOT	9,542,370
	-----DIFFERENCE-----	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
07-Jul-12**

**UNIT 2
POWER BILL - - June, 2012**

IN ACCORDANCE WITH POWER AGREEMENT DATED OCTOBER 1, 1984 (AS AMENDED)
ENERGY DELIVERED FOR THE MONTH OF June, 2012
KWH FOR THE MONTH 253,924,000

<u>SUMMARY</u>	<u>TOTAL</u>
Current Month Bill:	
Return on Common Equity	(203,932)
Return on Other Capital	(55,364)
Total Return	(259,296)
Fuel	5,406,999
Purchased Power	0
Other Operating Revenues	(6,125)
Other Operation and Maintenance Exp	4,956,820
Depreciation Expense	479,296
Taxes Other Than Federal Income Tax	102,574
Federal Income Tax	(60,063)
TOTAL CURRENT UNIT POWER BILL	10,620,205
Prior Month's Adjustment:	
Return on Common Equity & Other Capital	288,677
Fuel Expense	0
Other Expenses (Includes taxes & interest)	158,094
TOTAL PRIOR MONTH'S ADJUSTMENTS	446,771
TOTAL UNIT POWER BILL	11,066,976

AMOUNTS WILL BE PAID DIRECT FROM GENERAL FUNDS.

DUE DATE - July 20, 2012

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**

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

**ESTIMATE
07-Jul-12**

**UNIT 2
POWER BILL - - June, 2012**

IN ACCORDANCE WITH POWER AGREEMENT DATED OCTOBER 1, 1984 (AS AMENDED)
ENERGY DELIVERED FOR THE MONTH OF June, 2012
KWH FOR THE MONTH 108,840,000

<u>SUMMARY</u>	<u>TOTAL</u>
Current Month Bill:	
Return on Common Equity	(87,400)
Return on Other Capital	(23,728)
Total Return	<u>(111,128)</u>
Fuel	2,317,285
Purchased Power	0
Other Operating Revenues	(2,625)
Other Operation and Maintenance Exp	2,124,351
Depreciation Expense	205,413
Taxes Other Than Federal Income Tax	43,960
Federal Income Tax	(25,742)
TOTAL CURRENT UNIT POWER BILL	<u><u>4,551,514</u></u> =====
Prior Month's Adjustment:	
Return on Common Equity & Other Capital	123,719
Fuel Expense	0
Other Expenses (Includes taxes & interest)	67,753
TOTAL PRIOR MONTH'S ADJUSTMENTS	<u><u>191,472</u></u> =====
TOTAL UNIT POWER BILL	<u><u>4,742,986</u></u> =====

AMOUNTS WILL BE PAID DIRECT FROM GENERAL FUNDS.

DUE DATE - July 20, 2012

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
ROCKPORT POWER BILL
SUMMARY OF MONTHLY POWER BILL**

June, 2012

07-Jul-12

	TOTAL UNIT 2 POWER BILL	KPCO SHARE	I&M SHARE
Return on Common Equity	(291,332)	(87,400)	(203,932)
Return on Other Capital	(79,092)	(23,728)	(55,364)
Total Return	(370,424)	(111,128)	(259,296)
+ Fuel	7,724,284	2,317,285	5,406,999
+ Purchased Power	0	0	0
- Other Operating Revenues	(8,750)	(2,625)	(6,125)
+ Other Operation and Maintenance Exp	7,081,171	2,124,351	4,956,820
+ Depreciation Expense	684,709	205,413	479,296
+ Taxes Other Than Federal Income Tax	146,534	43,960	102,574
+ Federal and State Income Tax	(85,805)	(25,742)	(60,063)
= Total Unit 2 Monthly Power Bill	15,171,719	4,551,514	10,620,205

Determination of Federal Income Tax :

Total Return (Line 3)	(370,424)	(111,128)	(259,296)
+ Unit 2 Schedule M Adjustments	(237,909)	(71,373)	(166,536)
+ Unit 2 Deferred Federal Income Taxes	126,559	37,968	88,591
- Unit 2 Interest Expense Deduction *	(87,380)	(26,214)	(61,166)
= Subtotal	(394,393)	(118,318)	(276,074)
x Gross-Up (FIT Rate / 1-FIT Rate)	0.538462	0.538462	0.538462
= Unit 2 Current Federal Income Tax	(212,365)	(63,710)	(148,655)
+ Unit 2 Def Fed & State Income Taxes	126,559	37,968	88,591
= Total Unit 2 Fed&State Income Taxes	(85,805)	(25,742)	(60,063)

Proof of Federal Income Tax :

Total Unit 2 Monthly Power Bill	15,171,719	4,551,514	10,620,205
- Operation and Maintenance Expenses	14,805,455	4,441,636	10,363,819
- Depreciation Expense	684,709	205,413	479,296
- Taxes Other Than Federal Income Tax	146,534	43,960	102,574
- Unit 2 Interest Expense Deduction *	(87,380)	(26,214)	(61,166)
- Other Operating Revenues	(8,750)	(2,625)	(6,125)
= Pre-Tax Book Income	(368,849)	(110,656)	(258,193)
+ Unit 2 Schedule M Adjustments	(237,909)	(71,373)	(166,536)
= Unit 2 Taxable Income	(606,758)	(182,029)	(424,729)
x Current Federal Income Tax Rate	35%	35%	35%
= Unit 2 Current Federal Income Tax	(212,365)	(63,710)	(148,655)
+ Unit 2 Def Fed & State Income Taxes	126,559	37,968	88,591
= Total Unit 2 Fed&State Income Taxes	(85,806)	(25,742)	(60,064)

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

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

<u>Line No.</u>		UNIT 2 <u>June, 2012</u>
1	Operating Ratio:	
2	<u>Net In-Service Investment:</u>	
3	Electric Plant In-Service	761,784,363
4	- Accumulated Depreciation	527,150,465
5	+ Materials & Supplies	68,272,807
6	+ Prepayments	33,137
7	+ Plant Held For Future Use (A/C 105) *	0
8	+ Other Deferred Debits (A/C 186) *	0
9	+ Other Working Capital ***	(38,510,131)
10	+ Unamortized Debt Expense (A/C 181+189)	2,739,742
11	- Other Deferred Credits (A/C 253)	62,300,544
12	- Accumulated Deferred FIT	36,445,811
13	- Accumulated Deferred ITC	21,451,176
14	Total Net In-Service Investment	146,971,923
15	<u>Non-In-Service Investment - CWIP :</u>	
16	Construction Work In Progress	25,166,359
17	+ Materials & Supplies	0
18	- Accumulated Deferred FIT	0
19	Total Non-In-Service Investment - CWIP	25,166,359
20	<u>Non-In-Service Investment - Other :</u>	
21	Plant Held for Future Use (A/C 105) **	0
22	+ Other Deferred Debits (A/C 186) **	3,122,805
23	+ Fuel Inventory Over Allowed Level ****	(685,335)
24	Total Non-In-Service Investment - Other	2,437,470
25	Total Investment (Lines 14+19+24)	174,575,752
26	Operating Ratio (Line 14/Line 25)	84.1881%
27	Non-In-Service Investment-CWIP Ratio (Line 19/Line 25)	14.4157%
28	Non-In-Service Investment-Other Ratio (Line 24/Line 25)	1.3962%
29	Total Investment	100.0000%
	* 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	

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

**UNIT 2
June, 2012**

Line No.		
1	Net In-Service Investment Ratio:	
2	<u>Unit 2 Net In-Service Investment:</u>	
3	Electric Plant In-Service	111,765,220
4	- Accumulated Depreciation	111,279,487
5	+ Materials & Supplies	33,793,736
6	+ Prepayments	16,569
7	+ Plant Held For Future Use (A/C 105) *	0
8	+ Other Deferred Debits (A/C 186) *	0
9	+ Other Working Capital **	(38,355,781)
10	+ Unamortized Debt Expense (A/C 181+189)	1,369,871
11	- Other Deferred Credits (A/C 253)	60,443,560
12	- Accumulated Deferred FIT	(11,400,756)
13	- Accumulated Deferred ITC	20,684,870
14	Total Unit 2 Net In-Service Investment	(72,417,546)
15	<u>Unit 1 Net In-Service Investment:</u>	
16	Electric Plant In-Service	650,019,143
17	- Accumulated Depreciation	415,870,978
18	+ Materials & Supplies	34,479,071
19	+ Prepayments	16,569
20	+ Plant Held For Future Use (A/C 105) *	0
21	+ Other Deferred Debits (A/C 186) *	0
22	+ Other Working Capital **	(154,350)
23	+ Unamortized Debt Expense (A/C 181+189)	1,369,871
24	- Other Deferred Credits (A/C 253)	1,856,984
25	- Accumulated Deferred FIT	47,846,567
26	- Accumulated Deferred ITC	766,306
27	Total Unit 1 Net In-Service Investment	219,389,469
28	Total Net In-Service Investment	146,971,923
29	<u>Net In-Service Investment Ratio:</u>	
30	Unit 2 (Line 14 / Line 28)	-49.2700%
31	Unit 1 (Line 27 / Line 28)	149.2700%
		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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<u>Line No.</u>		UNIT 2 <u>June, 2012</u>
1	Net Capitalization:	
2	Long-Term Debt	66,074,388
3	+ Short-Term Debt	23,901,251
4	+ Preferred Stock	0
5	+ Common Equity	78,373,171
6	- Temporary Cash Investments	0
7	Net Capitalization	168,348,809 =====
8	40% of Net Capitalization	67,339,524
9	<u>Return on Common Equity:</u>	
10	Lesser of Line 5 or Line 8	67,339,524
11	x Equity Return (Monthly Rate)	1.01333%
12	= Equity Return	682,372
13	x Operating Ratio	84.1881%
14	x Net In-Service Investment Ratio	-49.2700%
15	= Subtotal	(283,044)
16	Excess of Line 5 Over Line 8	11,033,647
17	x Weighted Cost of Debt (Monthly Rate)	0.1811%
18	= Return on Equity over 40% of Capitalization	19,982
19	x Operating Ratio	84.1881%
20	x Net In-Service Investment Ratio	-49.2700%
21	= Subtotal	(8,288)
22	Unit 2 Return on Equity (Line 15 + Line 21)	(291,332) =====
23	<u>Return on Other Capital:</u>	
24	Long-Term Debt Interest Expense	153,819
25	+ Short-Term Debt Interest Expense (a/c 430)	36,858
26	+ Other Interest Expense (a/c 431)	0
27	- Temporary Cash Investment Income *	0
28	= Net Interest Expense	190,677
29	+ Preferred Stock Dividends (a/c 437)	0
30	= Net Cost of Other Capital	190,677
31	x Operating Ratio	84.1881%
32	x Net In-Service Investment Ratio	-49.2700%
33	= Unit 2 Return on Other Capital	(79,092) =====

* 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 2
June, 2012**

1	Debt Balances (Prior Month Ending) :		
2	Long-Term Debt (Accts 221 thru 226)	66,074,388	
3	+ Short-Term Debt (Accts 231 + 233)	23,901,251	
4	+ Other Debt (Accts 132 thru 136 + 145)	0	
5	Total Debt Balances (Prior Month Ending)	89,975,639	=====
6	<u>Weighting of Debt Balances :</u>		
7	Long-Term Debt (LTD bal/Total Debt bal)	73.4359%	
8	+ Short-Term Debt (STD bal/Total Debt bal)	26.5641%	
9	+ Other Debt	0.0000%	
10	Total Debt Balances	100.0000%	=====
11	<u>Debt Cost Rates :</u>		
12	Long-Term Debt (avg LTD int rate)	2.8401%	
13	Short-Term Debt (avg Money Pool STD int rate)	0.4637%	
14	Other Debt	0.0000%	
15	<u>Weighted Cost of Debt :</u>		
16	Long-Term Debt (LTD % x avg LTD int rate)	2.0857%	
17	+ Short-Term Debt (STD % x avg MP STD int rate)	0.1232%	
18	+ Other Debt	0.0000%	
19	Total Weighted Cost of Debt	2.2089%	=====

**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

<u>Line No.</u>		<u>June, 2012</u>
1	Unit 2 Materials and Supplies:	
2	Fuel Stock - Coal (per Line 23)	18,859,061
3	Fuel Stock Expenses - Undistributed (152)	938,563
4	Fuel Stock - Oil (1510002)	2,083,319
5	Plant Materials & Operating Supplies	11,912,793
6	Merchandise	0
7	Undistributed Stores Expense	0
8	Total Materials & Supplies	33,793,736
9	<u>Support of Coal Inventory Value:</u>	
10	Actual Coal Inventory (a/c 151.10)	18,859,061
11	+ Equivalent Inventory re: Deferred Return	660,526,641
12	= Imputed Coal Inventory	679,385,702
13	<u>Coal Inventory W/68 Day Supply Cap</u>	
14	Tons Consumed - CHANGE ANNUALLY FROM DEC PG 24	2,333,062
15	/ Hours Available * CHG ANNUALLY FROM GADS RPT 511	6816.7
16	= Tons Consumed per Hour	342.26
17	x 24 Hours per Day	24
18	= Tons Consumed Per Day	8214.24
19	x 68 days	68
20	= 68 day Supply (Tons)	558,568
21	x Coal Cost per Ton (per a/c 151.10 at End of Prior Month)	35.470
22	= 68 day Coal Inventory	19,812,407
23	Lesser of Imputed or Capped Coal Inventory	19,812,407
24	Imputed Inventory Minus Line 23	659,573,295
25	<u>Accumulated Deferred Inventory Return - Unit 2 (Memo Item):</u>	
26	Beginning Balance	5,311,379
27	+ Current Month Return on Beginning Balance	43,056
28	+ Current Month Deferral	6,862
29	- Current Month Recovery	0
30	= Ending Balance **	5,361,297
	* Excludes Forced Outages, Scheduled Outages, and Curtailments	
	** May Not Be Less Than Zero	
	Total Unit 2 Monthly Power Bill with Actual	15,171,719
	Total Unit 2 Monthly Power Bill with 68 Day Capped	15,178,581
	Difference	6,862

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
DETAIL OF OTHER OPERATING REVENUES**

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EXHIBIT 2
June, 2012

<u>Line No.</u>	<u>Account No.</u>	<u>Description</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	<u>(8,750)</u> =====

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

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UNIT 2
June, 2012

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>June, 2012</u>
1	500,502-509	Steam Power Generation - Operation	6,280,559
2	501	Fuel - Operation	7,724,284
3	510-515	Steam Power Generating - Maintenance	644,044
4		Total Steam Power Generation Expenses	14,648,888
5	555-557	Other Power Supply Expenses	(25,517)
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 Expense	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	178,812
16	935	Administrative and General Expenses - Maintenance	3,273
17		Total Administrative & General Exp.	182,084
18		Total Operation & Maintenance Expenses	14,805,455

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

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<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>UNIT 2 June, 2012</u>
1	403	Depreciation Expense *	382,066
2	404	Amortization of Limited-Term Electric Plant **	302,642
3	405	Amortization of Other Electric Plant	0
4	406	Amortization of Electric Plant Acquisition Adjustments	0
5	407	Amortization of Property Losses, Unrecovered Plant and Regulatory Study Costs	0
			<hr/>
6		Total Depreciation Exp. & Amortization	684,709
			=====

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

* Rockport 2 Associated Equipments (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. 2014-00396
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<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>June, 2012</u>
1	408.1	Taxes Other Than Federal Income Taxes, Utility Operating Income	107,337
2	409.1	State Income Taxes	39,197
3		Total Taxes Other than Federal Income Taxes	146,534 =====

UNIT 2

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

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<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>TOTAL</u>	<u>KPCO SHARE</u>	<u>I&M SHARE</u>
1		<u>Unit 2 Schedule `M' Adjustments*</u>			
2	N/A	Excess ACRS Over Normalization Base Depreciation	(4,500)	(1,350)	(3,150)
3	N/A	Deferred Purchased Power Costs	0	0	0
4	N/A	Excess Normalization Base Over Book Depreciation	121,500	36,450	85,050
5	N/A	Other Unit 2 Schedule `M' Adjustments	(354,909)	(106,473)	(248,436)
6	***	Total Unit 2 Schedule `M' Adjustments	<u>(237,909)</u>	<u>(71,373)</u>	<u>(166,536)</u>
7		<u>Unit 2 Deferred Federal Income Tax</u>			
8	410.1	Excess ACRS Over Norm. Base Depr. (Line 2 x FIT Rate * -1)	(27,152)	(8,146)	(19,006)
9	410.1	Deferred Purchased Power Costs (Line 4 x FIT Rate * -1)	0	0	0
10	10.1&411.	Other Unit 2 Schedule `M' Adjustments - Clearing Accounts	0	0	0
12	411.1	Feedback of Accumulated DFIT re: ABFUDC - Unit 2 Negative Amount Denotes Reduction.	(11,570)	(3,471)	(8,099)
13	411.1	Feedback of Accumulated DFIT re: Overheads Capitalized - Unit 2	(230)	(69)	(161)
14	411.1	Feedback of Accumulated DFIT re: Other Schedule `M' Adj.-Utility	165,511	49,653	115,858
15	***	Total Unit 2 Deferred Federal Income Tax	<u>126,559</u>	<u>37,968</u>	<u>88,591</u>

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

Check Figure on Tax Page for Sch M	(237,909)
Check Figure on Tax Page for DFIT	126,559

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. 2014-00396
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**UNIT 2
June, 2012**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
1		<u>ELECTRIC PLANT IN SERVICE</u>	
2	101	Electric Plant In Service	110,358,095
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	1,407,126
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	111,765,220
12	105	Plant Held For Future Use	0
13		<u>ACCUMULATED DEPRECIATION</u>	
14	108	Accumulated Provision for Depreciation of Electric Utility Plant	92,657,104
15	110	Accumulated Provision for Depreciation and Amort. of Elec. Utility Plant	0
16	111	Accumulated Provision for Amortization of Electric Utility Plant	18,622,382
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	111,279,487
20		<u>MATERIAL AND SUPPLIES</u>	
21	151	Fuel Stock	20,942,380
22	152	Fuel Stock Expenses - Undistributed	938,563
23	153	Residuals	0
24	154	Plant Materials and Operating Supplies	11,912,793
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)	33,793,736
29	165	Prepayments	16,569
30	186	Other Deferred Debits	0

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
OTHER WORKING CAPITAL, UNAMORTIZED DEBT EXPENSE,
AND OTHER DEFERRED CREDITS**

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**UNIT 2
June, 2012**

<u>Line No.</u>	<u>Account No.</u>	<u>Description *</u>	
1	128	Other Special Funds	0
2	131	Cash	0
3	135	Other Intra Company Adjustments	417,478
4	143	Accounts Receivable-Miscellaneous	1,001,112
5	146	Accounts Receivable-Associated Company	12,495,140
6	171	Interest and Dividends Receivable	4,178
7	174	Miscellaneous Current and Accrued Assets	0
8	232	Accounts Payable-General	(24,363)
9	234	Accounts Payable-Associated Company	(10,775,262)
10	236	Taxes Accrued	(2,495,611)
11	237	Interest Accrued	(138,720)
12	238	Dividends Declared	0
13	241	Tax Collections Payable	0
14	242	Misc Current and Accrued Liabilities	(38,839,734)
			<hr/>
15		Total Other Working Capital	(38,355,781)
			<hr/> <hr/>
16	181+189	Unamortized Debt Expense	1,369,871
			<hr/>
17	253	Other Deferred Credits	60,443,560
			<hr/>
*		debit <credit>	

**AEP GENERATING COMPANY
ROCKPORT POWER BILL**

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**UNIT 2
June, 2012**

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

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
31		ACCUMULATED DEFERRED INCOME TAXES	
32	190	-Accumulated Deferred Income Taxes	24,103,652
33	281	+Accumulated Deferred Income Taxes - Accelerated Amortization Property	0
34	282	+Accumulated Deferred Income Taxes - Other Property	12,104,483
35	283	+Accumulated Deferred Income Taxes - Other	598,412
36		Total Accumulated Deferred Income Taxes (In-Service Portion)	<u>(11,400,756)</u>
37	255	+Accumulated Deferred Investment Tax Credits	20,684,870
38	186.50	-Accumulated Deferred Investment Tax Credit	0
39		Total Accumulated Deferred Investment Tax Credits	<u>20,684,870</u>
40		Total Net In-Service Investment - Unit 2	<u><u>(72,417,546)</u></u> =====

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

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UNIT 2
June 2012

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
		<u>Non-In-Service Investment - CWIP</u>	
1	107	Construction Work In Process	25,166,359
2		<u>MATERIAL AND SUPPLIES</u>	
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		<u>ACCUMULATED DEFERRED INCOME TAXES</u>	
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	0
16		Total Accumulated Deferred Income Taxes (CWIP Portion)	0
17		TOTAL NON-IN-SERVICE INVESTMENT - CWIP	25,166,359
		<u>Non-In-Service Investment - Other</u>	
18	105	Plant Held for Future Use	0
19	186	Other Deferred Debits	3,122,805
20	151.10	Fuel Inventory Over Allowed Level *	(685,335)
21		Total Non-In-Service Investment - Other	2,437,470
		* INCLUDES ROCKPORT 1 AND 2	
		UNIT 1	(685,335)
		UNIT 2	0
		TOTAL	(685,335)

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
DETAIL OF NET CAPITALIZATION**

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**UNIT 2
June, 2012**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
1		<u>COMMON CAPITAL STOCK</u>	
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		<u>OTHER PAID-IN CAPITAL</u>	
12	207	Premium on Capital Stock	0
13	208	Donations Received from Stockholders	69,478,987
14	211	Miscellaneous Paid-In Capital	0
15	213	Discount on Capital Stock	0
16		Total Other Paid-In Capital	69,478,987
17		<u>RETAINED EARNINGS</u>	
18	215	Appropriated Retained Earnings	0
19	215.1	Appropriated Retained Earnings- Amortization Reserve, Federal	0
20	216	Unappropriated Retained Earnings	8,511,183
21		Total Retained Earnings	8,511,183
22		Total Common Equity	78,373,171
23		<u>PREFERRED CAPITAL STOCK</u>	
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

June 2012

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
28		<u>LONG-TERM DEBT</u>	
29	221	Bonds	0
30	222	Reacquired Bonds	0
31	223	Advances from Associated Companies	0
32	224	Other Long-Term Debt	66,074,388
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	<u>66,074,388</u>
		<u>SHORT-TERM DEBT</u>	
36a	231.02	Notes Payable (Short-Term Debt)	0
36b	231.03	Unamortized Discount	0
37	233.00	Notes Payable, Assoc Co(Money Pool)	23,901,251
38		Total Short-Term Debt	<u>23,901,251</u>
39		<u>TEMPORARY CASH INVESTMENTS</u>	
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	<u>0</u>
45		NET CAPITALIZATION	<u>168,348,809</u> =====

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

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<u>Line No.</u>		UNIT 2 <u>June, 2012</u>
1	Capitalization Balances (Prior Month Ending) :	
2	Long-Term Debt (Accts 221 thru 226)	66,074,388
3	+ Short-Term Debt (Accts 231 + 233)	23,901,251
4	+ Preferred Stock	0
5	+ Common Equity (Accts 201 thru 216)	78,373,171
6	- Capitalization Offsets	0
7	Total Capitalization Balances	168,348,809 =====
8	<u>Weighting of Capitalization Balances :</u>	
9	Long-Term Debt (LTD/Total Capital)	39.2485%
10	+ Short-Term Debt (STD/Total Capital)	14.1975%
11	+ Preferred Stock	0.0000%
12	+ Common Equity (Common Equity/Total Capital)	46.5540%
13	- Capitalization Offsets	0.0000%
14	Total Capitalization	100.0000% =====
15	<u>Capitalization Cost Rates :</u>	
16	Long-Term Debt (avg LTD int rate)	2.8401%
17	Short-Term Debt (avg money pool STD int rate)	0.4637%
18	Preferred Stock	0.0000%
19	Common Equity (FERC fixed rate)	12.1600%
20	Capitalization Offsets (sum of weighted costs of debt)	2.2089%
21	<u>Rate of Return (Net of Tax) :</u>	
22	Long-Term Debt (LTD % x avg LTD int rate)	1.1147%
23	+ Short-Term Debt (STD % x avg MP STD int rate)	0.0658%
24	+ Preferred Stock	0.0000%
25	+ Common Equity (CE % x FERC fixed rate)	5.6610%
26	- Capitalization Offsets	0.0000%
27	Total Rate of Return (Net of Tax)	6.8415% =====
28	Weighted Net Cost of Debt (LTD Rate of Return + STD RR - Cap Offsets RR)	1.1805%
29	+ Pre-Tax Common Equity (Line 25 / .65) (Common Equity Rate of Return grossed up for tax)	8.7092%
30	= Rate of Return (Pre-Tax)	9.8897% =====

A E P GENERATING COMPANY

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

500	SUPERVISION AND ENGINEERING	93,287
501	FUEL	7,724,284
502	STEAM EXPENSES	301,092
503	STEAM FROM OTHER SOURCES	0
504	STEAM TRANSFERRED - CR	0
505	ELECTRIC EXPENSES	62,988
506	MISC. STEAM POWER EXPENSES	132,751
507	RENTS	5,690,441
508	OPERATION SUPPLIES AND EXPENSES	0
509	CARRYING CHARGES - ALLOWANCES	0
	TOTAL OPERATION EXPENSE	14,004,843
510	MAINTENANCE SUPER. AND ENGINEERING	67,719
511	MAINTENANCE OF STRUCTURES	7,633
512	MAINTENANCE OF BOILER PLANT	326,683
513	MAINTENANCE OF ELECTRIC PLANT	219,692
514	MAINTENANCE OF MISC. STEAM PLANT	22,317
515	MAINTENANCE NORMALIZING	0
	TOTAL MAINTENANCE EXPENSES	644,044
555	PURCHASED POWER	0
556	SYSTEM CONTROL AND LOAD DISPATCHING	(6,386)
557	OTHER POWER SUPPLY EXPENSES	(19,131)
	TOTAL OTHER SUPPLY EXPENSES	(25,517)

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 >	366
CURRENT YEAR IS	2012
CURRENT MONTH IS	6
THIS BILLING IS FOR MONTH OF	June, 2012

A E P GENERATING COMPANY

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 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	33,955
921	OFFICE SUPPLIES AND EXPENSES	3,016
922	ADMINISTRATIVE EXPENSES TRANSF - CR	0
923	OUTSIDE SERVICES	17,860
924	PROPERTY INSURANCE	9,556
925	INJURIES AND DAMAGES	818
926	EMPLOYEE PENSIONS AND BENEFITS	111,388
927	FRANCHISE REQUIREMENTS	0
928	REGULATORY COMMISSION	0
929	DUPLICATE CHARGES-CREDIT	0
930	MISCELLANEOUS GENERAL EXPENSES	2,171
931	RENTS	47
933	TRANSPORTATION EXPENSE	0
	TOTAL ADM & GEN EXPENSES OPERATION	178,812
935	MAINTENANCE OF GENERAL PLANT	3,273
	TOTAL ADM & GEN EXPENSES	182,084
	TOTAL AEG OPERATION & MAINTENANCE EXPENSES	14,805,455
	ACCOUNT 40190 TOTAL FOR CROSS FOOT	14,805,455
	-----DIFFERENCE-----	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
07-Aug-12

UNIT 1
POWER BILL - - July, 2012

IN ACCORDANCE WITH POWER AGREEMENT DATED OCTOBER 1, 1984 (AS AMENDED)
 ENERGY DELIVERED FOR THE MONTH OF July, 2012
 KWH FOR THE MONTH

326,206,000

	<u>SUMMARY</u>	<u>TOTAL</u>
Current Month Bill:		
Return on Common Equity		563,729
Return on Other Capital		244,321
Total Return		----- 808,050
Fuel		7,122,201
Purchased Power		0
Other Operating Revenues		(6,125)
Other Operation and Maintenance Exp		949,178
Depreciation Expense		1,165,554
Taxes Other Than Federal Income Tax		132,035
Federal Income Tax		166,343
TOTAL UNIT POWER BILL		----- 10,337,235 -----
Prior Month's Adjustment:		
Return on Common Equity & Other Capital		0
Fuel		0
Other Expenses (Includes taxes & interest)		(54,237)
TOTAL PRIOR MONTH'S ADJUSTMENTS		----- (54,237) -----
TOTAL UNIT POWER BILL		=====
		10,282,998
		=====

AMOUNTS WILL BE PAID DIRECT FROM GENERAL FUNDS.

DUE DATE - - - August 21, 2012

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

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-Aug-12

UNIT 1
POWER BILL - - July, 2012

IN ACCORDANCE WITH POWER AGREEMENT DATED OCTOBER 1, 1984 (AS AMENDED)
 ENERGY DELIVERED FOR THE MONTH OF July, 2012
 KWH FOR THE MONTH 139,816,000

SUMMARY

TOTAL

Current Month Bill:

Return on Common Equity	241,598
Return on Other Capital	104,709

Total Return	346,307
Fuel	3,052,372
Purchased Power	0
Other Operating Revenues	(2,625)
Other Operation and Maintenance Exp	406,790
Depreciation Expense	499,523
Taxes Other Than Federal Income Tax	56,586
Federal Income Tax	71,289

TOTAL CURRENT UNIT POWER BILL	4,430,242

Prior Month's Adjustment:

Return on Common Equity & Other Capital	0
Fuel Expense	0
Other Expenses (Includes taxes & interest)	(23,245)

TOTAL PRIOR MONTH'S ADJUSTMENTS	(23,245)

TOTAL UNIT POWER BILL

=====

4,406,997

=====

AMOUNTS WILL BE PAID DIRECT FROM GENERAL FUNDS.

DUE DATE - - - August 21, 2012

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

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
SUMMARY OF MONTHLY POWER BILL**

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07-Aug-12

July, 2012

	<u>TOTAL UNIT 1 POWER BILL</u>	<u>KPCO SHARE</u>	<u>I&M SHARE</u>
Return on Common Equity	805,327	241,598	563,729
Return on Other Capital	349,030	104,709	244,321
Total Return	1,154,357	346,307	808,050
+ Fuel	10,174,573	3,052,372	7,122,201
+ Purchased Power	0	0	0
- Other Operating Revenues	(8,750)	(2,625)	(6,125)
+ Other Operation and Maintenance Exp	1,355,968	406,790	949,178
+ Depreciation Expense	1,665,077	499,523	1,165,554
+ Taxes Other Than Federal Income Tax	188,621	56,586	132,035
+ Federal and State Income Tax	237,632	71,289	166,343
= Total Unit 1 Monthly Power Bill	14,767,477	4,430,242	10,337,235
<u>Determination of Federal Income Tax :</u>			
Total Return (Line 3)	1,154,357	346,307	808,050
+ Unit 1 Schedule M Adjustments	1,063,618	319,085	744,533
+ Unit 1 Deferred Federal Income Taxes	(499,670)	(149,901)	(349,769)
- Unit 1 Interest Expense Deduction *	349,030	104,709	244,321
= Subtotal	1,369,275	410,782	958,493
x Gross-Up (FIT Rate / 1-FIT Rate)	0.538462	0.538462	0.538462
= Unit 1 Current Federal Income Tax	737,302	221,190	516,112
+ Unit 1 Def Fed & State Income Taxes	(499,670)	(149,901)	(349,769)
= Total Unit 1 Fed&State Income Taxes	237,632	71,289	166,343
<u>Proof of Federal Income Tax :</u>			
Total Unit 1 Monthly Power Bill	14,767,477	4,430,242	10,337,235
- Operation and Maintenance Expenses	11,530,541	3,459,162	8,071,379
- Depreciation Expense	1,665,077	499,523	1,165,554
- Taxes Other Than Federal Income Tax	188,621	56,586	132,035
- Unit 1 Interest Expense Deduction *	349,030	104,709	244,321
- Other Operating Revenues	(8,750)	(2,625)	(6,125)
= Pre-Tax Book Income	1,042,959	312,887	730,072
+ Unit 1 Schedule M Adjustments	1,063,618	319,085	744,533
= Unit 1 Taxable Income	2,106,577	631,972	1,474,605
x Current Federal Income Tax Rate	35%	35%	35%
= Unit 1 Current Federal Income Tax	737,302	221,190	516,112
+ Unit 1 Def Fed & State Income Taxes	(499,670)	(149,901)	(349,769)
= Total Unit 1 Fed&State Income Taxes	237,632	71,289	166,343

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

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<u>Line No.</u>		<u>UNIT 1 July, 2012</u>
1	<u>Operating Ratio:</u>	
2	<u>Net In-Service Investment:</u>	
3	Electric Plant In-Service	762,980,718
4	- Accumulated Depreciation	529,461,913
5	+ Materials & Supplies	66,950,837
6	+ Prepayments	17,010
7	+ Plant Held For Future Use (A/C 105) *	0
8	+ Other Deferred Debits (A/C 186) *	0
9	+ Other Working Capital ***	(6,195,896)
10	+ Unamortized Debt Expense (A/C 181+189)	2,711,391
11	- Other Deferred Credits (A/C 253)	61,836,298
12	- Accumulated Deferred FIT	36,082,392
13	- Accumulated Deferred ITC	21,177,635
14	Total Net In-Service Investment	----- 177,905,822
15	<u>Non-In-Service Investment - CWIP :</u>	
16	Construction Work In Progress	26,380,943
17	+ Materials & Supplies	0
18	- Accumulated Deferred FIT	0
19	Total Non-In-Service Investment - CWIP	----- 26,380,943
20	<u>Non-In-Service Investment - Other :</u>	
21	Plant Held for Future Use (A/C 105) **	1,034,099
22	+ Other Deferred Debits (A/C 186) **	2,828,935
23	+ Fuel Inventory Over Allowed Level ****	(2,816,121)
24	Total Non-In-Service Investment - Other	----- 1,046,913
25	Total Investment (Lines 14+19+24)	----- 205,333,678 =====
26	Operating Ratio (Line 14/Line 25)	86.6423%
27	Non-In-Service Investment-CWIP Ratio (Line 19/Line 25)	12.8478%
28	Non-In-Service Investment-Other Ratio (Line 24/Line 25)	0.5099%
29	Total Investment	----- 100.0000% =====
*	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	
****	Includes Rockport 1 and 2	

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

**UNIT 1
July, 2012**

Line No.		
1	<u>Net In-Service Investment Ratio:</u>	
2	Unit 1 Net In-Service Investment:	
3	Electric Plant In-Service	650,505,505
4	- Accumulated Depreciation	417,207,928
5	+ Materials & Supplies	34,883,479
6	+ Prepayments	8,505
7	+ Plant Held For Future Use (A/C 105) *	0
8	+ Other Deferred Debits (A/C 186) *	0
9	+ Other Working Capital **	634,960
10	+ Unamortized Debt Expense (A/C 181+189)	1,355,696
11	- Other Deferred Credits (A/C 253)	1,856,984
12	- Accumulated Deferred FIT	47,359,395
13	- Accumulated Deferred ITC	656,930
14	Total Unit 1 Net In-Service Investment	220,306,908
15	Unit 2 Net In-Service Investment:	
16	Electric Plant In-Service	112,475,212
17	- Accumulated Depreciation	112,253,986
18	+ Materials & Supplies	32,067,358
19	+ Prepayments	8,505
20	+ Plant Held For Future Use (A/C 105) *	0
21	+ Other Deferred Debits (A/C 186) *	0
22	+ Other Working Capital **	(6,830,855)
23	+ Unamortized Debt Expense (A/C 181+189)	1,355,696
24	- Other Deferred Credits (A/C 253)	59,979,314
25	- Accumulated Deferred FIT	(11,277,003)
26	- Accumulated Deferred ITC	20,520,705
27	Total Unit 2 Net In-Service Investment	(42,401,086)
28	Total Net In-Service Investment	177,905,822
29	<u>Net In-Service Investment Ratio:</u>	
30	Unit 1 (Line 14 / Line 28)	123.8300%
31	Unit 2 (Line 27 / Line 28)	-23.8300%
		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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<u>Line No.</u>		<u>UNIT 1 July, 2012</u>
1	<u>Net Capitalization:</u>	
2	Long-Term Debt	66,074,388
3	+ Short-Term Debt	57,898,451
4	+ Preferred Stock	0
5	+ Common Equity	74,073,956
6	- Temporary Cash Investments	0
7	Net Capitalization	----- 198,046,795 =====
8	40% of Net Capitalization	79,218,718
9	<u>Return on Common Equity:</u>	
10	Lesser of Line 5 or Line 8	74,073,956
11	x Equity Return (Monthly Rate)	1.01333%
12	= Equity Return	750,614
13	x Operating Ratio	86.6423%
14	x Net In-Service Investment Ratio	123.8300%
15	= Subtotal	805,327
16	Excess of Line 5 Over Line 8	0
17	x Weighted Cost of Debt (Monthly Rate)	0.1458%
18	= Return on Equity over 40% of Capitalization	0
19	x Operating Ratio	86.6423%
20	x Net In-Service Investment Ratio	123.8300%
21	= Subtotal	0
22	Unit 1 Return on Equity (Line 15 + Line 21)	----- 805,327 =====
23	<u>Return on Other Capital:</u>	
24	Long-Term Debt Interest Expense	158,253
25	+ Short-Term Debt Interest Expense (a/c 430)	167,064
26	+ Other Interest Expense (a/c 431)	0
27	- Temporary Cash Investment Income *	0
28	= Net Interest Expense	----- 325,317
29	+ Preferred Stock Dividends (a/c 437)	0
30	= Net Cost of Other Capital	----- 325,317
31	x Operating Ratio	86.6423%
32	x Net In-Service Investment Ratio	123.8300%
33	= Unit 1 Return on Other Capital	----- 349,030 =====
	* 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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UNIT 1
July, 2012

Line
No.

1	<u>Debt Balances (Prior Month Ending) :</u>	
2	Long-Term Debt (Accts 221 thru 226)	66,074,388
3	+ Short-Term Debt (Accts 231 + 233)	57,898,451
4	+ Other Debt (Accts 132 thru 136 + 145)	0

5	Total Debt Balances (Prior Month Ending)	123,972,839
		=====
6	<u>Weighting of Debt Balances :</u>	
7	Long-Term Debt (LTD bal/Total Debt bal)	53.2975%
8	+ Short-Term Debt (STD bal/Total Debt bal)	46.7025%
9	+ Other Debt	0.0000%

10	Total Debt Balances	100.0000%
		=====
11	<u>Debt Cost Rates :</u>	
12	Long-Term Debt (avg LTD int rate)	2.8277%
13	Short-Term Debt (avg Money Pool STD int rate)	0.4593%
14	Other Debt	0.0000%
15	<u>Weighted Cost of Debt :</u>	
16	Long-Term Debt (LTD % x avg LTD int rate)	1.5071%
17	+ Short-Term Debt (STD % x avg MP STD int rate)	0.2145%
18	+ Other Debt	0.0000%

19	Total Weighted Cost of Debt	1.7216%
		=====

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

<u>Line No.</u>		<u>July, 2012</u>
1	<u>Unit 1 Materials and Supplies:</u>	
2	Fuel Stock - Coal (per Line 23)	19,671,679
3	Fuel Stock Expenses - Undistributed (152)	895,255
4	Fuel Stock - Oil (1510002)	2,380,486
5	Plant Materials & Operating Supplies	11,936,059
6	Merchandise	0
7	Undistributed Stores Expense	0
8	Total Materials & Supplies	----- 34,883,479 =====
9	<u>Support of Coal Inventory Value:</u>	
10	Actual Coal Inventory (a/c 151.10)	16,855,558
11	+ Equivalent Inventory re: Deferred Return	19,253,091,194
12	= Imputed Coal Inventory	----- 19,269,946,752 -----
13	<u>Coal Inventory W/68 Day Supply Cap</u>	
14	Tons Consumed - CHANGE ANNUALLY FROM DEC PG 24	2,523,686
15	/ Hours Available * CHG ANNUALLY FROM GADS RPT 511	7474.6
16	= Tons Consumed per Hour	337.63
17	x 24 Hours per Day	24
18	= Tons Consumed Per Day	8103.12
19	x 68 days	68
20	= 68 day Supply (Tons)	551,012
21	x Coal Cost per Ton (per a/c 151.10 at End of Prior Month)	35.701
22	= 68 day Coal Inventory	----- 19,671,679 -----
23	Lesser of Imputed or Capped Coal Inventory	----- 19,671,679 -----
24	Imputed Inventory Minus Line 23	----- 19,250,275,073 =====
25	<u>Accumulated Deferred Inventory Return - Unit 1 (Memo Item):</u>	
26	Beginning Balance	130,783,419
27	+ Current Month Return on Beginning Balance	894,469
28	+ Current Month Deferral	0
29	- Current Month Recovery	20,066
30	= Ending Balance **	----- 131,657,822 =====

* 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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**UNIT 1
July, 2012**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</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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<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>UNIT 1</u> <u>July, 2012</u>
1	500,502-509	Steam Power Generation - Operation	524,098
2	501	Fuel - Operation	10,174,573
3	510-515	Steam Power Generating - Maintenance	663,273
4		Total Steam Power Generation Expenses	11,361,944
5	555-557	Other Power Supply Expenses	8,222
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 - Operation	157,531
16	935	Administrative and General Expenses - Maintenance	2,845
17		Total Administrative & General Exp.	160,376
18		Total Operation & Maintenance Expenses	11,530,541

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

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**UNIT 1
July, 2012**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
1	403	Depreciation Expense	1,665,077
2	404	Amortization of Limited-Term Electric Plant	0
3	405	Amortization of Other Electric Plant	0
4	406	Amortization of Electric Plant Acquisition Adjustments	0
5	407	Amortization of Property Losses, Unrecovered Plant and Regulatory Study Costs	0

6		Total Depreciation Exp. & Amortization	1,665,077 =====

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

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<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>UNIT 1</u> <u>July, 2012</u>
BS1			
1	408.1	Taxes Other Than Federal Income Taxes, Utility Operating Income	154,489
2	409.1	State Income Taxes	34,132
3		Total Taxes Other than FIT	----- 188,621 =====

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

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<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>TOTAL</u>	<u>KPCO SHARE</u>	<u>I&M SHARE</u>
1		<u>Unit 1 Schedule 'M' Adjustments*</u>			
2	N/A	Excess ACRS Over Normalization Base Depreciation	(4,500)	(1,350)	(3,150)
3	N/A	Deferred Purchased Power Costs	0	0	0
4	N/A	Excess Normalization Base Over Book Depreciation	(17,500)	(5,250)	(12,250)
5	N/A	Other Unit 1 Schedule 'M' Adjustments	1,085,618	325,685	759,933
6	***	Total Unit 1 Schedule 'M' Adjustments	1,063,618	319,085	744,533
			=====	=====	=====
7		<u>Unit 1 Deferred Federal Income Tax</u>			
8	410.1	Excess ACRS Over Norm. Base Depr. (Line 2 x FIT Rate * -1)	(396,880)	(119,064)	(277,816)
9	410.1	Deferred Purchased Power Costs (Line 4 x FIT Rate * -1)	0	0	0
10	410.1&411.1	Other Unit 1 Schedule 'M' Adjustments - Clearing Accounts	0	0	0
12	411.1	Feedback of Accumulated DFIT re: ABFUDC - Unit 1 Negative Amount Denotes Reduction.	(77,747)	(23,324)	(54,423)
13	411.1	Feedback of Accumulated DFIT re: Overheads Capitalized - Unit 1	(3,276)	(983)	(2,293)
14	411.1	Feedback of Accumulated DFIT re: Other Schedule 'M' Adj.-Utility	(21,767)	(6,530)	(15,237)
			-----	-----	-----
15	***	Total Unit 1 Deferred Federal Income Tax	(499,670)	(149,901)	(349,769)
			=====	=====	=====

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

=====

=====

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

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<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
1		<u>ELECTRIC PLANT IN SERVICE</u>	
2	101	Electric Plant In Service	649,804,077
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	701,428
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	650,505,505
12	105	Plant Held For Future Use	0
13		<u>ACCUMULATED DEPRECIATION</u>	
14	108	Accumulated Provision for Depreciation of Electric Utility Plant	416,666,538
15	110	Accumulated Provision for Depreciation and Amort. of Elec. Utility Plant	0
16	111	Accumulated Provision for Amortization of Electric Utility Plant	541,389
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	417,207,928
20		<u>MATERIAL AND SUPPLIES</u>	
21	151	Fuel Stock	22,052,165
22	152	Fuel Stock Expenses - Undistributed	895,255
23	153	Residuals	0
24	154	Plant Materials and Operating Supplies	11,936,059
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)	34,883,479
29	165	Prepayments	8,505
30	186	Other Deferred Debits	0

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
OTHER WORKING CAPITAL, UNAMORTIZED DEBT EXPENSE,
AND OTHER DEFERRED CREDITS**

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<u>Line</u> <u>No.</u>	<u>Account</u> <u>No.</u>	<u>Description *</u>	<u>UNIT 1</u> <u>July, 2012</u>
1	128	Other Special Funds	0
2	131	Cash	0
3	135	Other Intra Company Adjustments	(417,478)
4	143	Accounts Receivable-Miscellaneous	982,673
5	146	Accounts Receivable-Associated Company	13,950,940
6	171	Interest and Dividends Receivable	4,665
7	174	Miscellaneous Current and Accrued Assets	0
8	232	Accounts Payable-General	(15,618)
9	234	Accounts Payable-Associated Company	(11,537,329)
10	236	Taxes Accrued	(5,149,307)
11	237	Interest Accrued	(188,670)
12	238	Dividends Declared	0
13	241	Tax Collections Payable	0
14	242	Misc Current and Accrued Liabilities	3,005,084
15		Total Other Working Capital	634,960
			=====
16	181+189	Unamortized Debt Expense	1,355,696
17	253	Other Deferred Credits	1,856,984

		* debit <credit>	

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

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**UNIT 1
July 2012**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
31		<u>ACCUMULATED DEFERRED INCOME TAXES</u>	
32	190	-Accumulated Deferred Income Taxes	1,566,628
33	281	+Accumulated Deferred Income Taxes - Accelerated Amortization Property	0
34	282	+Accumulated Deferred Income Taxes - Other Property	48,476,049
35	283	+Accumulated Deferred Income Taxes - Other	449,974
36		Total Accumulated Deferred Income Taxes (In-Service Portion)	----- 47,359,395 -----
37	255	+Accumulated Deferred Investment Tax Credits	656,930
38	186.50	-Accumulated Deferred Investment Tax Credit	0
39		Total Accumulated Deferred Investment Tax Credits	----- 656,930 -----
40		Total Net In-Service Investment - Unit 1	----- 220,306,908 =====

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

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**UNIT 1
July, 2012**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
		<u>Non-In-Service Investment - CWIP</u>	
1	107	Construction Work In Process	26,380,943
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		<u>ACCUMULATED DEFERRED INCOME TAXES</u>	
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	0
16		Total Accumulated Deferred Income Taxes (CWIP Portion)	0
17		TOTAL NON-IN-SERVICE INVESTMENT - CWIP	26,380,943
		<u>Non-In-Service Investment - Other</u>	
18	105	Plant Held for Future Use	1,034,099
19	186	Other Deferred Debits	2,828,935
20	151.10	Fuel Inventory Over Allowed Level *	(2,816,121)
21		Total Non-In-Service Investment - Other	1,046,913
		* INCLUDES ROCKPORT 1 AND 2	
		UNIT 1	(2,816,121)
		UNIT 2	0
		TOTAL	(2,816,121)

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
DETAIL OF NET CAPITALIZATION**

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July 2012

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
1		<u>COMMON CAPITAL STOCK</u>	
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		<u>OTHER PAID-IN CAPITAL</u>	
12	207	Premium on Capital Stock	0
13	208	Donations Received from Stockholders	69,478,987
14	211	Miscellaneous Paid-In Capital	0
15	213	Discount on Capital Stock	0
16		Total Other Paid-In Capital	69,478,987
17		<u>RETAINED EARNINGS</u>	
18	215	Appropriated Retained Earnings	0
19	215.1	Appropriated Retained Earnings- Amortization Reserve, Federal	0
20	216	Unappropriated Retained Earnings	4,211,969
21		Total Retained Earnings	4,211,969
22		Total Common Equity	74,073,956
23		<u>PREFERED CAPITAL STOCK</u>	
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
July, 2012**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
28		<u>LONG-TERM DEBT</u>	
29	221	Bonds	0
30	222	Reacquired Bonds	0
31	223	Advances from Associated Companies	0
32	224	Other Long-Term Debt	66,074,388
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	66,074,388
		<u>SHORT-TERM DEBT</u>	
36a	231.02	Notes Payable (Short-Term Debt)	0
36b	231.03	Unamortized Discount	0
37	233.00	Notes Payable, Assoc Co(Money Pool)	57,898,451
38		Total Short-Term Debt	57,898,451
39		<u>TEMPORARY CASH INVESTMENTS</u>	
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	198,046,795

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

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**UNIT 1
July, 2012**

Line No.

1	<u>Capitalization Balances (Prior Month Ending) :</u>	
2	Long-Term Debt (Accts 221 thru 226)	66,074,388
3	+ Short-Term Debt (Accts 231 + 233)	57,898,451
4	+ Preferred Stock	0
5	+ Common Equity (Accts 201 thru 216)	74,073,956
6	- Capitalization Offsets	0

7	Total Capitalization Balances	198,046,795 =====
8	<u>Weighting of Capitalization Balances :</u>	
9	Long-Term Debt (LTD/Total Capital)	33.3630%
10	+ Short-Term Debt (STD/Total Capital)	29.2347%
11	+ Preferred Stock	0.0000%
12	+ Common Equity (Common Equity/Total Capital)	37.4022%
13	- Capitalization Offsets	-0.0001%

14	Total Capitalization	100.0000% =====
15	<u>Capitalization Cost Rates :</u>	
16	Long-Term Debt (avg LTD int rate)	2.8277%
17	Short-Term Debt (avg money pool STD int rate)	0.4593%
18	Preferred Stock	0.0000%
19	Common Equity (FERC fixed rate)	12.1600%
20	Capitalization Offsets (sum of weighted costs of debt)	1.7216%
21	<u>Rate of Return (Net of Tax) :</u>	
22	Long-Term Debt (LTD % x avg LTD int rate)	0.9434%
23	+ Short-Term Debt (STD % x avg MP STD int rate)	0.1343%
24	+ Preferred Stock	0.0000%
25	+ Common Equity (CE % x FERC fixed rate)	4.5481%
26	- Capitalization Offsets	0.0000%

27	Total Rate of Return (Net of Tax)	5.6258% =====
28	Weighted Net Cost of Debt (LTD Rate of Return + STD RR - Cap Offsets RR)	1.0777%
29	+ Pre-Tax Common Equity (Line 25 / .65) (Common Equity Rate of Return grossed up for tax)	6.9971% -----
30	= Rate of Return (Pre-Tax)	8.0748% =====

A E P GENERATING COMPANY

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

500	SUPERVISION AND ENGINEERING	91,332
501	FUEL	10,174,573
502	STEAM EXPENSES	262,303
503	STEAM FROM OTHER SOURCES	0
504	STEAM TRANSFERRED - CR	0
505	ELECTRIC EXPENSES	49,141
506	MISC. STEAM POWER EXPENSES	121,124
507	RENTS	198
508	OPERATION SUPPLIES AND EXPENSES	0
509	CARRYING CHARGES - ALLOWANCES	0
	TOTAL OPERATION EXPENSE	10,698,671
510	MAINTENANCE SUPER. AND ENGINEERING	78,946
511	MAINTENANCE OF STRUCTURES	38,065
512	MAINTENANCE OF BOILER PLANT	400,338
513	MAINTENANCE OF ELECTRIC PLANT	50,833
514	MAINTENANCE OF MISC. STEAM PLANT	95,091
515	MAINTENANCE NORMALIZING	0
	TOTAL MAINTENANCE EXPENSES	663,273
555	PURCHASED POWER	0
556	SYSTEM CONTROL AND LOAD DISPATCHING	2,086
557	OTHER POWER SUPPLY EXPENSES	6,136
	TOTAL OTHER SUPPLY EXPENSES	8,222

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	366
CURRENT YEAR IS	2012
CURRENT MONTH IS	7
THIS BILLING IS FOR MONTH OF	July, 2012

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	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
	TOTAL SALES EXPENSES	0
920	ADMIN. & GENERAL SALARIES	27,648
921	OFFICE SUPPLIES AND EXPENSES	11,348
922	ADMINISTRATIVE EXPENSES TRANSF - CR	0
923	OUTSIDE SERVICES	6,400
924	PROPERTY INSURANCE	10,778
925	INJURIES AND DAMAGES	1,103
926	EMPLOYEE PENSIONS AND BENEFITS	92,164
927	FRANCHISE REQUIREMENTS	0
928	REGULATORY COMMISSION	0
929	DUPLICATE CHARGES-CREDIT	0
930	MISCELLANEOUS GENERAL EXPENSES	8,054
931	RENTS	37
933	TRANSPORTATION EXPENSE	0
	TOTAL ADM & GEN EXPENSES OPERATION	157,531
935	MAINTENANCE OF GENERAL PLANT	2,845
	TOTAL ADM & GEN EXPENSES	160,376
	TOTAL AEG OPERATION & MAINTENANCE EXPENSES	11,530,541
	ACCOUNT 40190 TOTAL FOR CROSS FOOT	11,530,541
	-----DIFFERENCE-----	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
 07-Aug-12**

**UNIT 2
POWER BILL -- July, 2012**

IN ACCORDANCE WITH POWER AGREEMENT DATED OCTOBER 1, 1984 (AS AMENDED)
 ENERGY DELIVERED FOR THE MONTH OF July, 2012
 KWH FOR THE MONTH 312,461,000

<u>SUMMARY</u>	<u>TOTAL</u>
Current Month Bill:	
Return on Common Equity	(109,034)
Return on Other Capital	(47,256)
Total Return	(156,290)
Fuel	6,918,910
Purchased Power	0
Other Operating Revenues	(6,125)
Other Operation and Maintenance Exp	4,780,908
Depreciation Expense	481,410
Taxes Other Than Federal Income Tax	129,515
Federal Income Tax	(9,023)
TOTAL CURRENT UNIT POWER BILL	12,139,305

Prior Month's Adjustment:	
Return on Common Equity & Other Capital	0
Fuel Expense	0
Other Expenses (Includes taxes & interest)	(54,240)
TOTAL PRIOR MONTH'S ADJUSTMENTS	(54,240)

=====

TOTAL UNIT POWER BILL **12,085,065**

=====

AMOUNTS WILL BE PAID DIRECT FROM GENERAL FUNDS.

DUE DATE -- August 21, 2012

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**

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

**ESTIMATE
 07-Aug-12**

**UNIT 2
POWER BILL - - July, 2012**

IN ACCORDANCE WITH POWER AGREEMENT DATED OCTOBER 1, 1984 (AS AMENDED)
 ENERGY DELIVERED FOR THE MONTH OF July, 2012
 KWH FOR THE MONTH 133,947,000

<u>SUMMARY</u>	<u>TOTAL</u>
Current Month Bill:	
Return on Common Equity	(46,729)
Return on Other Capital	(20,252)
Total Return	<u>(66,981)</u>
Fuel	2,965,247
Purchased Power	0
Other Operating Revenues	(2,625)
Other Operation and Maintenance Exp	2,048,961
Depreciation Expense	206,319
Taxes Other Than Federal Income Tax	55,506
Federal Income Tax	(3,867)
TOTAL CURRENT UNIT POWER BILL	<u><u>5,202,560</u></u> =====
Prior Month's Adjustment:	
Return on Common Equity & Other Capital	0
Fuel Expense	0
Other Expenses (Includes taxes & interest)	(23,244)
TOTAL PRIOR MONTH'S ADJUSTMENTS	<u><u>(23,244)</u></u> =====
TOTAL UNIT POWER BILL	<u><u>5,179,316</u></u> =====

AMOUNTS WILL BE PAID DIRECT FROM GENERAL FUNDS.

DUE DATE - - August 21, 2012

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
ROCKPORT POWER BILL
SUMMARY OF MONTHLY POWER BILL**

July, 2012

07-Aug-12

	TOTAL UNIT 2 POWER BILL	KPCO SHARE	I&M SHARE
Return on Common Equity	(155,763)	(46,729)	(109,034)
Return on Other Capital	(67,508)	(20,252)	(47,256)
Total Return	(223,271)	(66,981)	(156,290)
+ Fuel	9,884,158	2,965,247	6,918,910
+ Purchased Power	0	0	0
- Other Operating Revenues	(8,750)	(2,625)	(6,125)
+ Other Operation and Maintenance Exp	6,829,869	2,048,961	4,780,908
+ Depreciation Expense	687,729	206,319	481,410
+ Taxes Other Than Federal Income Tax	185,021	55,506	129,515
+ Federal and State Income Tax	(12,890)	(3,867)	(9,023)
= Total Unit 2 Monthly Power Bill	17,341,866	5,202,560	12,139,305
<u>Determination of Federal Income Tax :</u>			
Total Return (Line 3)	(223,271)	(66,981)	(156,290)
+ Unit 2 Schedule M Adjustments	(177,050)	(53,115)	(123,935)
+ Unit 2 Deferred Federal Income Taxes	108,106	32,432	75,674
- Unit 2 Interest Expense Deduction *	(67,508)	(20,252)	(47,256)
= Subtotal	(224,707)	(67,412)	(157,295)
x Gross-Up (FIT Rate / 1-FIT Rate)	0.538462	0.538462	0.538462
= Unit 2 Current Federal Income Tax	(120,996)	(36,299)	(84,697)
+ Unit 2 Def Fed & State Income Taxes	108,106	32,432	75,674
= Total Unit 2 Fed&State Income Taxes	(12,890)	(3,867)	(9,023)
<u>Proof of Federal Income Tax :</u>			
Total Unit 2 Monthly Power Bill	17,341,866	5,202,560	12,139,305
- Operation and Maintenance Expenses	16,714,027	5,014,208	11,699,818
- Depreciation Expense	687,729	206,319	481,410
- Taxes Other Than Federal Income Tax	185,021	55,506	129,515
- Unit 2 Interest Expense Deduction *	(67,508)	(20,252)	(47,256)
- Other Operating Revenues	(8,750)	(2,625)	(6,125)
= Pre-Tax Book Income	(168,653)	(50,596)	(118,057)
+ Unit 2 Schedule M Adjustments	(177,050)	(53,115)	(123,935)
= Unit 2 Taxable Income	(345,703)	(103,711)	(241,992)
x Current Federal Income Tax Rate	35%	35%	35%
= Unit 2 Current Federal Income Tax	(120,996)	(36,299)	(84,697)
+ Unit 2 Def Fed & State Income Taxes	108,106	32,432	75,674
= Total Unit 2 Fed&State Income Taxes	(12,890)	(3,867)	(9,023)

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

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

<u>Line No.</u>		UNIT 2 July, 2012
1	Operating Ratio:	
2	<u>Net In-Service Investment:</u>	
3	Electric Plant In-Service	762,980,718
4	- Accumulated Depreciation	529,461,913
5	+ Materials & Supplies	66,950,837
6	+ Prepayments	17,010
7	+ Plant Held For Future Use (A/C 105) *	0
8	+ Other Deferred Debits (A/C 186) *	0
9	+ Other Working Capital ***	(6,195,896)
10	+ Unamortized Debt Expense (A/C 181+189)	2,711,391
11	- Other Deferred Credits (A/C 253)	61,836,298
12	- Accumulated Deferred FIT	36,082,392
13	- Accumulated Deferred ITC	21,177,635
14	Total Net In-Service Investment	177,905,822
15	<u>Non-In-Service Investment - CWIP :</u>	
16	Construction Work In Progress	26,380,943
17	+ Materials & Supplies	0
18	- Accumulated Deferred FIT	0
19	Total Non-In-Service Investment - CWIP	26,380,943
20	<u>Non-In-Service Investment - Other :</u>	
21	Plant Held for Future Use (A/C 105) **	0
22	+ Other Deferred Debits (A/C 186) **	2,828,935
23	+ Fuel Inventory Over Allowed Level ****	(2,816,121)
24	Total Non-In-Service Investment - Other	12,814
25	Total Investment (Lines 14+19+24)	204,299,579
26	Operating Ratio (Line 14/Line 25)	87.0809%
27	Non-In-Service Investment-CWIP Ratio (Line 19/Line 25)	12.9129%
28	Non-In-Service Investment-Other Ratio (Line 24/Line 25)	0.0062%
29	Total Investment	100.0000%
	* 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	

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

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**Line
No.**

**UNIT 2
July, 2012**

1	Net In-Service Investment Ratio:	
2	<u>Unit 2 Net In-Service Investment:</u>	
3	Electric Plant In-Service	112,475,212
4	- Accumulated Depreciation	112,253,986
5	+ Materials & Supplies	32,067,358
6	+ Prepayments	8,505
7	+ Plant Held For Future Use (A/C 105) *	0
8	+ Other Deferred Debits (A/C 186) *	0
9	+ Other Working Capital **	(6,830,855)
10	+ Unamortized Debt Expense (A/C 181+189)	1,355,696
11	- Other Deferred Credits (A/C 253)	59,979,314
12	- Accumulated Deferred FIT	(11,277,003)
13	- Accumulated Deferred ITC	20,520,705
14	Total Unit 2 Net In-Service Investment	(42,401,086)
15	<u>Unit 1 Net In-Service Investment:</u>	
16	Electric Plant In-Service	650,505,505
17	- Accumulated Depreciation	417,207,928
18	+ Materials & Supplies	34,883,479
19	+ Prepayments	8,505
20	+ Plant Held For Future Use (A/C 105) *	0
21	+ Other Deferred Debits (A/C 186) *	0
22	+ Other Working Capital **	634,960
23	+ Unamortized Debt Expense (A/C 181+189)	1,355,696
24	- Other Deferred Credits (A/C 253)	1,856,984
25	- Accumulated Deferred FIT	47,359,395
26	- Accumulated Deferred ITC	656,930
27	Total Unit 1 Net In-Service Investment	220,306,908
28	Total Net In-Service Investment	177,905,822
29	<u>Net In-Service Investment Ratio:</u>	
30	Unit 2 (Line 14 / Line 28)	-23.8300%
31	Unit 1 (Line 27 / Line 28)	123.8300%
		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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<u>Line No.</u>		UNIT 2 <u>July, 2012</u>
1	Net Capitalization:	
2	Long-Term Debt	66,074,388
3	+ Short-Term Debt	57,898,451
4	+ Preferred Stock	0
5	+ Common Equity	74,073,956
6	- Temporary Cash Investments	0
7	Net Capitalization	198,046,795 =====
8	40% of Net Capitalization	79,218,718
9	<u>Return on Common Equity:</u>	
10	Lesser of Line 5 or Line 8	74,073,956
11	x Equity Return (Monthly Rate)	1.01333%
12	= Equity Return	750,614
13	x Operating Ratio	87.0809%
14	x Net In-Service Investment Ratio	-23.8300%
15	= Subtotal	(155,763)
16	Excess of Line 5 Over Line 8	0
17	x Weighted Cost of Debt (Monthly Rate)	0.1458%
18	= Return on Equity over 40% of Capitalization	0
19	x Operating Ratio	87.0809%
20	x Net In-Service Investment Ratio	-23.8300%
21	= Subtotal	0
22	Unit 2 Return on Equity (Line 15 + Line 21)	(155,763) =====
23	<u>Return on Other Capital:</u>	
24	Long-Term Debt Interest Expense	158,253
25	+ Short-Term Debt Interest Expense (a/c 430)	167,064
26	+ Other Interest Expense (a/c 431)	0
27	- Temporary Cash Investment Income *	0
28	= Net Interest Expense	325,317
29	+ Preferred Stock Dividends (a/c 437)	0
30	= Net Cost of Other Capital	325,317
31	x Operating Ratio	87.0809%
32	x Net In-Service Investment Ratio	-23.8300%
33	= Unit 2 Return on Other Capital	(67,508) =====

* 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 2
July, 2012**

1	Debt Balances (Prior Month Ending) :	
2	Long-Term Debt (Accts 221 thru 226)	66,074,388
3	+ Short-Term Debt (Accts 231 + 233)	57,898,451
4	+ Other Debt (Accts 132 thru 136 + 145)	0
5	Total Debt Balances (Prior Month Ending)	123,972,839 =====
6	<u>Weighting of Debt Balances :</u>	
7	Long-Term Debt (LTD bal/Total Debt bal)	53.2975%
8	+ Short-Term Debt (STD bal/Total Debt bal)	46.7025%
9	+ Other Debt	0.0000%
10	Total Debt Balances	100.0000% =====
11	<u>Debt Cost Rates :</u>	
12	Long-Term Debt (avg LTD int rate)	2.8277%
13	Short-Term Debt (avg Money Pool STD int rate)	0.4593%
14	Other Debt	0.0000%
15	<u>Weighted Cost of Debt :</u>	
16	Long-Term Debt (LTD % x avg LTD int rate)	1.5071%
17	+ Short-Term Debt (STD % x avg MP STD int rate)	0.2145%
18	+ Other Debt	0.0000%
19	Total Weighted Cost of Debt	1.7216% =====

**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

<u>Line No.</u>		<u>July, 2012</u>
1	Unit 2 Materials and Supplies:	
2	Fuel Stock - Coal (per Line 23)	16,855,558
3	Fuel Stock Expenses - Undistributed (152)	895,255
4	Fuel Stock - Oil (1510002)	2,380,486
5	Plant Materials & Operating Supplies	11,936,059
6	Merchandise	0
7	Undistributed Stores Expense	0
8	Total Materials & Supplies	32,067,358
9	<u>Support of Coal Inventory Value:</u>	
10	Actual Coal Inventory (a/c 151.10)	16,855,558
11	+ Equivalent Inventory re: Deferred Return	789,255,556
12	= Imputed Coal Inventory	806,111,114
13	<u>Coal Inventory W/68 Day Supply Cap</u>	
14	Tons Consumed - CHANGE ANNUALLY FROM DEC PG 24	2,333,062
15	/ Hours Available * CHG ANNUALLY FROM GADS RPT 511	6816.7
16	= Tons Consumed per Hour	342.26
17	x 24 Hours per Day	24
18	= Tons Consumed Per Day	8214.24
19	x 68 days	68
20	= 68 day Supply (Tons)	558,568
21	x Coal Cost per Ton (per a/c 151.10 at End of Prior Month)	35.701
22	= 68 day Coal Inventory	19,941,436
23	Lesser of Imputed or Capped Coal Inventory	19,941,436
24	Imputed Inventory Minus Line 23	786,169,678
25	<u>Accumulated Deferred Inventory Return - Unit 2 (Memo Item):</u>	
26	Beginning Balance	5,361,297
27	+ Current Month Return on Beginning Balance	36,668
28	+ Current Month Deferral	22,340
29	- Current Month Recovery	0
30	= Ending Balance **	5,420,305
	* Excludes Forced Outages, Scheduled Outages, and Curtailments	
	** May Not Be Less Than Zero	
	Total Unit 2 Monthly Power Bill with Actual	17,341,866
	Total Unit 2 Monthly Power Bill with 68 Day Capped	17,364,206
	Difference	22,340

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
DETAIL OF OTHER OPERATING REVENUES**

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**UNIT 2
July, 2012**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</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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<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>July, 2012</u>
1	500,502-509	Steam Power Generation - Operation	6,299,352
2	501	Fuel - Operation	9,884,158
3	510-515	Steam Power Generating - Maintenance	362,031
4		Total Steam Power Generation Expenses	16,545,541
5	555-557	Other Power Supply Expenses	8,222
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 Expense - Maintenance	0
11		Total Distribution Expense	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	157,419
16	935	Administrative and General Expenses - Maintenance	2,845
17		Total Administrative & General Exp.	160,265
18		Total Operation & Maintenance Expenses	16,714,027

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

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<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>UNIT 2 July, 2012</u>
1	403	Depreciation Expense *	383,205
2	404	Amortization of Limited-Term Electric Plant **	304,524
3	405	Amortization of Other Electric Plant	0
4	406	Amortization of Electric Plant Acquisition Adjustments	0
5	407	Amortization of Property Losses, Unrecovered Plant and Regulatory Study Costs	0

6		Total Depreciation Exp. & Amortization	687,729 =====

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

* Rockport 2 Associated Equipments (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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**UNIT 2
July, 2012**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
1	408.1	Taxes Other Than Federal Income Taxes, Utility Operating Income	150,889
2	409.1	State Income Taxes	34,132
3		Total Taxes Other than Federal Income Taxes	<hr/> 185,021 =====

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

KPSC Case No. 2014-00396
AG's Final Supplemental Data Requests
Dated February 27, 2012 of 18
Item No. 5CS (a) **UNIT 2**
Attachment 1 **July, 2012**
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<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>TOTAL</u>	<u>KPCO SHARE</u>	<u>I&M SHARE</u>
1		<u>Unit 2 Schedule `M' Adjustments*</u>			
2	N/A	Excess ACRS Over Normalization Base Depreciation	(4,500)	(1,350)	(3,150)
3	N/A	Deferred Purchased Power Costs	0	0	0
4	N/A	Excess Normalization Base Over Book Depreciation	121,500	36,450	85,050
5	N/A	Other Unit 2 Schedule `M' Adjustments	(294,050)	(88,215)	(205,835)
6	***	Total Unit 2 Schedule `M' Adjustments	<u>(177,050)</u>	<u>(53,115)</u>	<u>(123,935)</u>
7		<u>Unit 2 Deferred Federal Income Tax</u>			
8	410.1	Excess ACRS Over Norm. Base Depr. (Line 2 x FIT Rate * -1)	(27,152)	(8,146)	(19,006)
9	410.1	Deferred Purchased Power Costs (Line 4 x FIT Rate * -1)	0	0	0
10	10.1&411	Other Unit 2 Schedule `M' Adjustments - Clearing Accounts	0	0	0
12	411.1	Feedback of Accumulated DFIT re: ABFUDC - Unit 2 Negative Amount Denotes Reduction.	(13,050)	(3,915)	(9,135)
13	411.1	Feedback of Accumulated DFIT re: Overheads Capitalized - Unit 2	(230)	(69)	(161)
14	411.1	Feedback of Accumulated DFIT re: Other Schedule `M' Adj.-Utility	148,537	44,561	103,976
15	***	Total Unit 2 Deferred Federal Income Tax	<u>108,106</u>	<u>32,432</u>	<u>75,674</u>

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

Check Figure on Tax Page for Sch M (177,050)
Check Figure on Tax Page for DFIT 108,106

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. 2014-00396
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**UNIT 2
July, 2012**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
1		<u>ELECTRIC PLANT IN SERVICE</u>	
2	101	Electric Plant In Service	110,492,634
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	1,982,578
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	112,475,212
12	105	Plant Held For Future Use	0
13		<u>ACCUMULATED DEPRECIATION</u>	
14	108	Accumulated Provision for Depreciation of Electric Utility Plant	93,337,919
15	110	Accumulated Provision for Depreciation and Amort. of Elec. Utility Plant	0
16	111	Accumulated Provision for Amortization of Electric Utility Plant	18,916,067
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	112,253,986
20		<u>MATERIAL AND SUPPLIES</u>	
21	151	Fuel Stock	19,236,044
22	152	Fuel Stock Expenses - Undistributed	895,255
23	153	Residuals	0
24	154	Plant Materials and Operating Supplies	11,936,059
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)	32,067,358
29	165	Prepayments	8,505
30	186	Other Deferred Debits	0

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
OTHER WORKING CAPITAL, UNAMORTIZED DEBT EXPENSE,
AND OTHER DEFERRED CREDITS**

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**UNIT 2
July, 2012**

<u>Line No.</u>	<u>Account No.</u>	<u>Description *</u>	
1	128	Other Special Funds	0
2	131	Cash	0
3	135	Other Intra Company Adjustments	417,478
4	143	Accounts Receivable-Miscellaneous	982,673
5	146	Accounts Receivable-Associated Company	14,272,765
6	171	Interest and Dividends Receivable	4,665
7	174	Miscellaneous Current and Accrued Assets	0
8	232	Accounts Payable-General	(15,618)
9	234	Accounts Payable-Associated Company	(11,477,328)
10	236	Taxes Accrued	(2,768,883)
11	237	Interest Accrued	(188,670)
12	238	Dividends Declared	0
13	241	Tax Collections Payable	0
14	242	Misc Current and Accrued Liabilities	(8,057,937)

15		Total Other Working Capital	(6,830,855)
			=====
16	181+189	Unamortized Debt Expense	1,355,696

17	253	Other Deferred Credits	59,979,314

*		debit <credit>	

**AEP GENERATING COMPANY
ROCKPORT POWER BILL**

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**UNIT 2
July, 2012**

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

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
31		ACCUMULATED DEFERRED INCOME TAXES	
32	190	-Accumulated Deferred Income Taxes	23,898,322
33	281	+Accumulated Deferred Income Taxes - Accelerated Amortization Property	0
34	282	+Accumulated Deferred Income Taxes - Other Property	12,042,340
35	283	+Accumulated Deferred Income Taxes - Other	578,979
36		Total Accumulated Deferred Income Taxes (In-Service Portion)	----- (11,277,003) -----
37	255	+Accumulated Deferred Investment Tax Credits	20,520,705
38	186.50	-Accumulated Deferred Investment Tax Credit	0
39		Total Accumulated Deferred Investment Tax Credits	----- 20,520,705 -----
40		Total Net In-Service Investment - Unit 2	----- (42,401,086) =====

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

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July 2012

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
		<u>Non-In-Service Investment - CWIP</u>	
1	107	Construction Work In Process	26,380,943
2		<u>MATERIAL AND SUPPLIES</u>	
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		<u>ACCUMULATED DEFERRED INCOME TAXES</u>	
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	0
16		Total Accumulated Deferred Income Taxes (CWIP Portion)	0
17		TOTAL NON-IN-SERVICE INVESTMENT - CWIP	26,380,943
		<u>Non-In-Service Investment - Other</u>	
18	105	Plant Held for Future Use	0
19	186	Other Deferred Debits	2,828,935
20	151.10	Fuel Inventory Over Allowed Level *	(2,816,121)
21		Total Non-In-Service Investment - Other	12,814
		* INCLUDES ROCKPORT 1 AND 2	
		UNIT 1	(2,816,121)
		UNIT 2	0
		TOTAL	(2,816,121)

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
DETAIL OF NET CAPITALIZATION**

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**UNIT 2
July, 2012**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
1		<u>COMMON CAPITAL STOCK</u>	
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		<u>OTHER PAID-IN CAPITAL</u>	
12	207	Premium on Capital Stock	0
13	208	Donations Received from Stockholders	69,478,987
14	211	Miscellaneous Paid-In Capital	0
15	213	Discount on Capital Stock	0
16		Total Other Paid-In Capital	69,478,987
17		<u>RETAINED EARNINGS</u>	
18	215	Appropriated Retained Earnings	0
19	215.1	Appropriated Retained Earnings- Amortization Reserve, Federal	0
20	216	Unappropriated Retained Earnings	4,211,969
21		Total Retained Earnings	4,211,969
22		Total Common Equity	74,073,956
23		<u>PREFERRED CAPITAL STOCK</u>	
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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JULY 2012

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
28		<u>LONG-TERM DEBT</u>	
29	221	Bonds	0
30	222	Reacquired Bonds	0
31	223	Advances from Associated Companies	0
32	224	Other Long-Term Debt	66,074,388
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	66,074,388
		<u>SHORT-TERM DEBT</u>	
36a	231.02	Notes Payable (Short-Term Debt)	0
36b	231.03	Unamortized Discount	0
37	233.00	Notes Payable, Assoc Co(Money Pool)	57,898,451
38		Total Short-Term Debt	57,898,451
39		<u>TEMPORARY CASH INVESTMENTS</u>	
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	198,046,795
			=====

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

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**UNIT 2
July, 2012**

Line No.

1	Capitalization Balances (Prior Month Ending) :	
2	Long-Term Debt (Accts 221 thru 226)	66,074,388
3	+ Short-Term Debt (Accts 231 + 233)	57,898,451
4	+ Preferred Stock	0
5	+ Common Equity (Accts 201 thru 216)	74,073,956
6	- Capitalization Offsets	0
7	Total Capitalization Balances	198,046,795 =====
8	<u>Weighting of Capitalization Balances :</u>	
9	Long-Term Debt (LTD/Total Capital)	33.3630%
10	+ Short-Term Debt (STD/Total Capital)	29.2347%
11	+ Preferred Stock	0.0000%
12	+ Common Equity (Common Equity/Total Capital)	37.4022%
13	- Capitalization Offsets	-0.0001%
14	Total Capitalization	100.0000% =====
15	<u>Capitalization Cost Rates :</u>	
16	Long-Term Debt (avg LTD int rate)	2.8277%
17	Short-Term Debt (avg money pool STD int rate)	0.4593%
18	Preferred Stock	0.0000%
19	Common Equity (FERC fixed rate)	12.1600%
20	Capitalization Offsets (sum of weighted costs of debt)	1.7216%
21	<u>Rate of Return (Net of Tax) :</u>	
22	Long-Term Debt (LTD % x avg LTD int rate)	0.9434%
23	+ Short-Term Debt (STD % x avg MP STD int rate)	0.1343%
24	+ Preferred Stock	0.0000%
25	+ Common Equity (CE % x FERC fixed rate)	4.5481%
26	- Capitalization Offsets	0.0000%
27	Total Rate of Return (Net of Tax)	5.6258% =====
28	Weighted Net Cost of Debt (LTD Rate of Return + STD RR - Cap Offsets RR)	1.0777%
29	+ Pre-Tax Common Equity (Line 25 / .65) (Common Equity Rate of Return grossed up for tax)	6.9971%
30	= Rate of Return (Pre-Tax)	8.0748% =====

A E P GENERATING COMPANY

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

500	SUPERVISION AND ENGINEERING	93,854
501	FUEL	9,884,158
502	STEAM EXPENSES	343,157
503	STEAM FROM OTHER SOURCES	0
504	STEAM TRANSFERRED - CR	0
505	ELECTRIC EXPENSES	47,726
506	MISC. STEAM POWER EXPENSES	124,165
507	RENTS	5,690,451
508	OPERATION SUPPLIES AND EXPENSES	0
509	CARRYING CHARGES - ALLOWANCES	0
	TOTAL OPERATION EXPENSE	16,183,510

510	MAINTENANCE SUPER. AND ENGINEERING	84,697
511	MAINTENANCE OF STRUCTURES	10,084
512	MAINTENANCE OF BOILER PLANT	179,934
513	MAINTENANCE OF ELECTRIC PLANT	63,188
514	MAINTENANCE OF MISC. STEAM PLANT	24,128
515	MAINTENANCE NORMALIZING	0
	TOTAL MAINTENANCE EXPENSES	362,031

555	PURCHASED POWER	0
556	SYSTEM CONTROL AND LOAD DISPATCHING	2,086
557	OTHER POWER SUPPLY EXPENSES	6,136
	TOTAL OTHER SUPPLY EXPENSES	8,222

IS FUEL IN BALANCE	AMOUNT MUST BE ZERO
ON PAGE 2	0

BE SURE THIS IS CORRECT	
NO OF DAYS IN CURRENT MO >	31
NO OF DAYS IN CURRENT YEAR >	366
CURRENT YEAR IS	2012
CURRENT MONTH IS	7
THIS BILLING IS FOR MONTH OF	July, 2012

A E P GENERATING COMPANY

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 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	27,536
921	OFFICE SUPPLIES AND EXPENSES	11,349
922	ADMINISTRATIVE EXPENSES TRANSF - CR	0
923	OUTSIDE SERVICES	6,400
924	PROPERTY INSURANCE	10,778
925	INJURIES AND DAMAGES	1,103
926	EMPLOYEE PENSIONS AND BENEFITS	92,164
927	FRANCHISE REQUIREMENTS	0
928	REGULATORY COMMISSION	0
929	DUPLICATE CHARGES-CREDIT	0
930	MISCELLANEOUS GENERAL EXPENSES	8,054
931	RENTS	37
933	TRANSPORTATION EXPENSE	0
	TOTAL ADM & GEN EXPENSES OPERATION	157,419
935	MAINTENANCE OF GENERAL PLANT	2,845
	TOTAL ADM & GEN EXPENSES	160,265
	TOTAL AEG OPERATION & MAINTENANCE EXPENSES	16,714,027
	ACCOUNT 40190 TOTAL FOR CROSS FOOT	16,714,027
	-----DIFFERENCE-----	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
10-Sep-12**

**UNIT 1
POWER BILL - - August, 2012**

IN ACCORDANCE WITH POWER AGREEMENT DATED OCTOBER 1, 1984 (AS AMENDED)
ENERGY DELIVERED FOR THE MONTH OF August, 2012
KWH FOR THE MONTH 313,004,000

	<u>SUMMARY</u>	<u>TOTAL</u>
Current Month Bill:		
Return on Common Equity		573,401
Return on Other Capital		155,657
Total Return		729,058
Fuel		6,977,435
Purchased Power		0
Other Operating Revenues		(6,125)
Other Operation and Maintenance Exp		972,422
Depreciation Expense		1,165,546
Taxes Other Than Federal Income Tax		127,769
Federal Income Tax		155,548
TOTAL UNIT POWER BILL		10,121,652

Prior Month's Adjustment:		
Return on Common Equity & Other Capital		0
Fuel		0
Other Expenses (Includes taxes & interest)		(3,037)
TOTAL PRIOR MONTH'S ADJUSTMENTS		(3,037)

	=====
TOTAL UNIT POWER BILL	10,118,615
	=====

AMOUNTS WILL BE PAID DIRECT FROM GENERAL FUNDS.

DUE DATE - - - September 24, 2012
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

**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
 10-Sep-12**

**UNIT 1
POWER BILL - - August, 2012**

IN ACCORDANCE WITH POWER AGREEMENT DATED OCTOBER 1, 1984 (AS AMENDED)
 ENERGY DELIVERED FOR THE MONTH OF August, 2012 134,152,000
 KWH FOR THE MONTH

<u>SUMMARY</u>	<u>TOTAL</u>
Current Month Bill:	
Return on Common Equity	245,743
Return on Other Capital	66,710
Total Return	312,453
Fuel	2,990,329
Purchased Power	0
Other Operating Revenues	(2,625)
Other Operation and Maintenance Exp	416,753
Depreciation Expense	499,520
Taxes Other Than Federal Income Tax	54,758
Federal Income Tax	66,663
TOTAL CURRENT UNIT POWER BILL	4,337,851
 Prior Month's Adjustment:	
Return on Common Equity & Other Capital	0
Fuel Expense	0
Other Expenses (Includes taxes & interest)	(1,302)
TOTAL PRIOR MONTH'S ADJUSTMENTS	(1,302)
 TOTAL UNIT POWER BILL	
4,336,549	

AMOUNTS WILL BE PAID DIRECT FROM GENERAL FUNDS.

DUE DATE - - - September 24, 2012

**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**

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
SUMMARY OF MONTHLY POWER BILL**

KPSC Case No. 2014-00399 **ESTIMATE**
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August, 2012

10-Sep-12

	<u>TOTAL UNIT 1 POWER BILL</u>	<u>KPCO SHARE</u>	<u>I&M SHARE</u>
Return on Common Equity	819,144	245,743	573,401
Return on Other Capital	222,367	66,710	155,657
Total Return	1,041,511	312,453	729,058
+ Fuel	9,967,764	2,990,329	6,977,435
+ Purchased Power	0	0	0
- Other Operating Revenues	(8,750)	(2,625)	(6,125)
+ Other Operation and Maintenance Exp	1,389,175	416,753	972,422
+ Depreciation Expense	1,665,066	499,520	1,165,546
+ Taxes Other Than Federal Income Tax	182,527	54,758	127,769
+ Federal and State Income Tax	222,211	66,663	155,548
= Total Unit 1 Monthly Power Bill	14,459,504	4,337,851	10,121,652
<u>Determination of Federal Income Tax :</u>			
Total Return (Line 3)	1,041,511	312,453	729,058
+ Unit 1 Schedule M Adjustments	1,021,162	306,349	714,813
+ Unit 1 Deferred Federal Income Taxes	(499,670)	(149,901)	(349,769)
- Unit 1 Interest Expense Deduction *	222,367	66,710	155,657
= Subtotal	1,340,636	402,191	938,445
x Gross-Up (FIT Rate / 1-FIT Rate)	0.538462	0.538462	0.538462
= Unit 1 Current Federal Income Tax	721,881	216,564	505,317
+ Unit 1 Def Fed & State Income Taxes	(499,670)	(149,901)	(349,769)
= Total Unit 1 Fed&State Income Taxes	222,211	66,663	155,548
<u>Proof of Federal Income Tax :</u>			
Total Unit 1 Monthly Power Bill	14,459,504	4,337,851	10,121,652
- Operation and Maintenance Expenses	11,356,939	3,407,082	7,949,857
- Depreciation Expense	1,665,066	499,520	1,165,546
- Taxes Other Than Federal Income Tax	182,527	54,758	127,769
- Unit 1 Interest Expense Deduction *	222,367	66,710	155,657
- Other Operating Revenues	(8,750)	(2,625)	(6,125)
= Pre-Tax Book Income	1,041,355	312,406	728,949
+ Unit 1 Schedule M Adjustments	1,021,162	306,349	714,813
= Unit 1 Taxable Income	2,062,517	618,755	1,443,762
x Current Federal Income Tax Rate	35%	35%	35%
= Unit 1 Current Federal Income Tax	721,881	216,564	505,317
+ Unit 1 Def Fed & State Income Taxes	(499,670)	(149,901)	(349,769)
= Total Unit 1 Fed&State Income Taxes	222,211	66,663	155,548

* 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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<u>Line No.</u>		<u>UNIT 1 August, 2012</u>
1	<u>Operating Ratio:</u>	
2	<u>Net In-Service Investment:</u>	
3	Electric Plant In-Service	763,089,883
4	- Accumulated Depreciation	531,797,428
5	+ Materials & Supplies	64,130,592
6	+ Prepayments	172,242
7	+ Plant Held For Future Use (A/C 105) *	0
8	+ Other Deferred Debits (A/C 186) *	0
9	+ Other Working Capital ***	(10,531,040)
10	+ Unamortized Debt Expense (A/C 181+189)	2,683,041
11	- Other Deferred Credits (A/C 253)	57,658,084
12	- Accumulated Deferred FIT	35,692,538
13	- Accumulated Deferred ITC	20,904,094
14	Total Net In-Service Investment	173,492,575
15	<u>Non-In-Service Investment - CWIP :</u>	
16	Construction Work In Progress	30,028,999
17	+ Materials & Supplies	0
18	- Accumulated Deferred FIT	0
19	Total Non-In-Service Investment - CWIP	30,028,999
20	<u>Non-In-Service Investment - Other :</u>	
21	Plant Held for Future Use (A/C 105) **	1,034,099
22	+ Other Deferred Debits (A/C 186) **	2,543,832
23	+ Fuel Inventory Over Allowed Level ****	(4,396,676)
24	Total Non-In-Service Investment - Other	(818,745)
25	Total Investment (Lines 14+19+24)	202,702,828
26	Operating Ratio (Line 14/Line 25)	85.5896%
27	Non-In-Service Investment-CWIP Ratio (Line 19/Line 25)	14.8143%
28	Non-In-Service Investment-Other Ratio (Line 24/Line 25)	-0.4039%
29	Total Investment	100.0000%
*	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	
****	Includes Rockport 1 and 2	

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

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**UNIT 1
August, 2012**

<u>Line No.</u>		
1	<u>Net In-Service Investment Ratio:</u>	
2	Unit 1 Net In-Service Investment:	
3	Electric Plant In-Service	650,564,703
4	- Accumulated Depreciation	418,805,713
5	+ Materials & Supplies	34,263,634
6	+ Prepayments	86,121
7	+ Plant Held For Future Use (A/C 105) *	0
8	+ Other Deferred Debits (A/C 186) *	0
9	+ Other Working Capital **	(1,115,134)
10	+ Unamortized Debt Expense (A/C 181+189)	1,341,520
11	- Other Deferred Credits (A/C 253)	0
12	- Accumulated Deferred FIT	46,860,472
13	- Accumulated Deferred ITC	547,554
14	Total Unit 1 Net In-Service Investment	----- 218,927,106 -----
15	Unit 2 Net In-Service Investment:	
16	Electric Plant In-Service	112,525,179
17	- Accumulated Depreciation	112,991,715
18	+ Materials & Supplies	29,866,958
19	+ Prepayments	86,121
20	+ Plant Held For Future Use (A/C 105) *	0
21	+ Other Deferred Debits (A/C 186) *	0
22	+ Other Working Capital **	(9,415,905)
23	+ Unamortized Debt Expense (A/C 181+189)	1,341,520
24	- Other Deferred Credits (A/C 253)	57,658,084
25	- Accumulated Deferred FIT	(11,167,935)
26	- Accumulated Deferred ITC	20,356,540
27	Total Unit 2 Net In-Service Investment	----- (45,434,531) -----
28	Total Net In-Service Investment	----- 173,492,575 =====
29	<u>Net In-Service Investment Ratio:</u>	
30	Unit 1 (Line 14 / Line 28)	126.1900%
31	Unit 2 (Line 27 / Line 28)	----- -26.1900% -----
		----- 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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<u>Line No.</u>		<u>UNIT 1</u> <u>August, 2012</u>
1	<u>Net Capitalization:</u>	
2	Long-Term Debt	66,074,388
3	+ Short-Term Debt	51,643,530
4	+ Preferred Stock	0
5	+ Common Equity	74,845,089
6	- Temporary Cash Investments	0
7	Net Capitalization	----- 192,563,007 =====
8	40% of Net Capitalization	77,025,203
9	<u>Return on Common Equity:</u>	
10	Lesser of Line 5 or Line 8	74,845,089
11	x Equity Return (Monthly Rate)	1.01333%
12	= Equity Return	758,428
13	x Operating Ratio	85.5896%
14	x Net In-Service Investment Ratio	126.1900%
15	= Subtotal	819,144
16	Excess of Line 5 Over Line 8	0
17	x Weighted Cost of Debt (Monthly Rate)	0.1519%
18	= Return on Equity over 40% of Capitalization	0
19	x Operating Ratio	85.5896%
20	x Net In-Service Investment Ratio	126.1900%
21	= Subtotal	0
22	Unit 1 Return on Equity (Line 15 + Line 21)	----- 819,144 =====
23	<u>Return on Other Capital:</u>	
24	Long-Term Debt Interest Expense	158,796
25	+ Short-Term Debt Interest Expense (a/c 430)	47,089
26	+ Other Interest Expense (a/c 431)	0
27	- Temporary Cash Investment Income *	0
28	= Net Interest Expense	----- 205,885
29	+ Preferred Stock Dividends (a/c 437)	0
30	= Net Cost of Other Capital	----- 205,885
31	x Operating Ratio	85.5896%
32	x Net In-Service Investment Ratio	126.1900%
33	= Unit 1 Return on Other Capital	----- 222,367 =====
	* 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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**UNIT 1
August, 2012**

**Line
No.**

1	<u>Debt Balances (Prior Month Ending) :</u>	
2	Long-Term Debt (Accts 221 thru 226)	66,074,388
3	+ Short-Term Debt (Accts 231 + 233)	51,643,530
4	+ Other Debt (Accts 132 thru 136 + 145)	0

5	Total Debt Balances (Prior Month Ending)	117,717,918
		=====
6	<u>Weighting of Debt Balances :</u>	
7	Long-Term Debt (LTD bal/Total Debt bal)	56.1294%
8	+ Short-Term Debt (STD bal/Total Debt bal)	43.8706%
9	+ Other Debt	0.0000%

10	Total Debt Balances	100.0000%
		=====
11	<u>Debt Cost Rates :</u>	
12	Long-Term Debt (avg LTD int rate)	2.8374%
13	Short-Term Debt (avg Money Pool STD int rate)	0.4575%
14	Other Debt	0.0000%
15	<u>Weighted Cost of Debt :</u>	
16	Long-Term Debt (LTD % x avg LTD int rate)	1.5926%
17	+ Short-Term Debt (STD % x avg MP STD int rate)	0.2007%
18	+ Other Debt	0.0000%

19	Total Weighted Cost of Debt	1.7933%
		=====

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

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UNIT 1

<u>Line No.</u>		<u>August, 2012</u>
1	<u>Unit 1 Materials and Supplies:</u>	
2	Fuel Stock - Coal (per Line 23)	19,206,798
3	Fuel Stock Expenses - Undistributed (152)	769,145
4	Fuel Stock - Oil (1510002)	2,324,392
5	Plant Materials & Operating Supplies	11,963,299
6	Merchandise	0
7	Undistributed Stores Expense	0
8	Total Materials & Supplies	----- 34,263,634 =====
9	<u>Support of Coal Inventory Value:</u>	
10	Actual Coal Inventory (a/c 151.10)	14,810,122
11	+ Equivalent Inventory re: Deferred Return	18,708,433,501
12	= Imputed Coal Inventory	----- 18,723,243,623 -----
13	<u>Coal Inventory W/68 Day Supply Cap</u>	
14	Tons Consumed - CHANGE ANNUALLY FROM DEC PG 24	1,734,008
15	/ Hours Available * CHG ANNUALLY FROM GADS RPT 511	5182.5
16	= Tons Consumed per Hour	334.59
17	x 24 Hours per Day	24
18	= Tons Consumed Per Day	8030.16
19	x 68 days	68
20	= 68 day Supply (Tons)	546,051
21	x Coal Cost per Ton (per a/c 151.10 at End of Prior Month)	35.174
22	= 68 day Coal Inventory	----- 19,206,798 -----
23	Lesser of Imputed or Capped Coal Inventory	----- 19,206,798 -----
24	Imputed Inventory Minus Line 23	----- 18,704,036,825 =====
25	<u>Accumulated Deferred Inventory Return - Unit 1 (Memo Item):</u>	
26	Beginning Balance	131,657,822
27	+ Current Month Return on Beginning Balance	933,089
28	+ Current Month Deferral	0
29	- Current Month Recovery	29,536
30	= Ending Balance **	----- 132,561,375 =====

* 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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UNIT 1

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>August, 2012</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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<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>August, 2012</u>
1	500,502-509	Steam Power Generation - Operation	504,845
2	501	Fuel - Operation	9,967,764
3	510-515	Steam Power Generating - Maintenance	711,370
4		Total Steam Power Generation Expenses	11,183,979
5	555-557	Other Power Supply Expenses	9,917
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 - Operation	159,594
16	935	Administrative and General Expenses - Maintenance	3,448
17		Total Administrative & General Exp.	163,042
18		Total Operation & Maintenance Expenses	11,356,939

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

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**UNIT 1
August, 2012**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
1	403	Depreciation Expense	1,665,066
2	404	Amortization of Limited-Term Electric Plant	0
3	405	Amortization of Other Electric Plant	0
4	406	Amortization of Electric Plant Acquisition Adjustments	0
5	407	Amortization of Property Losses, Unrecovered Plant and Regulatory Study Costs	0

6		Total Depreciation Exp. & Amortization	1,665,066 =====

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

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UNIT 1
August, 2012

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>August, 2012</u>
BS1			
1	408.1	Taxes Other Than Federal Income Taxes, Utility Operating Income	152,715
2	409.1	State Income Taxes	29,812
3		Total Taxes Other than FIT	----- 182,527 =====

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

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<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>TOTAL</u>	<u>KPCO SHARE</u>	<u>I&M SHARE</u>
1		<u>Unit 1 Schedule 'M' Adjustments*</u>			
2	N/A	Excess ACRS Over Normalization Base Depreciation	(4,500)	(1,350)	(3,150)
3	N/A	Deferred Purchased Power Costs	0	0	0
4	N/A	Excess Normalization Base Over Book Depreciation	(17,500)	(5,250)	(12,250)
5	N/A	Other Unit 1 Schedule 'M' Adjustments	1,043,162	312,949	730,213
6	***	Total Unit 1 Schedule 'M' Adjustments	<u>1,021,162</u>	<u>306,349</u>	<u>714,813</u>
7		<u>Unit 1 Deferred Federal Income Tax</u>			
8	410.1	Excess ACRS Over Norm. Base Depr. (Line 2 x FIT Rate * -1)	(396,880)	(119,064)	(277,816)
9	410.1	Deferred Purchased Power Costs (Line 4 x FIT Rate * -1)	0	0	0
10	410.1&411.1	Other Unit 1 Schedule 'M' Adjustments - Clearing Accounts	0	0	0
12	411.1	Feedback of Accumulated DFIT re: ABFUDC - Unit 1 Negative Amount Denotes Reduction.	(77,747)	(23,324)	(54,423)
13	411.1	Feedback of Accumulated DFIT re: Overheads Capitalized - Unit 1	(3,276)	(983)	(2,293)
14	411.1	Feedback of Accumulated DFIT re: Other Schedule 'M' Adj.-Utility	(21,767)	(6,530)	(15,237)
15	***	Total Unit 1 Deferred Federal Income Tax	<u>(499,670)</u>	<u>(149,901)</u>	<u>(349,769)</u>

*** 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
August 2012

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
1		<u>ELECTRIC PLANT IN SERVICE</u>	
2	101	Electric Plant In Service	649,859,840
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	704,864
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	650,564,703
12	105	Plant Held For Future Use	0
13		<u>ACCUMULATED DEPRECIATION</u>	
14	108	Accumulated Provision for Depreciation of Electric Utility Plant	418,264,324
15	110	Accumulated Provision for Depreciation and Amort. of Elec. Utility Plant	0
16	111	Accumulated Provision for Amortization of Electric Utility Plant	541,389
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	418,805,713
20		<u>MATERIAL AND SUPPLIES</u>	
21	151	Fuel Stock	21,531,190
22	152	Fuel Stock Expenses - Undistributed	769,145
23	153	Residuals	0
24	154	Plant Materials and Operating Supplies	11,963,299
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)	34,263,634
29	165	Prepayments	86,121
30	186	Other Deferred Debits	0

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
OTHER WORKING CAPITAL, UNAMORTIZED DEBT EXPENSE
AND OTHER DEFERRED CREDITS**

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<u>Line No.</u>	<u>Account No.</u>	<u>Description *</u>	<u>UNIT 1 August, 2012</u>
1	128	Other Special Funds	0
2	131	Cash	0
3	135	Other Intra Company Adjustments	0
4	143	Accounts Receivable-Miscellaneous	982,673
5	146	Accounts Receivable-Associated Company	18,132,147
6	171	Interest and Dividends Receivable	4,665
7	174	Miscellaneous Current and Accrued Assets	0
8	232	Accounts Payable-General	(12,274)
9	234	Accounts Payable-Associated Company	(14,442,391)
10	236	Taxes Accrued	(5,451,392)
11	237	Interest Accrued	(243,854)
12	238	Dividends Declared	0
13	241	Tax Collections Payable	0
14	242	Misc Current and Accrued Liabilities	(84,708)
15		Total Other Working Capital	----- (1,115,134) =====
16	181+189	Unamortized Debt Expense	1,341,520
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
August 2012

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
31		<u>ACCUMULATED DEFERRED INCOME TAXES</u>	
32	190	-Accumulated Deferred Income Taxes	1,587,281
33	281	+Accumulated Deferred Income Taxes - Accelerated Amortization Property	0
34	282	+Accumulated Deferred Income Taxes - Other Property	48,000,322
35	283	+Accumulated Deferred Income Taxes - Other	447,430
36		Total Accumulated Deferred Income Taxes (In-Service Portion)	----- 46,860,472 -----
37	255	+Accumulated Deferred Investment Tax Credits	547,554
38	186.50	-Accumulated Deferred Investment Tax Credit	0
39		Total Accumulated Deferred Investment Tax Credits	----- 547,554 -----
40		Total Net In-Service Investment - Unit 1	----- 218,927,106 =====

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

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**UNIT 1
August, 2012**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
		<u>Non-In-Service Investment - CWIP</u>	
1	107	Construction Work In Process	30,028,999
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		<u>ACCUMULATED DEFERRED INCOME TAXES</u>	
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	0
16		Total Accumulated Deferred Income Taxes (CWIP Portion)	----- 0
17		TOTAL NON-IN-SERVICE INVESTMENT - CWIP	----- 30,028,999 =====
		<u>Non-In-Service Investment - Other</u>	
18	105	Plant Held for Future Use	1,034,099
19	186	Other Deferred Debits	2,543,832
20	151.10	Fuel Inventory Over Allowed Level *	(4,396,676)
21		Total Non-In-Service Investment - Other	----- (818,745) =====
		* INCLUDES ROCKPORT 1 AND 2	
		UNIT 1	(4,396,676)
		UNIT 2	0
		TOTAL	----- (4,396,676) =====

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
DETAIL OF NET CAPITALIZATION**

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<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
1		<u>COMMON CAPITAL STOCK</u>	
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		<u>OTHER PAID-IN CAPITAL</u>	
12	207	Premium on Capital Stock	0
13	208	Donations Received from Stockholders	69,478,987
14	211	Miscellaneous Paid-In Capital	0
15	213	Discount on Capital Stock	0
16		Total Other Paid-In Capital	69,478,987
17		<u>RETAINED EARNINGS</u>	
18	215	Appropriated Retained Earnings	0
19	215.1	Appropriated Retained Earnings- Amortization Reserve, Federal	0
20	216	Unappropriated Retained Earnings	4,983,102
21		Total Retained Earnings	4,983,102
22		Total Common Equity	74,845,089
23		<u>PREFERRED CAPITAL STOCK</u>	
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
August, 2012**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
28		<u>LONG-TERM DEBT</u>	
29	221	Bonds	0
30	222	Reacquired Bonds	0
31	223	Advances from Associated Companies	0
32	224	Other Long-Term Debt	66,074,388
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	----- 66,074,388
		<u>SHORT-TERM DEBT</u>	
36a	231.02	Notes Payable (Short-Term Debt)	0
36b	231.03	Unamortized Discount	0
37	233.00	Notes Payable, Assoc Co(Money Pool)	51,643,530
38		Total Short-Term Debt	----- 51,643,530
39		<u>TEMPORARY CASH INVESTMENTS</u>	
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	----- 192,563,007 =====

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

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**UNIT 1
August, 2012**

Line No.

1	<u>Capitalization Balances (Prior Month Ending) :</u>	
2	Long-Term Debt (Accts 221 thru 226)	66,074,388
3	+ Short-Term Debt (Accts 231 + 233)	51,643,530
4	+ Preferred Stock	0
5	+ Common Equity (Accts 201 thru 216)	74,845,089
6	- Capitalization Offsets	0

7	Total Capitalization Balances	192,563,007
		=====
8	<u>Weighting of Capitalization Balances :</u>	
9	Long-Term Debt (LTD/Total Capital)	34.3131%
10	+ Short-Term Debt (STD/Total Capital)	26.8190%
11	+ Preferred Stock	0.0000%
12	+ Common Equity (Common Equity/Total Capital)	38.8678%
13	- Capitalization Offsets	-0.0001%

14	Total Capitalization	100.0000%
		=====
15	<u>Capitalization Cost Rates :</u>	
16	Long-Term Debt (avg LTD int rate)	2.8374%
17	Short-Term Debt (avg money pool STD int rate)	0.4575%
18	Preferred Stock	0.0000%
19	Common Equity (FERC fixed rate)	12.1600%
20	Capitalization Offsets (sum of weighted costs of debt)	1.7933%
21	<u>Rate of Return (Net of Tax) :</u>	
22	Long-Term Debt (LTD % x avg LTD int rate)	0.9736%
23	+ Short-Term Debt (STD % x avg MP STD int rate)	0.1227%
24	+ Preferred Stock	0.0000%
25	+ Common Equity (CE % x FERC fixed rate)	4.7263%
26	- Capitalization Offsets	0.0000%

27	Total Rate of Return (Net of Tax)	5.8226%
		=====
28	Weighted Net Cost of Debt	1.0963%
	(LTD Rate of Return + STD RR - Cap Offsets RR)	
29	+ Pre-Tax Common Equity (Line 25 / .65)	7.2712%
	(Common Equity Rate of Return grossed up for tax)	-----
30	= Rate of Return (Pre-Tax)	8.3675%
		=====

A E P GENERATING COMPANY

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

500	SUPERVISION AND ENGINEERING	109,140
501	FUEL	9,967,764
502	STEAM EXPENSES	267,609
503	STEAM FROM OTHER SOURCES	0
504	STEAM TRANSFERRED - CR	0
505	ELECTRIC EXPENSES	56,674
506	MISC. STEAM POWER EXPENSES	71,225
507	RENTS	198
508	OPERATION SUPPLIES AND EXPENSES	0
509	CARRYING CHARGES - ALLOWANCES	0

TOTAL OPERATION EXPENSE 10,472,609

510	MAINTENANCE SUPER. AND ENGINEERING	82,042
511	MAINTENANCE OF STRUCTURES	41,182
512	MAINTENANCE OF BOILER PLANT	410,705
513	MAINTENANCE OF ELECTRIC PLANT	182,538
514	MAINTENANCE OF MISC. STEAM PLANT	(5,097)
515	MAINTENANCE NORMALIZING	0

TOTAL MAINTENANCE EXPENSES 711,370

555	PURCHASED POWER	0
556	SYSTEM CONTROL AND LOAD DISPATCHING	3,241
557	OTHER POWER SUPPLY EXPENSES	6,677

TOTAL OTHER SUPPLY EXPENSES 9,917

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

31
 366
 2012
 8
 August, 2012

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

August, 2012
 ESTIMATE

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 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	27,136
921	OFFICE SUPPLIES AND EXPENSES	(706)
922	ADMINISTRATIVE EXPENSES TRANSF - CR	0
923	OUTSIDE SERVICES	37,801
924	PROPERTY INSURANCE	11,029
925	INJURIES AND DAMAGES	1,047
926	EMPLOYEE PENSIONS AND BENEFITS	76,489
927	FRANCHISE REQUIREMENTS	0
928	REGULATORY COMMISSION	0
929	DUPLICATE CHARGES-CREDIT	0
930	MISCELLANEOUS GENERAL EXPENSES	6,761
931	RENTS	37
933	TRANSPORTATION EXPENSE	0
	TOTAL ADM & GEN EXPENSES OPERATION	159,594
935	MAINTENANCE OF GENERAL PLANT	3,448
	TOTAL ADM & GEN EXPENSES	163,042
	TOTAL AEG OPERATION & MAINTENANCE EXPENSES	11,356,939
	ACCOUNT 40190 TOTAL FOR CROSS FOOT	11,356,939
	-----DIFFERENCE-----	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
 10-Sep-12**

**UNIT 2
POWER BILL -- August, 2012**

IN ACCORDANCE WITH POWER AGREEMENT DATED OCTOBER 1, 1984 (AS AMENDED)
 ENERGY DELIVERED FOR THE MONTH OF August, 2012
 KWH FOR THE MONTH 310,568,000

SUMMARY

TOTAL

Current Month Bill:

Return on Common Equity	(119,616)
Return on Other Capital	(32,472)
Total Return	<u>(152,088)</u>
Fuel	6,965,906
Purchased Power	0
Other Operating Revenues	(6,125)
Other Operation and Maintenance Exp	4,710,891
Depreciation Expense	481,787
Taxes Other Than Federal Income Tax	125,249
Federal Income Tax	(29,909)
TOTAL CURRENT UNIT POWER BILL	<u>12,095,712</u>

Prior Month's Adjustment:

Return on Common Equity & Other Capital	0
Fuel Expense	0
Other Expenses (Includes taxes & interest)	(3,036)
TOTAL PRIOR MONTH'S ADJUSTMENTS	<u>(3,036)</u>

TOTAL UNIT POWER BILL

=====

12,092,676

=====

AMOUNTS WILL BE PAID DIRECT FROM GENERAL FUNDS.

DUE DATE -- September 24, 2012

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**

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

**ESTIMATE
10-Sep-12**

**UNIT 2
POWER BILL -- August, 2012**

IN ACCORDANCE WITH POWER AGREEMENT DATED OCTOBER 1, 1984 (AS AMENDED)
ENERGY DELIVERED FOR THE MONTH OF August, 2012
KWH FOR THE MONTH 133,153,000

SUMMARY

TOTAL

Current Month Bill:

Return on Common Equity	(51,264)
Return on Other Capital	(13,916)
Total Return	(65,180)
Fuel	2,985,388
Purchased Power	0
Other Operating Revenues	(2,625)
Other Operation and Maintenance Exp	2,018,953
Depreciation Expense	206,481
Taxes Other Than Federal Income Tax	53,678
Federal Income Tax	(12,818)
TOTAL CURRENT UNIT POWER BILL	5,183,877

Prior Month's Adjustment:

Return on Common Equity & Other Capital	0
Fuel Expense	0
Other Expenses (Includes taxes & interest)	(1,302)
TOTAL PRIOR MONTH'S ADJUSTMENTS	(1,302)

TOTAL UNIT POWER BILL

5,182,575

AMOUNTS WILL BE PAID DIRECT FROM GENERAL FUNDS.

DUE DATE -- September 24, 2012

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
ROCKPORT POWER BILL
SUMMARY OF MONTHLY POWER BILL**

KPSC Case No. 2014-0316-ESTIMATE
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August, 2012

	TOTAL UNIT 2 POWER BILL	KPCO SHARE	I&M SHARE
Return on Common Equity	(170,880)	(51,264)	(119,616)
Return on Other Capital	(46,388)	(13,916)	(32,472)
Total Return	(217,268)	(65,180)	(152,088)
+ Fuel	9,951,294	2,985,388	6,965,906
+ Purchased Power	0	0	0
- Other Operating Revenues	(8,750)	(2,625)	(6,125)
+ Other Operation and Maintenance Exp	6,729,844	2,018,953	4,710,891
+ Depreciation Expense	688,268	206,481	481,787
+ Taxes Other Than Federal Income Tax	178,927	53,678	125,249
+ Federal and State Income Tax	(42,727)	(12,818)	(29,909)
= Total Unit 2 Monthly Power Bill	17,279,589	5,183,877	12,095,712
<u>Determination of Federal Income Tax :</u>			
Total Return (Line 3)	(217,268)	(65,180)	(152,088)
+ Unit 2 Schedule M Adjustments	(222,231)	(66,669)	(155,562)
+ Unit 2 Deferred Federal Income Taxes	109,816	32,945	76,871
- Unit 2 Interest Expense Deduction *	(46,388)	(13,916)	(32,472)
= Subtotal	(283,295)	(84,988)	(198,306)
x Gross-Up (FIT Rate / 1-FIT Rate)	0.538462	0.538462	0.538462
= Unit 2 Current Federal Income Tax	(152,543)	(45,763)	(106,780)
+ Unit 2 Def Fed & State Income Taxes	109,816	32,945	76,871
= Total Unit 2 Fed&State Income Taxes	(42,727)	(12,818)	(29,909)
<u>Proof of Federal Income Tax :</u>			
Total Unit 2 Monthly Power Bill	17,279,589	5,183,877	12,095,712
- Operation and Maintenance Expenses	16,681,139	5,004,341	11,676,797
- Depreciation Expense	688,268	206,481	481,787
- Taxes Other Than Federal Income Tax	178,927	53,678	125,249
- Unit 2 Interest Expense Deduction *	(46,388)	(13,916)	(32,472)
- Other Operating Revenues	(8,750)	(2,625)	(6,125)
= Pre-Tax Book Income	(213,607)	(64,082)	(149,525)
+ Unit 2 Schedule M Adjustments	(222,231)	(66,669)	(155,562)
= Unit 2 Taxable Income	(435,838)	(130,751)	(305,087)
x Current Federal Income Tax Rate	35%	35%	35%
= Unit 2 Current Federal Income Tax	(152,543)	(45,763)	(106,780)
+ Unit 2 Def Fed & State Income Taxes	109,816	32,945	76,871
= Total Unit 2 Fed&State Income Taxes	(42,727)	(12,818)	(29,909)

* 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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**UNIT 2
August, 2012**

<u>Line No.</u>		
1	Operating Ratio:	
2	<u>Net In-Service Investment:</u>	
3	Electric Plant In-Service	763,089,883
4	- Accumulated Depreciation	531,797,428
5	+ Materials & Supplies	64,130,592
6	+ Prepayments	172,242
7	+ Plant Held For Future Use (A/C 105) *	0
8	+ Other Deferred Debits (A/C 186) *	0
9	+ Other Working Capital ***	(10,531,040)
10	+ Unamortized Debt Expense (A/C 181+189)	2,683,041
11	- Other Deferred Credits (A/C 253)	57,658,084
12	- Accumulated Deferred FIT	35,692,538
13	- Accumulated Deferred ITC	20,904,094
14	Total Net In-Service Investment	173,492,575
15	<u>Non-In-Service Investment - CWIP :</u>	
16	Construction Work In Progress	30,028,999
17	+ Materials & Supplies	0
18	- Accumulated Deferred FIT	0
19	Total Non-In-Service Investment - CWIP	30,028,999
20	<u>Non-In-Service Investment - Other :</u>	
21	Plant Held for Future Use (A/C 105) **	0
22	+ Other Deferred Debits (A/C 186) **	2,543,832
23	+ Fuel Inventory Over Allowed Level ****	(4,396,676)
24	Total Non-In-Service Investment - Other	(1,852,844)
25	Total Investment (Lines 14+19+24)	201,668,729
26	Operating Ratio (Line 14/Line 25)	86.0285%
27	Non-In-Service Investment-CWIP Ratio (Line 19/Line 25)	14.8903%
28	Non-In-Service Investment-Other Ratio (Line 24/Line 25)	-0.9188%
29	Total Investment	100.0000%
	* 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	

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

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UNIT 2

August, 2012

**Line
No.**

1	Net In-Service Investment Ratio:	
2	<u>Unit 2 Net In-Service Investment:</u>	
3	Electric Plant In-Service	112,525,179
4	- Accumulated Depreciation	112,991,715
5	+ Materials & Supplies	29,866,958
6	+ Prepayments	86,121
7	+ Plant Held For Future Use (A/C 105) *	0
8	+ Other Deferred Debits (A/C 186) *	0
9	+ Other Working Capital **	(9,415,905)
10	+ Unamortized Debt Expense (A/C 181+189)	1,341,520
11	- Other Deferred Credits (A/C 253)	57,658,084
12	- Accumulated Deferred FIT	(11,167,935)
13	- Accumulated Deferred ITC	20,356,540
14	Total Unit 2 Net In-Service Investment	(45,434,531)
15	<u>Unit 1 Net In-Service Investment:</u>	
16	Electric Plant In-Service	650,564,703
17	- Accumulated Depreciation	418,805,713
18	+ Materials & Supplies	34,263,634
19	+ Prepayments	86,121
20	+ Plant Held For Future Use (A/C 105) *	0
21	+ Other Deferred Debits (A/C 186) *	0
22	+ Other Working Capital **	(1,115,134)
23	+ Unamortized Debt Expense (A/C 181+189)	1,341,520
24	- Other Deferred Credits (A/C 253)	0
25	- Accumulated Deferred FIT	46,860,472
26	- Accumulated Deferred ITC	547,554
27	Total Unit 1 Net In-Service Investment	218,927,106
28	Total Net In-Service Investment	173,492,575
29	<u>Net In-Service Investment Ratio:</u>	
30	Unit 2 (Line 14 / Line 28)	-26.1900%
31	Unit 1 (Line 27 / Line 28)	126.1900%
		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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**UNIT 2
August, 2012**

<u>Line No.</u>		
1	Net Capitalization:	
2	Long-Term Debt	66,074,388
3	+ Short-Term Debt	51,643,530
4	+ Preferred Stock	0
5	+ Common Equity	74,845,089
6	- Temporary Cash Investments	0
7	Net Capitalization	192,563,007
		=====
8	40% of Net Capitalization	77,025,203
9	<u>Return on Common Equity:</u>	
10	Lesser of Line 5 or Line 8	74,845,089
11	x Equity Return (Monthly Rate)	1.01333%
12	= Equity Return	758,428
13	x Operating Ratio	86.0285%
14	x Net In-Service Investment Ratio	-26.1900%
15	= Subtotal	(170,880)
16	Excess of Line 5 Over Line 8	0
17	x Weighted Cost of Debt (Monthly Rate)	0.1519%
18	= Return on Equity over 40% of Capitalization	0
19	x Operating Ratio	86.0285%
20	x Net In-Service Investment Ratio	-26.1900%
21	= Subtotal	0
22	Unit 2 Return on Equity (Line 15 + Line 21)	(170,880)
		=====
23	<u>Return on Other Capital:</u>	
24	Long-Term Debt Interest Expense	158,796
25	+ Short-Term Debt Interest Expense (a/c 430)	47,089
26	+ Other Interest Expense (a/c 431)	0
27	- Temporary Cash Investment Income *	0
28	= Net Interest Expense	205,885
29	+ Preferred Stock Dividends (a/c 437)	0
30	= Net Cost of Other Capital	205,885
31	x Operating Ratio	86.0285%
32	x Net In-Service Investment Ratio	-26.1900%
33	= Unit 2 Return on Other Capital	(46,388)
		=====

* 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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UNIT 2

August, 2012

**Line
No.**

1	Debt Balances (Prior Month Ending) :	
2	Long-Term Debt (Accts 221 thru 226)	66,074,388
3	+ Short-Term Debt (Accts 231 + 233)	51,643,530
4	+ Other Debt (Accts 132 thru 136 + 145)	0
5	Total Debt Balances (Prior Month Ending)	117,717,918
		=====
6	<u>Weighting of Debt Balances :</u>	
7	Long-Term Debt (LTD bal/Total Debt bal)	56.1294%
8	+ Short-Term Debt (STD bal/Total Debt bal)	43.8706%
9	+ Other Debt	0.0000%
10	Total Debt Balances	100.0000%
		=====
11	<u>Debt Cost Rates :</u>	
12	Long-Term Debt (avg LTD int rate)	2.8374%
13	Short-Term Debt (avg Money Pool STD int rate)	0.4575%
14	Other Debt	0.0000%
15	<u>Weighted Cost of Debt :</u>	
16	Long-Term Debt (LTD % x avg LTD int rate)	1.5926%
17	+ Short-Term Debt (STD % x avg MP STD int rate)	0.2007%
18	+ Other Debt	0.0000%
19	Total Weighted Cost of Debt	1.7933%
		=====

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

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INCLUDE A/C 431 ON PG 5

<u>Line No.</u>		<u>August, 2012</u>
1	Unit 2 Materials and Supplies:	
2	Fuel Stock - Coal (per Line 23)	14,810,122
3	Fuel Stock Expenses - Undistributed (152)	769,145
4	Fuel Stock - Oil (1510002)	2,324,392
5	Plant Materials & Operating Supplies	11,963,299
6	Merchandise	0
7	Undistributed Stores Expense	0
8	Total Materials & Supplies	29,866,958
9	<u>Support of Coal Inventory Value:</u>	
10	Actual Coal Inventory (a/c 151.10)	14,810,122
11	+ Equivalent Inventory re: Deferred Return	770,219,453
12	= Imputed Coal Inventory	785,029,575
13	<u>Coal Inventory W/68 Day Supply Cap</u>	
14	Tons Consumed - CHANGE ANNUALLY FROM DEC PG 24	2,831,034
15	/ Hours Available * CHG ANNUALLY FROM GADS RPT 511	8260.6
16	= Tons Consumed per Hour	342.72
17	x 24 Hours per Day	24
18	= Tons Consumed Per Day	8225.28
19	x 68 days	68
20	= 68 day Supply (Tons)	559,319
21	x Coal Cost per Ton (per a/c 151.10 at End of Prior Month)	35.174
22	= 68 day Coal Inventory	19,673,487
23	Lesser of Imputed or Capped Coal Inventory	19,673,487
24	Imputed Inventory Minus Line 23	765,356,088
25	<u>Accumulated Deferred Inventory Return - Unit 2 (Memo Item):</u>	
26	Beginning Balance	5,420,305
27	+ Current Month Return on Beginning Balance	38,415
28	+ Current Month Deferral	33,092
29	- Current Month Recovery	0
30	= Ending Balance **	5,491,812
	* Excludes Forced Outages, Scheduled Outages, and Curtailments	
	** May Not Be Less Than Zero	
	Total Unit 2 Monthly Power Bill with Actual	17,279,589
	Total Unit 2 Monthly Power Bill with 68 Day Capped	17,312,681
	Difference	33,092

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
DETAIL OF OTHER OPERATING REVENUES**

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**UNIT 2
August, 2012**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</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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<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>August, 2012</u>
1	500,502-509	Steam Power Generation - Operation	6,175,077
2	501	Fuel - Operation	9,951,294
3	510-515	Steam Power Generating - Maintenance	381,883
4		Total Steam Power Generation Expenses	16,508,254
5	555-557	Other Power Supply Expenses	9,917
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 Expense - Maintenance	0
11		Total Distribution Expense	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	159,520
16	935	Administrative and General Expenses - Maintenance	3,448
17		Total Administrative & General Exp.	162,967
18		Total Operation & Maintenance Expenses	16,681,139

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

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<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	UNIT 2 <u>August, 2012</u>
1	403	Depreciation Expense *	383,432
2	404	Amortization of Limited-Term Electric Plant **	304,837
3	405	Amortization of Other Electric Plant	0
4	406	Amortization of Electric Plant Acquisition Adjustments	0
5	407	Amortization of Property Losses, Unrecovered Plant and Regulatory Study Costs	0
			<hr/>
6		Total Depreciation Exp. & Amortization	688,268
			=====

* 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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<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>August, 2012</u>
1	408.1	Taxes Other Than Federal Income Taxes, Utility Operating Income	149,115
2	409.1	State Income Taxes	29,812
3		Total Taxes Other than Federal Income Taxes	<hr style="width: 100%;"/> 178,927 =====

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

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**UNIT 2
August, 2012**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>TOTAL</u>	<u>KPCO SHARE</u>	<u>I&M SHARE</u>
1		<u>Unit 2 Schedule `M' Adjustments*</u>			
2	N/A	Excess ACRS Over Normalization Base Depreciation	(4,500)	(1,350)	(3,150)
3	N/A	Deferred Purchased Power Costs	0	0	0
4	N/A	Excess Normalization Base Over Book Depreciation	121,500	36,450	85,050
5	N/A	Other Unit 2 Schedule `M' Adjustments	(339,231)	(101,769)	(237,462)
6	***	Total Unit 2 Schedule `M' Adjustments	<u>(222,231)</u>	<u>(66,669)</u>	<u>(155,562)</u>
7		<u>Unit 2 Deferred Federal Income Tax</u>			
8	410.1	Excess ACRS Over Norm. Base Depr. (Line 2 x FIT Rate * -1)	(27,152)	(8,146)	(19,006)
9	410.1	Deferred Purchased Power Costs (Line 4 x FIT Rate * -1)	0	0	0
10	10.1&411.	Other Unit 2 Schedule `M' Adjustments - Clearing Accounts	0	0	0
12	411.1	Feedback of Accumulated DFIT re: ABFUDC - Unit 2 Negative Amount Denotes Reduction.	(11,340)	(3,402)	(7,938)
13	411.1	Feedback of Accumulated DFIT re: Overheads Capitalized - Unit 2	(230)	(69)	(161)
14	411.1	Feedback of Accumulated DFIT re: Other Schedule `M' Adj.-Utility	148,537	44,561	103,976
15	***	Total Unit 2 Deferred Federal Income Tax	<u>109,816</u>	<u>32,945</u>	<u>76,871</u>

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

Check Figure on Tax Page for Sch M	(222,231)
Check Figure on Tax Page for DFIT	109,816

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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August 2012

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
1		<u>ELECTRIC PLANT IN SERVICE</u>	
2	101	Electric Plant In Service	110,495,148
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	2,030,032
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	112,525,179
12	105	Plant Held For Future Use	0
13		<u>ACCUMULATED DEPRECIATION</u>	
14	108	Accumulated Provision for Depreciation of Electric Utility Plant	93,774,779
15	110	Accumulated Provision for Depreciation and Amort. of Elec. Utility Plant	0
16	111	Accumulated Provision for Amortization of Electric Utility Plant	19,216,936
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	112,991,715
20		<u>MATERIAL AND SUPPLIES</u>	
21	151	Fuel Stock	17,134,514
22	152	Fuel Stock Expenses - Undistributed	769,145
23	153	Residuals	0
24	154	Plant Materials and Operating Supplies	11,963,299
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)	29,866,958
29	165	Prepayments	86,121
30	186	Other Deferred Debits	0

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
OTHER WORKING CAPITAL, UNAMORTIZED DEBT EXPENSE
AND OTHER DEFERRED CREDITS**

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**UNIT 2
August, 2012**

<u>Line No.</u>	<u>Account No.</u>	<u>Description *</u>	
1	128	Other Special Funds	0
2	131	Cash	0
3	135	Other Intra Company Adjustments	0
4	143	Accounts Receivable-Miscellaneous	982,673
5	146	Accounts Receivable-Associated Company	18,453,972
6	171	Interest and Dividends Receivable	4,665
7	174	Miscellaneous Current and Accrued Assets	0
8	232	Accounts Payable-General	(12,274)
9	234	Accounts Payable-Associated Company	(14,382,390)
10	236	Taxes Accrued	(3,070,968)
11	237	Interest Accrued	(243,854)
12	238	Dividends Declared	0
13	241	Tax Collections Payable	0
14	242	Misc Current and Accrued Liabilities	(11,147,730)
			<hr/>
15		Total Other Working Capital	(9,415,905)
			=====
16	181+189	Unamortized Debt Expense	1,341,520
			<hr/>
17	253	Other Deferred Credits	57,658,084
			<hr/>
*		debit <credit>	

**AEP GENERATING COMPANY
ROCKPORT POWER BILL**

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

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
31		ACCUMULATED DEFERRED INCOME TAXES	
32	190	-Accumulated Deferred Income Taxes	23,721,411
33	281	+Accumulated Deferred Income Taxes - Accelerated Amortization Property	0
34	282	+Accumulated Deferred Income Taxes - Other Property	11,978,073
35	283	+Accumulated Deferred Income Taxes - Other	575,403
36		Total Accumulated Deferred Income Taxes (In-Service Portion)	<u>(11,167,935)</u>
37	255	+Accumulated Deferred Investment Tax Credits	20,356,540
38	186.50	-Accumulated Deferred Investment Tax Credit	0
39		Total Accumulated Deferred Investment Tax Credits	<u>20,356,540</u>
40		Total Net In-Service Investment - Unit 2	<u><u>(45,434,531)</u></u> =====

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

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<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
		<u>Non-In-Service Investment - CWIP</u>	
1	107	Construction Work In Process	30,028,999
2		<u>MATERIAL AND SUPPLIES</u>	
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		<u>ACCUMULATED DEFERRED INCOME TAXES</u>	
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	0
16		Total Accumulated Deferred Income Taxes (CWIP Portion)	0
17		TOTAL NON-IN-SERVICE INVESTMENT - CWIP	30,028,999
		<u>Non-In-Service Investment - Other</u>	
18	105	Plant Held for Future Use	0
19	186	Other Deferred Debits	2,543,832
20	151.10	Fuel Inventory Over Allowed Level *	(4,396,676)
21		Total Non-In-Service Investment - Other	(1,852,844)
		* INCLUDES ROCKPORT 1 AND 2	
		UNIT 1	(4,396,676)
		UNIT 2	0
		TOTAL	(4,396,676)

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
DETAIL OF NET CAPITALIZATION**

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<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
1		<u>COMMON CAPITAL STOCK</u>	
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		<u>OTHER PAID-IN CAPITAL</u>	
12	207	Premium on Capital Stock	0
13	208	Donations Received from Stockholders	69,478,987
14	211	Miscellaneous Paid-In Capital	0
15	213	Discount on Capital Stock	0
16		Total Other Paid-In Capital	69,478,987
17		<u>RETAINED EARNINGS</u>	
18	215	Appropriated Retained Earnings	0
19	215.1	Appropriated Retained Earnings- Amortization Reserve, Federal	0
20	216	Unappropriated Retained Earnings	4,983,102
21		Total Retained Earnings	4,983,102
22		Total Common Equity	74,845,089
23		<u>PREFERRED CAPITAL STOCK</u>	
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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<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
28		<u>LONG-TERM DEBT</u>	
29	221	Bonds	0
30	222	Reacquired Bonds	0
31	223	Advances from Associated Companies	0
32	224	Other Long-Term Debt	66,074,388
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	<u>66,074,388</u>
		<u>SHORT-TERM DEBT</u>	
36a	231.02	Notes Payable (Short-Term Debt)	0
36b	231.03	Unamortized Discount	0
37	233.00	Notes Payable, Assoc Co(Money Pool)	51,643,530
38		Total Short-Term Debt	<u>51,643,530</u>
39		<u>TEMPORARY CASH INVESTMENTS</u>	
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	<u>0</u>
45		NET CAPITALIZATION	<u>192,563,007</u> =====

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

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**UNIT 2
August, 2012**

Line No.

1	Capitalization Balances (Prior Month Ending) :	
2	Long-Term Debt (Accts 221 thru 226)	66,074,388
3	+ Short-Term Debt (Accts 231 + 233)	51,643,530
4	+ Preferred Stock	0
5	+ Common Equity (Accts 201 thru 216)	74,845,089
6	- Capitalization Offsets	0
7	Total Capitalization Balances	192,563,007
		=====
8	<u>Weighting of Capitalization Balances :</u>	
9	Long-Term Debt (LTD/Total Capital)	34.3131%
10	+ Short-Term Debt (STD/Total Capital)	26.8190%
11	+ Preferred Stock	0.0000%
12	+ Common Equity (Common Equity/Total Capital)	38.8678%
13	- Capitalization Offsets	-0.0001%
14	Total Capitalization	100.0000%
		=====
15	<u>Capitalization Cost Rates :</u>	
16	Long-Term Debt (avg LTD int rate)	2.8374%
17	Short-Term Debt (avg money pool STD int rate)	0.4575%
18	Preferred Stock	0.0000%
19	Common Equity (FERC fixed rate)	12.1600%
20	Capitalization Offsets (sum of weighted costs of debt)	1.7933%
21	<u>Rate of Return (Net of Tax) :</u>	
22	Long-Term Debt (LTD % x avg LTD int rate)	0.9736%
23	+ Short-Term Debt (STD % x avg MP STD int rate)	0.1227%
24	+ Preferred Stock	0.0000%
25	+ Common Equity (CE % x FERC fixed rate)	4.7263%
26	- Capitalization Offsets	0.0000%
27	Total Rate of Return (Net of Tax)	5.8226%
		=====
28	Weighted Net Cost of Debt	1.0963%
	(LTD Rate of Return + STD RR - Cap Offsets RR)	
29	+ Pre-Tax Common Equity (Line 25 / .65)	7.2712%
	(Common Equity Rate of Return grossed up for tax)	
30	= Rate of Return (Pre-Tax)	8.3675%
		=====

A E P GENERATING COMPANY

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

500	SUPERVISION AND ENGINEERING	105,710
501	FUEL	9,951,294
502	STEAM EXPENSES	253,828
503	STEAM FROM OTHER SOURCES	0
504	STEAM TRANSFERRED - CR	0
505	ELECTRIC EXPENSES	53,200
506	MISC. STEAM POWER EXPENSES	71,888
507	RENTS	5,690,451
508	OPERATION SUPPLIES AND EXPENSES	0
509	CARRYING CHARGES - ALLOWANCES	0

TOTAL OPERATION EXPENSE 16,126,371

510	MAINTENANCE SUPER. AND ENGINEERING	89,270
511	MAINTENANCE OF STRUCTURES	10,693
512	MAINTENANCE OF BOILER PLANT	200,195
513	MAINTENANCE OF ELECTRIC PLANT	58,214
514	MAINTENANCE OF MISC. STEAM PLANT	23,510
515	MAINTENANCE NORMALIZING	0

TOTAL MAINTENANCE EXPENSES 381,883

555	PURCHASED POWER	0
556	SYSTEM CONTROL AND LOAD DISPATCHING	3,241
557	OTHER POWER SUPPLY EXPENSES	6,677

TOTAL OTHER SUPPLY EXPENSES 9,917

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 >	366
CURRENT YEAR IS	2012
CURRENT MONTH IS	8
THIS BILLING IS FOR MONTH OF	August, 2012

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 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	27,062
921	OFFICE SUPPLIES AND EXPENSES	(706)
922	ADMINISTRATIVE EXPENSES TRANSF - CR	0
923	OUTSIDE SERVICES	37,801
924	PROPERTY INSURANCE	11,029
925	INJURIES AND DAMAGES	1,047
926	EMPLOYEE PENSIONS AND BENEFITS	76,489
927	FRANCHISE REQUIREMENTS	0
928	REGULATORY COMMISSION	0
929	DUPLICATE CHARGES-CREDIT	0
930	MISCELLANEOUS GENERAL EXPENSES	6,761
931	RENTS	37
933	TRANSPORTATION EXPENSE	0
	TOTAL ADM & GEN EXPENSES OPERATION	159,520
935	MAINTENANCE OF GENERAL PLANT	3,448
	TOTAL ADM & GEN EXPENSES	162,967
	TOTAL AEG OPERATION & MAINTENANCE EXPENSES	16,681,139
	ACCOUNT 40190 TOTAL FOR CROSS FOOT	16,681,139
	-----DIFFERENCE-----	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-Oct-12**

**UNIT 1
POWER BILL - - September, 2012**

IN ACCORDANCE WITH POWER AGREEMENT DATED OCTOBER 1, 1984 (AS AMENDED)
 ENERGY DELIVERED FOR THE MONTH OF September, 2012
 KWH FOR THE MONTH 306,943,000

	<u>SUMMARY</u>	<u>TOTAL</u>
Current Month Bill:		
Return on Common Equity		565,556
Return on Other Capital		154,311
Total Return		----- 719,867
Fuel		6,314,731
Purchased Power		0
Other Operating Revenues		(6,125)
Other Operation and Maintenance Exp		794,050
Depreciation Expense		1,165,615
Taxes Other Than Federal Income Tax		83,687
Federal Income Tax		167,331
TOTAL UNIT POWER BILL		----- 9,239,156 -----

Prior Month's Adjustment:		
Return on Common Equity & Other Capital		0
Fuel		0
Other Expenses (Includes taxes & interest)		18,486
TOTAL PRIOR MONTH'S ADJUSTMENTS		----- 18,486 -----

	=====
TOTAL UNIT POWER BILL	9,257,642
	=====

AMOUNTS WILL BE PAID DIRECT FROM GENERAL FUNDS.

DUE DATE - - - October 18, 2012

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

**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-Oct-12**

**UNIT 1
POWER BILL - - September, 2012**

IN ACCORDANCE WITH POWER AGREEMENT DATED OCTOBER 1, 1984 (AS AMENDED)
 ENERGY DELIVERED FOR THE MONTH OF September, 2012
 KWH FOR THE MONTH 131,569,000

SUMMARY

TOTAL

Current Month Bill:

Return on Common Equity	242,381
Return on Other Capital	66,133
Total Return	308,514
Fuel	2,706,313
Purchased Power	0
Other Operating Revenues	(2,625)
Other Operation and Maintenance Exp	340,307
Depreciation Expense	499,549
Taxes Other Than Federal Income Tax	35,866
Federal Income Tax	71,713
TOTAL CURRENT UNIT POWER BILL	3,959,637

Prior Month's Adjustment:

Return on Common Equity & Other Capital	0
Fuel Expense	0
Other Expenses (Includes taxes & interest)	7,922
TOTAL PRIOR MONTH'S ADJUSTMENTS	7,922

=====

TOTAL UNIT POWER BILL **3,967,559**

=====

AMOUNTS WILL BE PAID DIRECT FROM GENERAL FUNDS.

DUE DATE - - - October 18, 2012

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

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
SUMMARY OF MONTHLY POWER BILL**

September, 2012

	<u>TOTAL UNIT 1 POWER BILL</u>	<u>KPCO SHARE</u>	<u>I&M SHARE</u>
Return on Common Equity	807,937	242,381	565,556
Return on Other Capital	220,444	66,133	154,311
Total Return	1,028,381	308,514	719,867
+ Fuel	9,021,045	2,706,313	6,314,731
+ Purchased Power	0	0	0
- Other Operating Revenues	(8,750)	(2,625)	(6,125)
+ Other Operation and Maintenance Exp	1,134,357	340,307	794,050
+ Depreciation Expense	1,665,164	499,549	1,165,615
+ Taxes Other Than Federal Income Tax	119,553	35,866	83,687
+ Federal and State Income Tax	239,044	71,713	167,331
= Total Unit 1 Monthly Power Bill	13,198,793	3,959,637	9,239,156
<u>Determination of Federal Income Tax :</u>			
Total Return (Line 3)	1,028,381	308,514	719,867
+ Unit 1 Schedule M Adjustments	1,081,480	324,444	757,036
+ Unit 1 Deferred Federal Income Taxes	(505,917)	(151,775)	(354,142)
- Unit 1 Interest Expense Deduction *	220,444	66,133	154,311
= Subtotal	1,383,500	415,050	968,450
x Gross-Up (FIT Rate / 1-FIT Rate)	0.538462	0.538462	0.538462
= Unit 1 Current Federal Income Tax	744,961	223,488	521,473
+ Unit 1 Def Fed & State Income Taxes	(505,917)	(151,775)	(354,142)
= Total Unit 1 Fed&State Income Taxes	239,044	71,713	167,331
<u>Proof of Federal Income Tax :</u>			
Total Unit 1 Monthly Power Bill	13,198,793	3,959,637	9,239,156
- Operation and Maintenance Expenses	10,155,401	3,046,620	7,108,781
- Depreciation Expense	1,665,164	499,549	1,165,615
- Taxes Other Than Federal Income Tax	119,553	35,866	83,687
- Unit 1 Interest Expense Deduction *	220,444	66,133	154,311
- Other Operating Revenues	(8,750)	(2,625)	(6,125)
= Pre-Tax Book Income	1,046,981	314,094	732,887
+ Unit 1 Schedule M Adjustments	1,081,480	324,444	757,036
= Unit 1 Taxable Income	2,128,461	638,538	1,489,923
x Current Federal Income Tax Rate	35%	35%	35%
= Unit 1 Current Federal Income Tax	744,961	223,488	521,473
+ Unit 1 Def Fed & State Income Taxes	(505,917)	(151,775)	(354,142)
= Total Unit 1 Fed&State Income Taxes	239,044	71,713	167,331

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

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<u>Line No.</u>		<u>UNIT 1</u> <u>September, 2012</u>
1	<u>Operating Ratio:</u>	
2	<u>Net In-Service Investment:</u>	
3	Electric Plant In-Service	763,159,375
4	- Accumulated Depreciation	535,697,954
5	+ Materials & Supplies	60,888,495
6	+ Prepayments	157,513
7	+ Plant Held For Future Use (A/C 105) *	0
8	+ Other Deferred Debits (A/C 186) *	0
9	+ Other Working Capital ***	(14,524,189)
10	+ Unamortized Debt Expense (A/C 181+189)	2,654,690
11	- Other Deferred Credits (A/C 253)	57,193,838
12	- Accumulated Deferred FIT	35,294,579
13	- Accumulated Deferred ITC	20,630,553
14	Total Net In-Service Investment	163,518,959
15	<u>Non-In-Service Investment - CWIP :</u>	
16	Construction Work In Progress	34,272,854
17	+ Materials & Supplies	0
18	- Accumulated Deferred FIT	0
19	Total Non-In-Service Investment - CWIP	34,272,854
20	<u>Non-In-Service Investment - Other :</u>	
21	Plant Held for Future Use (A/C 105) **	1,034,099
22	+ Other Deferred Debits (A/C 186) **	2,259,215
23	+ Fuel Inventory Over Allowed Level ****	(6,692,183)
24	Total Non-In-Service Investment - Other	(3,398,869)
25	Total Investment (Lines 14+19+24)	194,392,944
26	Operating Ratio (Line 14/Line 25)	84.1177%
27	Non-In-Service Investment-CWIP Ratio (Line 19/Line 25)	17.6307%
28	Non-In-Service Investment-Other Ratio (Line 24/Line 25)	-1.7484%
29	Total Investment	100.0000%
*	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	
****	Includes Rockport 1 and 2	

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

<u>Line No.</u>		<u>UNIT 1</u> <u>September, 2015</u>
1	<u>Net In-Service Investment Ratio:</u>	
2	Unit 1 Net In-Service Investment:	
3	Electric Plant In-Service	650,598,582
4	- Accumulated Depreciation	422,019,512
5	+ Materials & Supplies	33,790,339
6	+ Prepayments	78,757
7	+ Plant Held For Future Use (A/C 105) *	0
8	+ Other Deferred Debits (A/C 186) *	0
9	+ Other Working Capital **	(34,460)
10	+ Unamortized Debt Expense (A/C 181+189)	1,327,345
11	- Other Deferred Credits (A/C 253)	0
12	- Accumulated Deferred FIT	46,356,808
13	- Accumulated Deferred ITC	438,178
14	Total Unit 1 Net In-Service Investment	216,946,064
15	Unit 2 Net In-Service Investment:	
16	Electric Plant In-Service	112,560,793
17	- Accumulated Depreciation	113,678,442
18	+ Materials & Supplies	27,098,156
19	+ Prepayments	78,757
20	+ Plant Held For Future Use (A/C 105) *	0
21	+ Other Deferred Debits (A/C 186) *	0
22	+ Other Working Capital **	(14,489,730)
23	+ Unamortized Debt Expense (A/C 181+189)	1,327,345
24	- Other Deferred Credits (A/C 253)	57,193,838
25	- Accumulated Deferred FIT	(11,062,229)
26	- Accumulated Deferred ITC	20,192,375
27	Total Unit 2 Net In-Service Investment	(53,427,105)
28	Total Net In-Service Investment	163,518,959
29	<u>Net In-Service Investment Ratio:</u>	
30	Unit 1 (Line 14 / Line 28)	132.6700%
31	Unit 2 (Line 27 / Line 28)	-32.6700%
		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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<u>Line No.</u>		<u>UNIT 1 September, 2012</u>
1	<u>Net Capitalization:</u>	
2	Long-Term Debt	66,074,388
3	+ Short-Term Debt	45,976,213
4	+ Preferred Stock	0
5	+ Common Equity	71,444,192
6	- Temporary Cash Investments	0
7	Net Capitalization	----- 183,494,793 =====
8	40% of Net Capitalization	73,397,917
9	<u>Return on Common Equity:</u>	
10	Lesser of Line 5 or Line 8	71,444,192
11	x Equity Return (Monthly Rate)	1.01333%
12	= Equity Return	723,965
13	x Operating Ratio	84.1177%
14	x Net In-Service Investment Ratio	132.6700%
15	= Subtotal	807,937
16	Excess of Line 5 Over Line 8	0
17	x Weighted Cost of Debt (Monthly Rate)	0.1525%
18	= Return on Equity over 40% of Capitalization	0
19	x Operating Ratio	84.1177%
20	x Net In-Service Investment Ratio	132.6700%
21	= Subtotal	0
22	Unit 1 Return on Equity (Line 15 + Line 21)	----- 807,937 =====
23	<u>Return on Other Capital:</u>	
24	Long-Term Debt Interest Expense	153,664
25	+ Short-Term Debt Interest Expense (a/c 430)	43,869
26	+ Other Interest Expense (a/c 431)	0
27	- Temporary Cash Investment Income *	0
28	= Net Interest Expense	----- 197,533
29	+ Preferred Stock Dividends (a/c 437)	0
30	= Net Cost of Other Capital	----- 197,533
31	x Operating Ratio	84.1177%
32	x Net In-Service Investment Ratio	132.6700%
33	= Unit 1 Return on Other Capital	----- 220,444 =====
	* 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
September, 2012**

1	<u>Debt Balances (Prior Month Ending) :</u>	
2	Long-Term Debt (Accts 221 thru 226)	66,074,388
3	+ Short-Term Debt (Accts 231 + 233)	45,976,213
4	+ Other Debt (Accts 132 thru 136 + 145)	0

5	Total Debt Balances (Prior Month Ending)	112,050,601
		=====
6	<u>Weighting of Debt Balances :</u>	
7	Long-Term Debt (LTD bal/Total Debt bal)	58.9683%
8	+ Short-Term Debt (STD bal/Total Debt bal)	41.0317%
9	+ Other Debt	0.0000%

10	Total Debt Balances	100.0000%
		=====
11	<u>Debt Cost Rates :</u>	
12	Long-Term Debt (avg LTD int rate)	2.8373%
13	Short-Term Debt (avg Money Pool STD int rate)	0.4571%
14	Other Debt	0.0000%
15	<u>Weighted Cost of Debt :</u>	
16	Long-Term Debt (LTD % x avg LTD int rate)	1.6731%
17	+ Short-Term Debt (STD % x avg MP STD int rate)	0.1876%
18	+ Other Debt	0.0000%

19	Total Weighted Cost of Debt	1.8607%
		=====

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

<u>Line No.</u>		<u>September, 2012</u>
1	<u>Unit 1 Materials and Supplies:</u>	
2	Fuel Stock - Coal (per Line 23)	18,963,805
3	Fuel Stock Expenses - Undistributed (152)	591,810
4	Fuel Stock - Oil (1510002)	2,182,643
5	Plant Materials & Operating Supplies	12,052,080
6	Merchandise	0
7	Undistributed Stores Expense	0

8	Total Materials & Supplies	33,790,339
		=====
9	<u>Support of Coal Inventory Value:</u>	
10	Actual Coal Inventory (a/c 151.10)	12,271,622
11	+ Equivalent Inventory re: Deferred Return	19,339,791,482

12	= Imputed Coal Inventory	19,352,063,104

13	<u>Coal Inventory W/68 Day Supply Cap</u>	
14	Tons Consumed - CHANGE ANNUALLY FROM DEC PG 24	1,734,008
15	/ Hours Available * CHG ANNUALLY FROM GADS RPT 511	5182.5
16	= Tons Consumed per Hour	334.59
17	x 24 Hours per Day	24
18	= Tons Consumed Per Day	8030.16
19	x 68 days	68
20	= 68 day Supply (Tons)	546,051
21	x Coal Cost per Ton (per a/c 151.10 at End of Prior Month)	34.729

22	= 68 day Coal Inventory	18,963,805

23	Lesser of Imputed or Capped Coal Inventory	18,963,805

24	Imputed Inventory Minus Line 23	19,333,099,299
		=====
25	<u>Accumulated Deferred Inventory Return - Unit 1 (Memo Item):</u>	
26	Beginning Balance	132,561,375
27	+ Current Month Return on Beginning Balance	914,891
28	+ Current Month Deferral	0
29	- Current Month Recovery	44,638

30	= Ending Balance **	133,431,628
		=====

* 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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UNIT 1

September, 201

<u>Line No.</u>	<u>Account No.</u>	<u>Description</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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UNIT 1

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>September, 2012</u>
1	500,502-509	Steam Power Generation - Operation	662,016
2	501	Fuel - Operation	9,021,045
3	510-515	Steam Power Generating - Maintenance	275,520
4		Total Steam Power Generation Expenses	9,958,580
5	555-557	Other Power Supply Expenses	(651)
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 - Operation	196,842
16	935	Administrative and General Expenses - Maintenance	630
17		Total Administrative & General Exp.	197,472
18		Total Operation & Maintenance Expenses	10,155,401

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

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**UNIT 1
September, 2012**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
1	403	Depreciation Expense	1,665,164
2	404	Amortization of Limited-Term Electric Plant	0
3	405	Amortization of Other Electric Plant	0
4	406	Amortization of Electric Plant Acquisition Adjustments	0
5	407	Amortization of Property Losses, Unrecovered Plant and Regulatory Study Costs	0

6		Total Depreciation Exp. & Amortization	1,665,164 =====

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

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UNIT 1

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>September, 2012</u>
BS1			
1	408.1	Taxes Other Than Federal Income Taxes, Utility Operating Income	89,274
2	409.1	State Income Taxes	30,279
3		Total Taxes Other than FIT	----- 119,553 =====

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

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<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>TOTAL</u>	<u>KPCO SHARE</u>	<u>I&M SHARE</u>
1		<u>Unit 1 Schedule 'M' Adjustments*</u>			
2	N/A	Excess ACRS Over Normalization Base Depreciation	(4,500)	(1,350)	(3,150)
3	N/A	Deferred Purchased Power Costs	0	0	0
4	N/A	Excess Normalization Base Over Book Depreciation	(17,500)	(5,250)	(12,250)
5	N/A	Other Unit 1 Schedule 'M' Adjustments	1,103,480	331,044	772,436
6	***	Total Unit 1 Schedule 'M' Adjustments	<u>1,081,480</u>	<u>324,444</u>	<u>757,036</u>
7		<u>Unit 1 Deferred Federal Income Tax</u>			
8	410.1	Excess ACRS Over Norm. Base Depr. (Line 2 x FIT Rate * -1)	(396,880)	(119,064)	(277,816)
9	410.1	Deferred Purchased Power Costs (Line 4 x FIT Rate * -1)	0	0	0
10	410.1&411.1	Other Unit 1 Schedule 'M' Adjustments - Clearing Accounts	0	0	0
12	411.1	Feedback of Accumulated DFIT re: ABFUDC - Unit 1 Negative Amount Denotes Reduction.	(77,747)	(23,324)	(54,423)
13	411.1	Feedback of Accumulated DFIT re: Overheads Capitalized - Unit 1	(3,276)	(983)	(2,293)
14	411.1	Feedback of Accumulated DFIT re: Other Schedule 'M' Adj.-Utility	(28,014)	(8,404)	(19,610)
15	***	Total Unit 1 Deferred Federal Income Tax	<u>(505,917)</u>	<u>(151,775)</u>	<u>(354,142)</u>

*** 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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September, 2012

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
1		<u>ELECTRIC PLANT IN SERVICE</u>	
2	101	Electric Plant In Service	649,950,520
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	648,062
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	650,598,582
12	105	Plant Held For Future Use	0
13		<u>ACCUMULATED DEPRECIATION</u>	
14	108	Accumulated Provision for Depreciation of Electric Utility Plant	421,478,123
15	110	Accumulated Provision for Depreciation and Amort. of Elec. Utility Plant	0
16	111	Accumulated Provision for Amortization of Electric Utility Plant	541,389
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	422,019,512
20		<u>MATERIAL AND SUPPLIES</u>	
21	151	Fuel Stock	21,146,448
22	152	Fuel Stock Expenses - Undistributed	591,810
23	153	Residuals	0
24	154	Plant Materials and Operating Supplies	12,052,080
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)	33,790,339
29	165	Prepayments	78,757
30	186	Other Deferred Debits	0

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
OTHER WORKING CAPITAL, UNAMORTIZED DEBT EXPENSE,
AND OTHER DEFERRED CREDITS**

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			UNIT 1
			<u>September, 2012</u>
<u>Line No.</u>	<u>Account No.</u>	<u>Description *</u>	
1	128	Other Special Funds	0
2	131	Cash	0
3	135	Other Intra Company Adjustments	0
4	143	Accounts Receivable-Miscellaneous	982,673
5	146	Accounts Receivable-Associated Company	19,287,227
6	171	Interest and Dividends Receivable	4,665
7	174	Miscellaneous Current and Accrued Assets	0
8	232	Accounts Payable-General	(24,598)
9	234	Accounts Payable-Associated Company	(14,173,716)
10	236	Taxes Accrued	(5,751,728)
11	237	Interest Accrued	(299,432)
12	238	Dividends Declared	0
13	241	Tax Collections Payable	0
14	242	Misc Current and Accrued Liabilities	(59,551)
15		Total Other Working Capital	(34,460)
			=====
16	181+189	Unamortized Debt Expense	1,327,345
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
September, 2012

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
31		<u>ACCUMULATED DEFERRED INCOME TAXES</u>	
32	190	-Accumulated Deferred Income Taxes	1,607,800
33	281	+Accumulated Deferred Income Taxes - Accelerated Amortization Property	0
34	282	+Accumulated Deferred Income Taxes - Other Property	47,520,221
35	283	+Accumulated Deferred Income Taxes - Other	444,388
36		Total Accumulated Deferred Income Taxes (In-Service Portion)	----- 46,356,808
37	255	+Accumulated Deferred Investment Tax Credits	438,178
38	186.50	-Accumulated Deferred Investment Tax Credit	0
39		Total Accumulated Deferred Investment Tax Credits	----- 438,178
40		Total Net In-Service Investment - Unit 1	----- 216,946,064 =====

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

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**UNIT 1
September, 2012**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
		<u>Non-In-Service Investment - CWIP</u>	
1	107	Construction Work In Process	34,272,854
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		<u>ACCUMULATED DEFERRED INCOME TAXES</u>	
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	0
16		Total Accumulated Deferred Income Taxes (CWIP Portion)	----- 0
17		TOTAL NON-IN-SERVICE INVESTMENT - CWIP	----- 34,272,854 =====
		<u>Non-In-Service Investment - Other</u>	
18	105	Plant Held for Future Use	1,034,099
19	186	Other Deferred Debits	2,259,215
20	151.10	Fuel Inventory Over Allowed Level *	(6,692,183)
21		Total Non-In-Service Investment - Other	----- (3,398,869) =====
		* INCLUDES ROCKPORT 1 AND 2	
		UNIT 1	(6,692,183)
		UNIT 2	0
		TOTAL	----- (6,692,183) =====

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
DETAIL OF NET CAPITALIZATION**

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<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
1		<u>COMMON CAPITAL STOCK</u>	
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		<u>OTHER PAID-IN CAPITAL</u>	
12	207	Premium on Capital Stock	0
13	208	Donations Received from Stockholders	69,478,987
14	211	Miscellaneous Paid-In Capital	0
15	213	Discount on Capital Stock	0
16		Total Other Paid-In Capital	69,478,987
17		<u>RETAINED EARNINGS</u>	
18	215	Appropriated Retained Earnings	0
19	215.1	Appropriated Retained Earnings- Amortization Reserve, Federal	0
20	216	Unappropriated Retained Earnings	1,582,205
21		Total Retained Earnings	1,582,205
22		Total Common Equity	71,444,192
23		<u>PREFERED CAPITAL STOCK</u>	
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
September, 2012**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
28		<u>LONG-TERM DEBT</u>	
29	221	Bonds	0
30	222	Reacquired Bonds	0
31	223	Advances from Associated Companies	0
32	224	Other Long-Term Debt	66,074,388
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	----- 66,074,388 -----
		<u>SHORT-TERM DEBT</u>	
36a	231.02	Notes Payable (Short-Term Debt)	0
36b	231.03	Unamortized Discount	0
37	233.00	Notes Payable, Assoc Co(Money Pool)	45,976,213
38		Total Short-Term Debt	----- 45,976,213 -----
39		<u>TEMPORARY CASH INVESTMENTS</u>	
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	----- 183,494,793 =====

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

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**UNIT 1
September, 2012**

Line No.

1	<u>Capitalization Balances (Prior Month Ending) :</u>	
2	Long-Term Debt (Accts 221 thru 226)	66,074,388
3	+ Short-Term Debt (Accts 231 + 233)	45,976,213
4	+ Preferred Stock	0
5	+ Common Equity (Accts 201 thru 216)	71,444,192
6	- Capitalization Offsets	0

7	Total Capitalization Balances	183,494,793
		=====
8	<u>Weighting of Capitalization Balances :</u>	
9	Long-Term Debt (LTD/Total Capital)	36.0089%
10	+ Short-Term Debt (STD/Total Capital)	25.0559%
11	+ Preferred Stock	0.0000%
12	+ Common Equity (Common Equity/Total Capital)	38.9353%
13	- Capitalization Offsets	0.0001%

14	Total Capitalization	100.0000%
		=====
15	<u>Capitalization Cost Rates :</u>	
16	Long-Term Debt (avg LTD int rate)	2.8373%
17	Short-Term Debt (avg money pool STD int rate)	0.4571%
18	Preferred Stock	0.0000%
19	Common Equity (FERC fixed rate)	12.1600%
20	Capitalization Offsets (sum of weighted costs of debt)	1.8607%
21	<u>Rate of Return (Net of Tax) :</u>	
22	Long-Term Debt (LTD % x avg LTD int rate)	1.0217%
23	+ Short-Term Debt (STD % x avg MP STD int rate)	0.1145%
24	+ Preferred Stock	0.0000%
25	+ Common Equity (CE % x FERC fixed rate)	4.7345%
26	- Capitalization Offsets	0.0000%

27	Total Rate of Return (Net of Tax)	5.8707%
		=====
28	Weighted Net Cost of Debt	1.1362%
	(LTD Rate of Return + STD RR - Cap Offsets RR)	
29	+ Pre-Tax Common Equity (Line 25 / .65)	7.2838%
	(Common Equity Rate of Return grossed up for tax)	

30	= Rate of Return (Pre-Tax)	8.4200%
		=====

A E P GENERATING COMPANY

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

500	SUPERVISION AND ENGINEERING	105,725
501	FUEL	9,021,045
502	STEAM EXPENSES	346,603
503	STEAM FROM OTHER SOURCES	0
504	STEAM TRANSFERRED - CR	0
505	ELECTRIC EXPENSES	64,377
506	MISC. STEAM POWER EXPENSES	145,114
507	RENTS	198
508	OPERATION SUPPLIES AND EXPENSES	0
509	CARRYING CHARGES - ALLOWANCES	0

TOTAL OPERATION EXPENSE 9,683,061

510	MAINTENANCE SUPER. AND ENGINEERING	63,337
511	MAINTENANCE OF STRUCTURES	48,764
512	MAINTENANCE OF BOILER PLANT	167,398
513	MAINTENANCE OF ELECTRIC PLANT	(63,133)
514	MAINTENANCE OF MISC. STEAM PLANT	59,154
515	MAINTENANCE NORMALIZING	0

TOTAL MAINTENANCE EXPENSES 275,520

555	PURCHASED POWER	0
556	SYSTEM CONTROL AND LOAD DISPATCHING	(1,385)
557	OTHER POWER SUPPLY EXPENSES	734

TOTAL OTHER SUPPLY EXPENSES (651)

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
366
2012
9
September, 2012

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	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
	TOTAL SALES EXPENSES	0
920	ADMIN. & GENERAL SALARIES	53,489
921	OFFICE SUPPLIES AND EXPENSES	6,918
922	ADMINISTRATIVE EXPENSES TRANSF - CR	0
923	OUTSIDE SERVICES	37,117
924	PROPERTY INSURANCE	10,862
925	INJURIES AND DAMAGES	1,118
926	EMPLOYEE PENSIONS AND BENEFITS	88,001
927	FRANCHISE REQUIREMENTS	0
928	REGULATORY COMMISSION	0
929	DUPLICATE CHARGES-CREDIT	0
930	MISCELLANEOUS GENERAL EXPENSES	(699)
931	RENTS	36
933	TRANSPORTATION EXPENSE	0
	TOTAL ADM & GEN EXPENSES OPERATION	196,842
935	MAINTENANCE OF GENERAL PLANT	630
	TOTAL ADM & GEN EXPENSES	197,472
	TOTAL AEG OPERATION & MAINTENANCE EXPENSES	10,155,401
	ACCOUNT 40190 TOTAL FOR CROSS FOOT	10,155,401
	-----DIFFERENCE-----	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-Oct-12**

**UNIT 2
POWER BILL - - September, 2012**

IN ACCORDANCE WITH POWER AGREEMENT DATED OCTOBER 1, 1984 (AS AMENDED)
 ENERGY DELIVERED FOR THE MONTH OF September, 2012
 KWH FOR THE MONTH 294,720,000

	<u>SUMMARY</u>	<u>TOTAL</u>
Current Month Bill:		
Return on Common Equity		(140,013)
Return on Other Capital		(38,202)
Total Return		(178,215)
Fuel		6,121,361
Purchased Power		0
Other Operating Revenues		(6,125)
Other Operation and Maintenance Exp		4,632,045
Depreciation Expense		482,147
Taxes Other Than Federal Income Tax		170,711
Federal Income Tax		(25,664)
TOTAL CURRENT UNIT POWER BILL		11,196,261
Prior Month's Adjustment:		
Return on Common Equity & Other Capital		0
Fuel Expense		0
Other Expenses (Includes taxes & interest)		17,670
TOTAL PRIOR MONTH'S ADJUSTMENTS		17,670
=====		
TOTAL UNIT POWER BILL		11,213,931
=====		

AMOUNTS WILL BE PAID DIRECT FROM GENERAL FUNDS.

DUE DATE - - October 18, 2012

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**

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

**ESTIMATE
 05-Oct-12**

**UNIT 2
POWER BILL - - September, 2012**

IN ACCORDANCE WITH POWER AGREEMENT DATED OCTOBER 1, 1984 (AS AMENDED)
 ENERGY DELIVERED FOR THE MONTH OF September, 2012
 KWH FOR THE MONTH 126,340,000

<u>SUMMARY</u>	<u>TOTAL</u>
Current Month Bill:	
Return on Common Equity	(60,006)
Return on Other Capital	(16,373)
Total Return	(76,379)
Fuel	2,623,440
Purchased Power	0
Other Operating Revenues	(2,625)
Other Operation and Maintenance Exp	1,985,162
Depreciation Expense	206,635
Taxes Other Than Federal Income Tax	73,162
Federal Income Tax	(10,998)
TOTAL CURRENT UNIT POWER BILL	4,798,397
	=====
Prior Month's Adjustment:	
Return on Common Equity & Other Capital	0
Fuel Expense	0
Other Expenses (Includes taxes & interest)	7,574
TOTAL PRIOR MONTH'S ADJUSTMENTS	7,574
	=====
TOTAL UNIT POWER BILL	4,805,971
	=====

AMOUNTS WILL BE PAID DIRECT FROM GENERAL FUNDS.

DUE DATE - - October 18, 2012

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
ROCKPORT POWER BILL
SUMMARY OF MONTHLY POWER BILL**

September, 2012

05-Oct-12

	<u>TOTAL UNIT 2 POWER BILL</u>	<u>KPCO SHARE</u>	<u>I&M SHARE</u>
Return on Common Equity	(200,019)	(60,006)	(140,013)
Return on Other Capital	(54,575)	(16,373)	(38,202)
Total Return	(254,594)	(76,379)	(178,215)
+ Fuel	8,744,801	2,623,440	6,121,361
+ Purchased Power	0	0	0
- Other Operating Revenues	(8,750)	(2,625)	(6,125)
+ Other Operation and Maintenance Exp	6,617,207	1,985,162	4,632,045
+ Depreciation Expense	688,782	206,635	482,147
+ Taxes Other Than Federal Income Tax	243,873	73,162	170,711
+ Federal and State Income Tax	(36,663)	(10,998)	(25,664)
= Total Unit 2 Monthly Power Bill	15,994,657	4,798,397	11,196,261
<u>Determination of Federal Income Tax :</u>			
Total Return (Line 3)	(254,594)	(76,379)	(178,215)
+ Unit 2 Schedule M Adjustments	(166,816)	(50,045)	(116,771)
+ Unit 2 Deferred Federal Income Taxes	104,561	31,368	73,192
- Unit 2 Interest Expense Deduction *	(54,575)	(16,373)	(38,202)
= Subtotal	(262,274)	(78,682)	(183,591)
x Gross-Up (FIT Rate / 1-FIT Rate)	0.538462	0.538462	0.538462
= Unit 2 Current Federal Income Tax	(141,224)	(42,367)	(98,857)
+ Unit 2 Def Fed & State Income Taxes	104,561	31,368	73,192
= Total Unit 2 Fed&State Income Taxes	(36,663)	(10,998)	(25,664)
<u>Proof of Federal Income Tax :</u>			
Total Unit 2 Monthly Power Bill	15,994,657	4,798,397	11,196,261
- Operation and Maintenance Expenses	15,362,008	4,608,602	10,753,406
- Depreciation Expense	688,782	206,635	482,147
- Taxes Other Than Federal Income Tax	243,873	73,162	170,711
- Unit 2 Interest Expense Deduction *	(54,575)	(16,373)	(38,202)
- Other Operating Revenues	(8,750)	(2,625)	(6,125)
= Pre-Tax Book Income	(236,682)	(71,004)	(165,677)
+ Unit 2 Schedule M Adjustments	(166,816)	(50,045)	(116,771)
= Unit 2 Taxable Income	(403,498)	(121,049)	(282,448)
x Current Federal Income Tax Rate	35%	35%	35%
= Unit 2 Current Federal Income Tax	(141,224)	(42,367)	(98,857)
+ Unit 2 Def Fed & State Income Taxes	104,561	31,368	73,192
= Total Unit 2 Fed&State Income Taxes	(36,663)	(10,999)	(25,665)

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

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

<u>Line No.</u>		UNIT 2 September, 2012
1	Operating Ratio:	
2	<u>Net In-Service Investment:</u>	
3	Electric Plant In-Service	763,159,375
4	- Accumulated Depreciation	535,697,954
5	+ Materials & Supplies	60,888,495
6	+ Prepayments	157,513
7	+ Plant Held For Future Use (A/C 105) *	0
8	+ Other Deferred Debits (A/C 186) *	0
9	+ Other Working Capital ***	(14,524,189)
10	+ Unamortized Debt Expense (A/C 181+189)	2,654,690
11	- Other Deferred Credits (A/C 253)	57,193,838
12	- Accumulated Deferred FIT	35,294,579
13	- Accumulated Deferred ITC	20,630,553
14	Total Net In-Service Investment	163,518,959
15	<u>Non-In-Service Investment - CWIP :</u>	
16	Construction Work In Progress	34,272,854
17	+ Materials & Supplies	0
18	- Accumulated Deferred FIT	0
19	Total Non-In-Service Investment - CWIP	34,272,854
20	<u>Non-In-Service Investment - Other :</u>	
21	Plant Held for Future Use (A/C 105) **	0
22	+ Other Deferred Debits (A/C 186) **	2,259,215
23	+ Fuel Inventory Over Allowed Level ****	(6,692,183)
24	Total Non-In-Service Investment - Other	(4,432,968)
25	Total Investment (Lines 14+19+24)	193,358,845
26	Operating Ratio (Line 14/Line 25)	84.5676%
27	Non-In-Service Investment-CWIP Ratio (Line 19/Line 25)	17.7250%
28	Non-In-Service Investment-Other Ratio (Line 24/Line 25)	-2.2926%
29	Total Investment	100.0000%
	* 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	

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

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**UNIT 2
September, 2012**

<u>Line No.</u>		
1	Net In-Service Investment Ratio:	
2	<u>Unit 2 Net In-Service Investment:</u>	
3	Electric Plant In-Service	112,560,793
4	- Accumulated Depreciation	113,678,442
5	+ Materials & Supplies	27,098,156
6	+ Prepayments	78,757
7	+ Plant Held For Future Use (A/C 105) *	0
8	+ Other Deferred Debits (A/C 186) *	0
9	+ Other Working Capital **	(14,489,730)
10	+ Unamortized Debt Expense (A/C 181+189)	1,327,345
11	- Other Deferred Credits (A/C 253)	57,193,838
12	- Accumulated Deferred FIT	(11,062,229)
13	- Accumulated Deferred ITC	20,192,375
14	Total Unit 2 Net In-Service Investment	(53,427,105)
15	<u>Unit 1 Net In-Service Investment:</u>	
16	Electric Plant In-Service	650,598,582
17	- Accumulated Depreciation	422,019,512
18	+ Materials & Supplies	33,790,339
19	+ Prepayments	78,757
20	+ Plant Held For Future Use (A/C 105) *	0
21	+ Other Deferred Debits (A/C 186) *	0
22	+ Other Working Capital **	(34,460)
23	+ Unamortized Debt Expense (A/C 181+189)	1,327,345
24	- Other Deferred Credits (A/C 253)	0
25	- Accumulated Deferred FIT	46,356,808
26	- Accumulated Deferred ITC	438,178
27	Total Unit 1 Net In-Service Investment	216,946,064
28	Total Net In-Service Investment	163,518,959
29	<u>Net In-Service Investment Ratio:</u>	
30	Unit 2 (Line 14 / Line 28)	-32.6700%
31	Unit 1 (Line 27 / Line 28)	132.6700%
		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**

<u>Line No.</u>		UNIT 2 <u>September, 2012</u>
1	Net Capitalization:	
2	Long-Term Debt	66,074,388
3	+ Short-Term Debt	45,976,213
4	+ Preferred Stock	0
5	+ Common Equity	71,444,192
6	- Temporary Cash Investments	0
7	Net Capitalization	183,494,793 =====
8	40% of Net Capitalization	73,397,917
9	<u>Return on Common Equity:</u>	
10	Lesser of Line 5 or Line 8	71,444,192
11	x Equity Return (Monthly Rate)	1.01333%
12	= Equity Return	723,965
13	x Operating Ratio	84.5676%
14	x Net In-Service Investment Ratio	-32.6700%
15	= Subtotal	(200,019)
16	Excess of Line 5 Over Line 8	0
17	x Weighted Cost of Debt (Monthly Rate)	0.1525%
18	= Return on Equity over 40% of Capitalization	0
19	x Operating Ratio	84.5676%
20	x Net In-Service Investment Ratio	-32.6700%
21	= Subtotal	0
22	Unit 2 Return on Equity (Line 15 + Line 21)	(200,019) =====
23	<u>Return on Other Capital:</u>	
24	Long-Term Debt Interest Expense	153,664
25	+ Short-Term Debt Interest Expense (a/c 430)	43,869
26	+ Other Interest Expense (a/c 431)	0
27	- Temporary Cash Investment Income *	0
28	= Net Interest Expense	197,533
29	+ Preferred Stock Dividends (a/c 437)	0
30	= Net Cost of Other Capital	197,533
31	x Operating Ratio	84.5676%
32	x Net In-Service Investment Ratio	-32.6700%
33	= Unit 2 Return on Other Capital	(54,575) =====

* 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 2
September, 2012**

1	Debt Balances (Prior Month Ending) :		
2	Long-Term Debt (Accts 221 thru 226)	66,074,388	
3	+ Short-Term Debt (Accts 231 + 233)	45,976,213	
4	+ Other Debt (Accts 132 thru 136 + 145)	0	
5	Total Debt Balances (Prior Month Ending)	112,050,601	=====
6	<u>Weighting of Debt Balances :</u>		
7	Long-Term Debt (LTD bal/Total Debt bal)	58.9683%	
8	+ Short-Term Debt (STD bal/Total Debt bal)	41.0317%	
9	+ Other Debt	0.0000%	
10	Total Debt Balances	100.0000%	=====
11	<u>Debt Cost Rates :</u>		
12	Long-Term Debt (avg LTD int rate)	2.8373%	
13	Short-Term Debt (avg Money Pool STD int rate)	0.4571%	
14	Other Debt	0.0000%	
15	<u>Weighted Cost of Debt :</u>		
16	Long-Term Debt (LTD % x avg LTD int rate)	1.6731%	
17	+ Short-Term Debt (STD % x avg MP STD int rate)	0.1876%	
18	+ Other Debt	0.0000%	
19	Total Weighted Cost of Debt	1.8607%	=====

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

INCLUDE A/C 431 ON PG 5

<u>Line No.</u>	<u>September, 2011:</u>
1	Unit 2 Materials and Supplies:
2	Fuel Stock - Coal (per Line 23) 12,271,622
3	Fuel Stock Expenses - Undistributed (152) 591,810
4	Fuel Stock - Oil (1510002) 2,182,643
5	Plant Materials & Operating Supplies 12,052,080
6	Merchandise 0
7	Undistributed Stores Expense 0
8	Total Materials & Supplies 27,098,156
9	<u>Support of Coal Inventory Value:</u>
10	Actual Coal Inventory (a/c 151.10) 12,271,622
11	+ Equivalent Inventory re: Deferred Return 801,217,541
12	= Imputed Coal Inventory 813,489,163
13	<u>Coal Inventory W/68 Day Supply Cap</u>
14	Tons Consumed - CHANGE ANNUALLY FROM DEC PG 24 2,831,034
15	/ Hours Available * CHG ANNUALLY FROM GADS RPT 511 8260.6
16	= Tons Consumed per Hour 342.72
17	x 24 Hours per Day 24
18	= Tons Consumed Per Day 8225.28
19	x 68 days 68
20	= 68 day Supply (Tons) 559,319
21	x Coal Cost per Ton (per a/c 151.10 at End of Prior Month) 34.729
22	= 68 day Coal Inventory 19,424,590
23	Lesser of Imputed or Capped Coal Inventory 19,424,590
24	Imputed Inventory Minus Line 23 794,064,573
25	<u>Accumulated Deferred Inventory Return - Unit 2 (Memo Item):</u>
26	Beginning Balance 5,491,812
27	+ Current Month Return on Beginning Balance 37,903
28	+ Current Month Deferral 48,507
29	- Current Month Recovery 0
30	= Ending Balance ** 5,578,222

	* Excludes Forced Outages, Scheduled Outages, and Curtailments
	** May Not Be Less Than Zero
	Total Unit 2 Monthly Power Bill with Actual 15,972,436
	Total Unit 2 Monthly Power Bill with 68 Day Capped 16,020,943
	Difference 48,507

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
DETAIL OF OTHER OPERATING REVENUES**

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<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>UNIT 2</u> <u>September, 2011:</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	<hr style="border-top: 1px dashed black;"/> (8,750) <hr style="border-top: 3px double black;"/>

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

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<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>September, 201:</u>
1	500,502-509	Steam Power Generation - Operation	6,081,053
2	501	Fuel - Operation	8,744,801
3	510-515	Steam Power Generating - Maintenance	339,696
4		Total Steam Power Generation Expenses	15,165,550
5	555-557	Other Power Supply Expenses	(651)
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 Expense	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	196,480
16	935	Administrative and General Expenses - Maintenance	630
17		Total Administrative & General Exp.	197,110
18		Total Operation & Maintenance Expenses	15,362,008

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

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<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	UNIT 2 <u>September, 201:</u>
1	403	Depreciation Expense *	383,448
2	404	Amortization of Limited-Term Electric Plant **	305,335
3	405	Amortization of Other Electric Plant	0
4	406	Amortization of Electric Plant Acquisition Adjustments	0
5	407	Amortization of Property Losses, Unrecovered Plant and Regulatory Study Costs	0
			<hr/>
6		Total Depreciation Exp. & Amortization	688,782
			<hr/> <hr/>

* 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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UNIT 2
September, 201:

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
1	408.1	Taxes Other Than Federal Income Taxes, Utility Operating Income	213,594
2	409.1	State Income Taxes	30,279
3		Total Taxes Other than Federal Income Taxes	243,873

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

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<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>TOTAL</u>	<u>KPCO SHARE</u>	<u>I&M SHARE</u>
1		<u>Unit 2 Schedule `M' Adjustments*</u>			
2	N/A	Excess ACRS Over Normalization Base Depreciation	(4,500)	(1,350)	(3,150)
3	N/A	Deferred Purchased Power Costs	0	0	0
4	N/A	Excess Normalization Base Over Book Depreciation	121,500	36,450	85,050
5	N/A	Other Unit 2 Schedule `M' Adjustments	(283,816)	(85,145)	(198,671)
6	***	Total Unit 2 Schedule `M' Adjustments	<u>(166,816)</u>	<u>(50,045)</u>	<u>(116,771)</u>
7		<u>Unit 2 Deferred Federal Income Tax</u>			
8	410.1	Excess ACRS Over Norm. Base Depr. (Line 2 x FIT Rate * -1)	(27,152)	(8,146)	(19,006)
9	410.1	Deferred Purchased Power Costs (Line 4 x FIT Rate * -1)	0	0	0
10	10.1&411.	Other Unit 2 Schedule `M' Adjustments - Clearing Accounts	0	0	0
12	411.1	Feedback of Accumulated DFIT re: ABFUDC - Unit 2 Negative Amount Denotes Reduction.	(13,050)	(3,915)	(9,135)
13	411.1	Feedback of Accumulated DFIT re: Overheads Capitalized - Unit 2	(230)	(69)	(161)
14	411.1	Feedback of Accumulated DFIT re: Other Schedule `M' Adj.-Utility	144,992	43,498	101,494
15	***	Total Unit 2 Deferred Federal Income Tax	<u>104,561</u>	<u>31,368</u>	<u>73,192</u>

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

Check Figure on Tax Page for Sch M (166,816)
Check Figure on Tax Page for DFIT 104,561

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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UNIT 2
September, 2011

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
1		<u>ELECTRIC PLANT IN SERVICE</u>	
2	101	Electric Plant In Service	111,675,970
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	884,823
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	112,560,793
12	105	Plant Held For Future Use	0
13		<u>ACCUMULATED DEPRECIATION</u>	
14	108	Accumulated Provision for Depreciation of Electric Utility Plant	94,157,909
15	110	Accumulated Provision for Depreciation and Amort. of Elec. Utility Plant	0
16	111	Accumulated Provision for Amortization of Electric Utility Plant	19,520,533
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	113,678,442
20		<u>MATERIAL AND SUPPLIES</u>	
21	151	Fuel Stock	14,454,265
22	152	Fuel Stock Expenses - Undistributed	591,810
23	153	Residuals	0
24	154	Plant Materials and Operating Supplies	12,052,080
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)	27,098,156
29	165	Prepayments	78,757
30	186	Other Deferred Debits	0

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
OTHER WORKING CAPITAL, UNAMORTIZED DEBT EXPENSE,
AND OTHER DEFERRED CREDITS**

			UNIT 2
			<u>September, 2012</u>
<u>Line No.</u>	<u>Account No.</u>	<u>Description *</u>	
1	128	Other Special Funds	0
2	131	Cash	0
3	135	Other Intra Company Adjustments	0
4	143	Accounts Receivable-Miscellaneous	982,673
5	146	Accounts Receivable-Associated Company	19,609,052
6	171	Interest and Dividends Receivable	4,665
7	174	Miscellaneous Current and Accrued Assets	0
8	232	Accounts Payable-General	(24,598)
9	234	Accounts Payable-Associated Company	(14,113,714)
10	236	Taxes Accrued	(3,371,305)
11	237	Interest Accrued	(299,432)
12	238	Dividends Declared	0
13	241	Tax Collections Payable	0
14	242	Misc Current and Accrued Liabilities	(17,277,071)
			<hr/>
15		Total Other Working Capital	(14,489,730)
			=====
16	181+189	Unamortized Debt Expense	1,327,345
			<hr/>
17	253	Other Deferred Credits	57,193,838
			<hr/>
*		debit <credit>	

**AEP GENERATING COMPANY
ROCKPORT POWER BILL**

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

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
31		ACCUMULATED DEFERRED INCOME TAXES	
32	190	-Accumulated Deferred Income Taxes	23,543,332
33	281	+Accumulated Deferred Income Taxes - Accelerated Amortization Property	0
34	282	+Accumulated Deferred Income Taxes - Other Property	11,909,772
35	283	+Accumulated Deferred Income Taxes - Other	571,331
36		Total Accumulated Deferred Income Taxes (In-Service Portion)	----- (11,062,229) -----
37	255	+Accumulated Deferred Investment Tax Credits	20,192,375
38	186.50	-Accumulated Deferred Investment Tax Credit	0
39		Total Accumulated Deferred Investment Tax Credits	----- 20,192,375 -----
40		Total Net In-Service Investment - Unit 2	----- (53,427,105) =====

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

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Line No.	Account No.	Description	
		<u>Non-In-Service Investment - CWIP</u>	
1	107	Construction Work In Process	34,272,854
2		<u>MATERIAL AND SUPPLIES</u>	
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		<u>ACCUMULATED DEFERRED INCOME TAXES</u>	
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	0
16		Total Accumulated Deferred Income Taxes (CWIP Portion)	0
17		TOTAL NON-IN-SERVICE INVESTMENT - CWIP	34,272,854
		<u>Non-In-Service Investment - Other</u>	
18	105	Plant Held for Future Use	0
19	186	Other Deferred Debits	2,259,215
20	151.10	Fuel Inventory Over Allowed Level *	(6,692,183)
21		Total Non-In-Service Investment - Other	(4,432,968)
		* INCLUDES ROCKPORT 1 AND 2	
		UNIT 1	(6,692,183)
		UNIT 2	0
		TOTAL	(6,692,183)

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
DETAIL OF NET CAPITALIZATION**

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UNIT 2
September, 2012

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
1		<u>COMMON CAPITAL STOCK</u>	
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		<u>OTHER PAID-IN CAPITAL</u>	
12	207	Premium on Capital Stock	0
13	208	Donations Received from Stockholders	69,478,987
14	211	Miscellaneous Paid-In Capital	0
15	213	Discount on Capital Stock	0
16		Total Other Paid-In Capital	69,478,987
17		<u>RETAINED EARNINGS</u>	
18	215	Appropriated Retained Earnings	0
19	215.1	Appropriated Retained Earnings- Amortization Reserve, Federal	0
20	216	Unappropriated Retained Earnings	1,582,205
21		Total Retained Earnings	1,582,205
22		Total Common Equity	71,444,192
23		<u>PREFERRED CAPITAL STOCK</u>	
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
September, 2012

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
28		<u>LONG-TERM DEBT</u>	
29	221	Bonds	0
30	222	Reacquired Bonds	0
31	223	Advances from Associated Companies	0
32	224	Other Long-Term Debt	66,074,388
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	<u>66,074,388</u>
		<u>SHORT-TERM DEBT</u>	
36a	231.02	Notes Payable (Short-Term Debt)	0
36b	231.03	Unamortized Discount	0
37	233.00	Notes Payable, Assoc Co(Money Pool)	45,976,213
38		Total Short-Term Debt	<u>45,976,213</u>
39		<u>TEMPORARY CASH INVESTMENTS</u>	
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	<u>0</u>
45		NET CAPITALIZATION	<u>183,494,793</u> =====

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

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**UNIT 2
September, 2012**

Line No.

1	Capitalization Balances (Prior Month Ending) :	
2	Long-Term Debt (Accts 221 thru 226)	66,074,388
3	+ Short-Term Debt (Accts 231 + 233)	45,976,213
4	+ Preferred Stock	0
5	+ Common Equity (Accts 201 thru 216)	71,444,192
6	- Capitalization Offsets	0

7	Total Capitalization Balances	183,494,793
		=====
8	<u>Weighting of Capitalization Balances :</u>	
9	Long-Term Debt (LTD/Total Capital)	36.0089%
10	+ Short-Term Debt (STD/Total Capital)	25.0559%
11	+ Preferred Stock	0.0000%
12	+ Common Equity (Common Equity/Total Capital)	38.9353%
13	- Capitalization Offsets	0.0001%

14	Total Capitalization	100.0000%
		=====
15	<u>Capitalization Cost Rates :</u>	
16	Long-Term Debt (avg LTD int rate)	2.8373%
17	Short-Term Debt (avg money pool STD int rate)	0.4571%
18	Preferred Stock	0.0000%
19	Common Equity (FERC fixed rate)	12.1600%
20	Capitalization Offsets (sum of weighted costs of debt)	1.8607%
21	<u>Rate of Return (Net of Tax) :</u>	
22	Long-Term Debt (LTD % x avg LTD int rate)	1.0217%
23	+ Short-Term Debt (STD % x avg MP STD int rate)	0.1145%
24	+ Preferred Stock	0.0000%
25	+ Common Equity (CE % x FERC fixed rate)	4.7345%
26	- Capitalization Offsets	0.0000%

27	Total Rate of Return (Net of Tax)	5.8707%
		=====
28	Weighted Net Cost of Debt	1.1362%
	(LTD Rate of Return + STD RR - Cap Offsets RR)	
29	+ Pre-Tax Common Equity (Line 25 / .65)	7.2838%
	(Common Equity Rate of Return grossed up for tax)	-----
30	= Rate of Return (Pre-Tax)	8.4200%
		=====

A E P GENERATING COMPANY

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

500	SUPERVISION AND ENGINEERING	106,664
501	FUEL	8,744,801
502	STEAM EXPENSES	76,944
503	STEAM FROM OTHER SOURCES	0
504	STEAM TRANSFERRED - CR	0
505	ELECTRIC EXPENSES	61,905
506	MISC. STEAM POWER EXPENSES	145,089
507	RENTS	5,690,451
508	OPERATION SUPPLIES AND EXPENSES	0
509	CARRYING CHARGES - ALLOWANCES	0
	TOTAL OPERATION EXPENSE	14,825,854

510	MAINTENANCE SUPER. AND ENGINEERING	64,558
511	MAINTENANCE OF STRUCTURES	11,860
512	MAINTENANCE OF BOILER PLANT	186,276
513	MAINTENANCE OF ELECTRIC PLANT	53,348
514	MAINTENANCE OF MISC. STEAM PLANT	23,654
515	MAINTENANCE NORMALIZING	0
	TOTAL MAINTENANCE EXPENSES	339,696

555	PURCHASED POWER	0
556	SYSTEM CONTROL AND LOAD DISPATCHING	(1,385)
557	OTHER POWER SUPPLY EXPENSES	734
	TOTAL OTHER SUPPLY EXPENSES	(651)

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	>	366
CURRENT YEAR IS		2012
CURRENT MONTH IS		9
THIS BILLING IS FOR MONTH OF		September, 2012

A E P GENERATING COMPANY

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 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	53,127
921	OFFICE SUPPLIES AND EXPENSES	6,918
922	ADMINISTRATIVE EXPENSES TRANSF - CR	0
923	OUTSIDE SERVICES	37,117
924	PROPERTY INSURANCE	10,862
925	INJURIES AND DAMAGES	1,118
926	EMPLOYEE PENSIONS AND BENEFITS	88,001
927	FRANCHISE REQUIREMENTS	0
928	REGULATORY COMMISSION	0
929	DUPLICATE CHARGES-CREDIT	0
930	MISCELLANEOUS GENERAL EXPENSES	(699)
931	RENTS	36
933	TRANSPORTATION EXPENSE	0
	TOTAL ADM & GEN EXPENSES OPERATION	196,480
935	MAINTENANCE OF GENERAL PLANT	630
	TOTAL ADM & GEN EXPENSES	197,110
	TOTAL AEG OPERATION & MAINTENANCE EXPENSES	15,362,008
	ACCOUNT 40190 TOTAL FOR CROSS FOOT	15,362,008
	-----DIFFERENCE-----	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
07-Nov-12**

**UNIT 1
POWER BILL - - October, 2012**

IN ACCORDANCE WITH POWER AGREEMENT DATED OCTOBER 1, 1984 (AS AMENDED)
ENERGY DELIVERED FOR THE MONTH OF October, 2012
KWH FOR THE MONTH 330,353,000

<u>SUMMARY</u>	<u>TOTAL</u>
Current Month Bill:	
Return on Common Equity	570,646
Return on Other Capital	259,798
Total Return	830,444
Fuel	7,033,608
Purchased Power	0
Other Operating Revenues	(6,125)
Other Operation and Maintenance Exp	1,158,310
Depreciation Expense	1,165,558
Taxes Other Than Federal Income Tax	132,013
Federal Income Tax	167,956
TOTAL UNIT POWER BILL	10,481,764

Prior Month's Adjustment:	
Return on Common Equity & Other Capital	0
Fuel	0
Other Expenses (Includes taxes & interest)	1,608
TOTAL PRIOR MONTH'S ADJUSTMENTS	1,608

TOTAL UNIT POWER BILL	10,483,372
-----------------------	------------

AMOUNTS WILL BE PAID DIRECT FROM GENERAL FUNDS.

DUE DATE - - - November 19, 2012

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

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-Nov-12

UNIT 1
POWER BILL - - October, 2012

IN ACCORDANCE WITH POWER AGREEMENT DATED OCTOBER 1, 1984 (AS AMENDED)
 ENERGY DELIVERED FOR THE MONTH OF October, 2012 141,548,000
 KWH FOR THE MONTH

	<u>SUMMARY</u>	<u>TOTAL</u>
Current Month Bill:		
Return on Common Equity		244,562
Return on Other Capital		111,342
Total Return		----- 355,904
Fuel		3,014,403
Purchased Power		0
Other Operating Revenues		(2,625)
Other Operation and Maintenance Exp		496,418
Depreciation Expense		499,524
Taxes Other Than Federal Income Tax		56,577
Federal Income Tax		71,980
TOTAL CURRENT UNIT POWER BILL		----- 4,492,181 -----
Prior Month's Adjustment:		
Return on Common Equity & Other Capital		0
Fuel Expense		0
Other Expenses (Includes taxes & interest)		689
TOTAL PRIOR MONTH'S ADJUSTMENTS		----- 689 -----
TOTAL UNIT POWER BILL		=====
		4,492,870
		=====

AMOUNTS WILL BE PAID DIRECT FROM GENERAL FUNDS.

DUE DATE - - - November 19, 2012

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

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
SUMMARY OF MONTHLY POWER BILL**

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October, 2012

07-Nov-12

	<u>TOTAL UNIT 1 POWER BILL</u>	<u>KPCO SHARE</u>	<u>I&M SHARE</u>
Return on Common Equity	815,208	244,562	570,646
Return on Other Capital	371,140	111,342	259,798
Total Return	1,186,348	355,904	830,444
+ Fuel	10,048,011	3,014,403	7,033,608
+ Purchased Power	0	0	0
- Other Operating Revenues	(8,750)	(2,625)	(6,125)
+ Other Operation and Maintenance Exp	1,654,728	496,418	1,158,310
+ Depreciation Expense	1,665,082	499,524	1,165,558
+ Taxes Other Than Federal Income Tax	188,590	56,577	132,013
+ Federal and State Income Tax	239,936	71,980	167,956
= Total Unit 1 Monthly Power Bill	14,973,945	4,492,181	10,481,764
<u>Determination of Federal Income Tax :</u>			
Total Return (Line 3)	1,186,348	355,904	830,444
+ Unit 1 Schedule M Adjustments	1,033,511	310,053	723,458
+ Unit 1 Deferred Federal Income Taxes	(489,071)	(146,722)	(342,350)
- Unit 1 Interest Expense Deduction *	376,914	113,074	263,840
= Subtotal	1,353,873	406,161	947,712
x Gross-Up (FIT Rate / 1-FIT Rate)	0.538462	0.538462	0.538462
= Unit 1 Current Federal Income Tax	729,008	218,702	510,306
+ Unit 1 Def Fed & State Income Taxes	(489,071)	(146,722)	(342,350)
= Total Unit 1 Fed&State Income Taxes	239,936	71,980	167,956
<u>Proof of Federal Income Tax :</u>			
Total Unit 1 Monthly Power Bill	14,973,945	4,492,181	10,481,764
- Operation and Maintenance Expenses	11,702,739	3,510,821	8,191,918
- Depreciation Expense	1,665,082	499,524	1,165,558
- Taxes Other Than Federal Income Tax	188,590	56,577	132,013
- Unit 1 Interest Expense Deduction *	376,914	113,074	263,840
- Other Operating Revenues	(8,750)	(2,625)	(6,125)
= Pre-Tax Book Income	1,049,370	314,810	734,560
+ Unit 1 Schedule M Adjustments	1,033,511	310,053	723,458
= Unit 1 Taxable Income	2,082,881	624,863	1,458,018
x Current Federal Income Tax Rate	35%	35%	35%
= Unit 1 Current Federal Income Tax	729,008	218,702	510,306
+ Unit 1 Def Fed & State Income Taxes	(489,072)	(146,722)	(342,350)
= Total Unit 1 Fed&State Income Taxes	239,936	71,980	167,956

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

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<u>Line No.</u>		UNIT 1 <u>October, 2012</u>
1	<u>Operating Ratio:</u>	
2	<u>Net In-Service Investment:</u>	
3	Electric Plant In-Service	763,208,408
4	- Accumulated Depreciation	537,994,791
5	+ Materials & Supplies	59,536,132
6	+ Prepayments	140,882
7	+ Plant Held For Future Use (A/C 105) *	0
8	+ Other Deferred Debits (A/C 186) *	0
9	+ Other Working Capital ***	(26,220,631)
10	+ Unamortized Debt Expense (A/C 181+189)	2,626,340
11	- Other Deferred Credits (A/C 253)	56,729,592
12	- Accumulated Deferred FIT	35,021,273
13	- Accumulated Deferred ITC	20,357,012
14	Total Net In-Service Investment	----- 149,188,463 -----
15	<u>Non-In-Service Investment - CWIP :</u>	
16	Construction Work In Progress	39,258,675
17	+ Materials & Supplies	0
18	- Accumulated Deferred FIT	0
19	Total Non-In-Service Investment - CWIP	----- 39,258,675 -----
20	<u>Non-In-Service Investment - Other :</u>	
21	Plant Held for Future Use (A/C 105) **	1,034,099
22	+ Other Deferred Debits (A/C 186) **	1,971,686
23	+ Fuel Inventory Over Allowed Level ****	(6,754,021)
24	Total Non-In-Service Investment - Other	----- (3,748,236) -----
25	Total Investment (Lines 14+19+24)	----- 184,698,902 =====
26	Operating Ratio (Line 14/Line 25)	80.7739%
27	Non-In-Service Investment-CWIP Ratio (Line 19/Line 25)	21.2555%
28	Non-In-Service Investment-Other Ratio (Line 24/Line 25)	----- -2.0294% -----
29	Total Investment	100.0000%
*	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	
****	Includes Rockport 1 and 2	

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

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**UNIT 1
October, 2012**

<u>Line No.</u>		
1	<u>Net In-Service Investment Ratio:</u>	
2	Unit 1 Net In-Service Investment:	
3	Electric Plant In-Service	650,589,658
4	- Accumulated Depreciation	423,604,924
5	+ Materials & Supplies	33,145,076
6	+ Prepayments	70,441
7	+ Plant Held For Future Use (A/C 105) *	0
8	+ Other Deferred Debits (A/C 186) *	0
9	+ Other Working Capital **	(2,805,431)
10	+ Unamortized Debt Expense (A/C 181+189)	1,313,170
11	- Other Deferred Credits (A/C 253)	0
12	- Accumulated Deferred FIT	45,914,386
13	- Accumulated Deferred ITC	328,802

14	Total Unit 1 Net In-Service Investment	212,464,802

15	Unit 2 Net In-Service Investment:	
16	Electric Plant In-Service	112,618,750
17	- Accumulated Depreciation	114,389,867
18	+ Materials & Supplies	26,391,055
19	+ Prepayments	70,441
20	+ Plant Held For Future Use (A/C 105) *	0
21	+ Other Deferred Debits (A/C 186) *	0
22	+ Other Working Capital **	(23,415,200)
23	+ Unamortized Debt Expense (A/C 181+189)	1,313,170
24	- Other Deferred Credits (A/C 253)	56,729,592
25	- Accumulated Deferred FIT	(10,893,114)
26	- Accumulated Deferred ITC	20,028,210

27	Total Unit 2 Net In-Service Investment	(63,276,339)

28	Total Net In-Service Investment	149,188,463
		=====
29	<u>Net In-Service Investment Ratio:</u>	
30	Unit 1 (Line 14 / Line 28)	142.4100%
31	Unit 2 (Line 27 / Line 28)	-42.4100%

		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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**UNIT 1
October, 2012**

<u>Line No.</u>		
1	<u>Net Capitalization:</u>	
2	Long-Term Debt	66,074,388
3	+ Short-Term Debt	35,142,141
4	+ Preferred Stock	0
5	+ Common Equity	72,387,051
6	- Temporary Cash Investments	0
7	Net Capitalization	----- 173,603,580 =====
8	40% of Net Capitalization	69,441,432
9	<u>Return on Common Equity:</u>	
10	Lesser of Line 5 or Line 8	69,441,432
11	x Equity Return (Monthly Rate)	1.01333%
12	= Equity Return	703,671
13	x Operating Ratio	80.7739%
14	x Net In-Service Investment Ratio	142.4100%
15	= Subtotal	809,434
16	Excess of Line 5 Over Line 8	2,945,619
17	x Weighted Cost of Debt (Monthly Rate)	0.1704%
18	= Return on Equity over 40% of Capitalization	5,019
19	x Operating Ratio	80.7739%
20	x Net In-Service Investment Ratio	142.4100%
21	= Subtotal	----- 5,774 =====
22	Unit 1 Return on Equity (Line 15 + Line 21)	815,208
23	<u>Return on Other Capital:</u>	
24	Long-Term Debt Interest Expense	159,691
25	+ Short-Term Debt Interest Expense (a/c 430)	162,955
26	+ Other Interest Expense (a/c 431)	0
27	- Temporary Cash Investment Income *	0
28	= Net Interest Expense	----- 322,646
29	+ Preferred Stock Dividends (a/c 437)	0
30	= Net Cost of Other Capital	----- 322,646
31	x Operating Ratio	80.7739%
32	x Net In-Service Investment Ratio	142.4100%
33	= Unit 1 Return on Other Capital	----- 371,140 =====
	* 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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**UNIT 1
October, 2012**

**Line
No.**

1	<u>Debt Balances (Prior Month Ending) :</u>	
2	Long-Term Debt (Accts 221 thru 226)	66,074,388
3	+ Short-Term Debt (Accts 231 + 233)	35,142,141
4	+ Other Debt (Accts 132 thru 136 + 145)	0

5	Total Debt Balances (Prior Month Ending)	101,216,529
		=====
6	<u>Weighting of Debt Balances :</u>	
7	Long-Term Debt (LTD bal/Total Debt bal)	65.2802%
8	+ Short-Term Debt (STD bal/Total Debt bal)	34.7198%
9	+ Other Debt	0.0000%

10	Total Debt Balances	100.0000%
		=====
11	<u>Debt Cost Rates :</u>	
12	Long-Term Debt (avg LTD int rate)	2.8534%
13	Short-Term Debt (avg Money Pool STD int rate)	0.4295%
14	Other Debt	0.0000%
15	<u>Weighted Cost of Debt :</u>	
16	Long-Term Debt (LTD % x avg LTD int rate)	1.8627%
17	+ Short-Term Debt (STD % x avg MP STD int rate)	0.1491%
18	+ Other Debt	0.0000%

19	Total Weighted Cost of Debt	2.0118%
		=====

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

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<u>Line No.</u>		<u>October, 2012</u>
1	<u>Unit 1 Materials and Supplies:</u>	
2	Fuel Stock - Coal (per Line 23)	18,320,011
3	Fuel Stock Expenses - Undistributed (152)	461,928
4	Fuel Stock - Oil (1510002)	2,088,876
5	Plant Materials & Operating Supplies	12,274,262
6	Merchandise	0
7	Undistributed Stores Expense	0
8	Total Materials & Supplies	33,145,076
9	<u>Support of Coal Inventory Value:</u>	
10	Actual Coal Inventory (a/c 151.10)	11,565,990
11	+ Equivalent Inventory re: Deferred Return	17,689,252,829
12	= Imputed Coal Inventory	17,700,818,819
13	<u>Coal Inventory W/68 Day Supply Cap</u>	
14	Tons Consumed - CHANGE ANNUALLY FROM DEC PG 24	1,734,008
15	/ Hours Available * CHG ANNUALLY FROM GADS RPT 511	5182.5
16	= Tons Consumed per Hour	334.59
17	x 24 Hours per Day	24
18	= Tons Consumed Per Day	8030.16
19	x 68 days	68
20	= 68 day Supply (Tons)	546,051
21	x Coal Cost per Ton (per a/c 151.10 at End of Prior Month)	33.550
22	= 68 day Coal Inventory	18,320,011
23	Lesser of Imputed or Capped Coal Inventory	18,320,011
24	Imputed Inventory Minus Line 23	17,682,498,808
25	<u>Accumulated Deferred Inventory Return - Unit 1 (Memo Item):</u>	
26	Beginning Balance	133,431,628
27	+ Current Month Return on Beginning Balance	1,014,137
28	+ Current Month Deferral	0
29	- Current Month Recovery	51,366
30	= Ending Balance **	134,394,399

* 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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**UNIT 1
October, 2012**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</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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UNIT 1
October, 2012

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>October, 2012</u>
1	500,502-509	Steam Power Generation - Operation	803,016
2	501	Fuel - Operation	10,048,011
3	510-515	Steam Power Generating - Maintenance	649,388
4		Total Steam Power Generation Expenses	11,500,415
5	555-557	Other Power Supply Expenses	8,642
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 - Operation	193,352
16	935	Administrative and General Expenses - Maintenance	330
17		Total Administrative & General Exp.	193,682
18		Total Operation & Maintenance Expenses	11,702,739

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

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**UNIT 1
October, 2012**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
1	403	Depreciation Expense	1,665,082
2	404	Amortization of Limited-Term Electric Plant	0
3	405	Amortization of Other Electric Plant	0
4	406	Amortization of Electric Plant Acquisition Adjustments	0
5	407	Amortization of Property Losses, Unrecovered Plant and Regulatory Study Costs	0

6		Total Depreciation Exp. & Amortization	1,665,082 =====

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

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<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>October, 2012</u>
BS1			
1	408.1	Taxes Other Than Federal Income Taxes, Utility Operating Income	158,385
2	409.1	State Income Taxes	30,205
3		Total Taxes Other than FIT	----- 188,590 =====

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

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<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>TOTAL</u>	<u>KPCO SHARE</u>	<u>I&M SHARE</u>
1		<u>Unit 1 Schedule 'M' Adjustments*</u>			
2	N/A	Excess ACRS Over Normalization Base Depreciation	(4,500)	(1,350)	(3,150)
3	N/A	Deferred Purchased Power Costs	0	0	0
4	N/A	Excess Normalization Base Over Book Depreciation	(17,500)	(5,250)	(12,250)
5	N/A	Other Unit 1 Schedule 'M' Adjustments	1,055,511	316,653	738,858
6	***	Total Unit 1 Schedule 'M' Adjustments	1,033,511	310,053	723,458
			=====	=====	=====
7		<u>Unit 1 Deferred Federal Income Tax</u>			
8	410.1	Excess ACRS Over Norm. Base Depr. (Line 2 x FIT Rate * -1)	(396,880)	(119,064)	(277,816)
9	410.1	Deferred Purchased Power Costs (Line 4 x FIT Rate * -1)	0	0	0
10	410.1&411.1	Other Unit 1 Schedule 'M' Adjustments - Clearing Accounts	0	0	0
12	411.1	Feedback of Accumulated DFIT re: ABFUDC - Unit 1 Negative Amount Denotes Reduction.	(77,747)	(23,324)	(54,423)
13	411.1	Feedback of Accumulated DFIT re: Overheads Capitalized - Unit 1	(3,276)	(983)	(2,293)
14	411.1	Feedback of Accumulated DFIT re: Other Schedule 'M' Adj.-Utility	(11,169)	(3,351)	(7,818)
			-----	-----	-----
15	***	Total Unit 1 Deferred Federal Income Tax	(489,071)	(146,722)	(342,350)
			=====	=====	=====

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

=====

=====

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

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<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
1		<u>ELECTRIC PLANT IN SERVICE</u>	
2	101	Electric Plant In Service	650,401,650
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	188,008
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	650,589,658
12	105	Plant Held For Future Use	0
13		<u>ACCUMULATED DEPRECIATION</u>	
14	108	Accumulated Provision for Depreciation of Electric Utility Plant	423,063,535
15	110	Accumulated Provision for Depreciation and Amort. of Elec. Utility Plant	0
16	111	Accumulated Provision for Amortization of Electric Utility Plant	541,389
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	423,604,924
20		<u>MATERIAL AND SUPPLIES</u>	
21	151	Fuel Stock	20,408,887
22	152	Fuel Stock Expenses - Undistributed	461,928
23	153	Residuals	0
24	154	Plant Materials and Operating Supplies	12,274,262
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)	33,145,076
29	165	Prepayments	70,441
30	186	Other Deferred Debits	0

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
OTHER WORKING CAPITAL, UNAMORTIZED DEBT EXPENSE
AND OTHER DEFERRED CREDITS**

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<u>Line No.</u>	<u>Account No.</u>	<u>Description *</u>	<u>UNIT 1 October, 2012</u>
1	128	Other Special Funds	0
2	131	Cash	0
3	135	Other Intra Company Adjustments	0
4	143	Accounts Receivable-Miscellaneous	982,673
5	146	Accounts Receivable-Associated Company	15,488,665
6	171	Interest and Dividends Receivable	4,848
7	174	Miscellaneous Current and Accrued Assets	0
8	232	Accounts Payable-General	(15,990)
9	234	Accounts Payable-Associated Company	(13,381,815)
10	236	Taxes Accrued	(5,462,348)
11	237	Interest Accrued	(355,109)
12	238	Dividends Declared	0
13	241	Tax Collections Payable	0
14	242	Misc Current and Accrued Liabilities	(66,355)
15		Total Other Working Capital	----- (2,805,431) =====
16	181+189	Unamortized Debt Expense	1,313,170
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
October 2012**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
31		<u>ACCUMULATED DEFERRED INCOME TAXES</u>	
32	190	-Accumulated Deferred Income Taxes	1,569,702
33	281	+Accumulated Deferred Income Taxes - Accelerated Amortization Property	0
34	282	+Accumulated Deferred Income Taxes - Other Property	47,042,744
35	283	+Accumulated Deferred Income Taxes - Other	441,345
36		Total Accumulated Deferred Income Taxes (In-Service Portion)	----- 45,914,386 -----
37	255	+Accumulated Deferred Investment Tax Credits	328,802
38	186.50	-Accumulated Deferred Investment Tax Credit	0
39		Total Accumulated Deferred Investment Tax Credits	----- 328,802 -----
40		Total Net In-Service Investment - Unit 1	----- 212,464,802 =====

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

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UNIT 1

October, 2012

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
		<u>Non-In-Service Investment - CWIP</u>	
1	107	Construction Work In Process	39,258,675
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		<u>ACCUMULATED DEFERRED INCOME TAXES</u>	
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	0
16		Total Accumulated Deferred Income Taxes (CWIP Portion)	----- 0
17		TOTAL NON-IN-SERVICE INVESTMENT - CWIP	----- 39,258,675 =====
		<u>Non-In-Service Investment - Other</u>	
18	105	Plant Held for Future Use	1,034,099
19	186	Other Deferred Debits	1,971,686
20	151.10	Fuel Inventory Over Allowed Level *	(6,754,021)
21		Total Non-In-Service Investment - Other	----- (3,748,236) =====
		* INCLUDES ROCKPORT 1 AND 2	
		UNIT 1	(6,754,021)
		UNIT 2	0
		TOTAL	----- (6,754,021) =====

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
DETAIL OF NET CAPITALIZATION**

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<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
1		<u>COMMON CAPITAL STOCK</u>	
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		<u>OTHER PAID-IN CAPITAL</u>	
12	207	Premium on Capital Stock	0
13	208	Donations Received from Stockholders	69,478,987
14	211	Miscellaneous Paid-In Capital	0
15	213	Discount on Capital Stock	0
16		Total Other Paid-In Capital	69,478,987
17		<u>RETAINED EARNINGS</u>	
18	215	Appropriated Retained Earnings	0
19	215.1	Appropriated Retained Earnings- Amortization Reserve, Federal	0
20	216	Unappropriated Retained Earnings	2,525,064
21		Total Retained Earnings	2,525,064
22		Total Common Equity	72,387,051
23		<u>PREFERRED CAPITAL STOCK</u>	
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
October, 2012

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
28		<u>LONG-TERM DEBT</u>	
29	221	Bonds	0
30	222	Reacquired Bonds	0
31	223	Advances from Associated Companies	0
32	224	Other Long-Term Debt	66,074,388
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	66,074,388
		<u>SHORT-TERM DEBT</u>	
36a	231.02	Notes Payable (Short-Term Debt)	0
36b	231.03	Unamortized Discount	0
37	233.00	Notes Payable, Assoc Co(Money Pool)	35,142,141
38		Total Short-Term Debt	35,142,141
39		<u>TEMPORARY CASH INVESTMENTS</u>	
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	173,603,580

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

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**UNIT 1
October, 2012**

Line No.

1	<u>Capitalization Balances (Prior Month Ending) :</u>	
2	Long-Term Debt (Accts 221 thru 226)	66,074,388
3	+ Short-Term Debt (Accts 231 + 233)	35,142,141
4	+ Preferred Stock	0
5	+ Common Equity (Accts 201 thru 216)	72,387,051
6	- Capitalization Offsets	0

7	Total Capitalization Balances	173,603,580
		=====
8	<u>Weighting of Capitalization Balances :</u>	
9	Long-Term Debt (LTD/Total Capital)	38.0605%
10	+ Short-Term Debt (STD/Total Capital)	20.2428%
11	+ Preferred Stock	0.0000%
12	+ Common Equity (Common Equity/Total Capital)	41.6968%
13	- Capitalization Offsets	0.0001%

14	Total Capitalization	100.0000%
		=====
15	<u>Capitalization Cost Rates :</u>	
16	Long-Term Debt (avg LTD int rate)	2.8534%
17	Short-Term Debt (avg money pool STD int rate)	0.4295%
18	Preferred Stock	0.0000%
19	Common Equity (FERC fixed rate)	12.1600%
20	Capitalization Offsets (sum of weighted costs of debt)	2.0118%
21	<u>Rate of Return (Net of Tax) :</u>	
22	Long-Term Debt (LTD % x avg LTD int rate)	1.0860%
23	+ Short-Term Debt (STD % x avg MP STD int rate)	0.0869%
24	+ Preferred Stock	0.0000%
25	+ Common Equity (CE % x FERC fixed rate)	5.0703%
26	- Capitalization Offsets	0.0000%

27	Total Rate of Return (Net of Tax)	6.2432%
		=====
28	Weighted Net Cost of Debt	1.1729%
	(LTD Rate of Return + STD RR - Cap Offsets RR)	
29	+ Pre-Tax Common Equity (Line 25 / .65)	7.8005%
	(Common Equity Rate of Return grossed up for tax)	-----
30	= Rate of Return (Pre-Tax)	8.9734%
		=====

A E P GENERATING COMPANY

October, 2012
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ROCK PORT OPERATION & MAINTENANCE EXPENSES UNIT 1
50% OWNERSHIP INTEREST OF ROCKPORT PLANT

500	SUPERVISION AND ENGINEERING	125,426
501	FUEL	10,048,011
502	STEAM EXPENSES	394,041
503	STEAM FROM OTHER SOURCES	0
504	STEAM TRANSFERRED - CR	0
505	ELECTRIC EXPENSES	78,189
506	MISC. STEAM POWER EXPENSES	205,162
507	RENTS	198
508	OPERATION SUPPLIES AND EXPENSES	0
509	CARRYING CHARGES - ALLOWANCES	0

TOTAL OPERATION EXPENSE 10,851,027

510	MAINTENANCE SUPER. AND ENGINEERING	89,745
511	MAINTENANCE OF STRUCTURES	54,434
512	MAINTENANCE OF BOILER PLANT	287,819
513	MAINTENANCE OF ELECTRIC PLANT	162,406
514	MAINTENANCE OF MISC. STEAM PLANT	54,985
515	MAINTENANCE NORMALIZING	0

TOTAL MAINTENANCE EXPENSES 649,388

555	PURCHASED POWER	0
556	SYSTEM CONTROL AND LOAD DISPATCHING	2,133
557	OTHER POWER SUPPLY EXPENSES	6,509

TOTAL OTHER SUPPLY EXPENSES 8,642

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

31
 366
 2012
 10
 October, 2012

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	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
	TOTAL SALES EXPENSES	0
920	ADMIN. & GENERAL SALARIES	32,975
921	OFFICE SUPPLIES AND EXPENSES	4,463
922	ADMINISTRATIVE EXPENSES TRANSF - CR	0
923	OUTSIDE SERVICES	55,170
924	PROPERTY INSURANCE	10,873
925	INJURIES AND DAMAGES	1,107
926	EMPLOYEE PENSIONS AND BENEFITS	84,009
927	FRANCHISE REQUIREMENTS	0
928	REGULATORY COMMISSION	0
929	DUPLICATE CHARGES-CREDIT	0
930	MISCELLANEOUS GENERAL EXPENSES	4,719
931	RENTS	36
933	TRANSPORTATION EXPENSE	0
	TOTAL ADM & GEN EXPENSES OPERATION	193,352
935	MAINTENANCE OF GENERAL PLANT	330
	TOTAL ADM & GEN EXPENSES	193,682
	TOTAL AEG OPERATION & MAINTENANCE EXPENSES	11,702,739
	ACCOUNT 40190 TOTAL FOR CROSS FOOT	11,702,739
	-----DIFFERENCE-----	0

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

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**ESTIMATE
07-Nov-12**

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

**UNIT 2
POWER BILL - - October, 2012**

IN ACCORDANCE WITH POWER AGREEMENT DATED OCTOBER 1, 1984 (AS AMENDED)
ENERGY DELIVERED FOR THE MONTH OF October, 2012
KWH FOR THE MONTH 239,508,000

	<u>SUMMARY</u>	<u>TOTAL</u>
Current Month Bill:		
Return on Common Equity		(170,896)
Return on Other Capital		(77,804)
Total Return		(248,700)
Fuel		5,265,071
Purchased Power		0
Other Operating Revenues		(6,125)
Other Operation and Maintenance Exp		4,946,653
Depreciation Expense		482,618
Taxes Other Than Federal Income Tax		129,493
Federal Income Tax		(41,615)
TOTAL CURRENT UNIT POWER BILL		10,527,396
Prior Month's Adjustment:		
Return on Common Equity & Other Capital		0
Fuel Expense		0
Other Expenses (Includes taxes & interest)		1,539
TOTAL PRIOR MONTH'S ADJUSTMENTS		1,539
TOTAL UNIT POWER BILL		10,528,935

AMOUNTS WILL BE PAID DIRECT FROM GENERAL FUNDS.

DUE DATE - - November 19, 2012

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**

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

**ESTIMATE
07-Nov-12**

**UNIT 2
POWER BILL - - October, 2012**

IN ACCORDANCE WITH POWER AGREEMENT DATED OCTOBER 1, 1984 (AS AMENDED)
ENERGY DELIVERED FOR THE MONTH OF October, 2012
KWH FOR THE MONTH 102,667,000

SUMMARY

TOTAL

Current Month Bill:

Return on Common Equity	(73,241)
Return on Other Capital	(33,345)
Total Return	<u>(106,586)</u>
Fuel	2,256,459
Purchased Power	0
Other Operating Revenues	(2,625)
Other Operation and Maintenance Exp	2,119,994
Depreciation Expense	206,836
Taxes Other Than Federal Income Tax	55,497
Federal Income Tax	(17,835)
TOTAL CURRENT UNIT POWER BILL	<u>4,511,740</u> =====

Prior Month's Adjustment:

Return on Common Equity & Other Capital	0
Fuel Expense	0
Other Expenses (Includes taxes & interest)	659
TOTAL PRIOR MONTH'S ADJUSTMENTS	<u>659</u> =====

=====

TOTAL UNIT POWER BILL

4,512,399

=====

AMOUNTS WILL BE PAID DIRECT FROM GENERAL FUNDS.

DUE DATE - - November 19, 2012

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
ROCKPORT POWER BILL
SUMMARY OF MONTHLY POWER BILL**

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October, 2012 07-Nov-12

	TOTAL UNIT 2 POWER BILL	KPCO SHARE	I&M SHARE
Return on Common Equity	(244,137)	(73,241)	(170,896)
Return on Other Capital	(111,149)	(33,345)	(77,804)
Total Return	(355,286)	(106,586)	(248,700)
+ Fuel	7,521,530	2,256,459	5,265,071
+ Purchased Power	0	0	0
- Other Operating Revenues	(8,750)	(2,625)	(6,125)
+ Other Operation and Maintenance Exp	7,066,647	2,119,994	4,946,653
+ Depreciation Expense	689,454	206,836	482,618
+ Taxes Other Than Federal Income Tax	184,990	55,497	129,493
+ Federal and State Income Tax	(59,450)	(17,835)	(41,615)
= Total Unit 2 Monthly Power Bill	15,039,136	4,511,740	10,527,396
<u>Determination of Federal Income Tax :</u>			
Total Return (Line 3)	(355,286)	(106,586)	(248,700)
+ Unit 2 Schedule M Adjustments	(221,957)	(66,587)	(155,370)
+ Unit 2 Deferred Federal Income Taxes	123,884	37,165	86,719
- Unit 2 Interest Expense Deduction *	(112,878)	(33,863)	(79,015)
= Subtotal	(340,480)	(102,144)	(238,335)
x Gross-Up (FIT Rate / 1-FIT Rate)	0.538462	0.538462	0.538462
= Unit 2 Current Federal Income Tax	(183,335)	(55,001)	(128,334)
+ Unit 2 Def Fed & State Income Taxes	123,884	37,165	86,719
= Total Unit 2 Fed&State Income Taxes	(59,450)	(17,835)	(41,615)
<u>Proof of Federal Income Tax :</u>			
Total Unit 2 Monthly Power Bill	15,039,136	4,511,740	10,527,396
- Operation and Maintenance Expenses	14,588,177	4,376,453	10,211,724
- Depreciation Expense	689,454	206,836	482,618
- Taxes Other Than Federal Income Tax	184,990	55,497	129,493
- Unit 2 Interest Expense Deduction *	(112,878)	(33,863)	(79,015)
- Other Operating Revenues	(8,750)	(2,625)	(6,125)
= Pre-Tax Book Income	(301,858)	(90,558)	(211,300)
+ Unit 2 Schedule M Adjustments	(221,957)	(66,587)	(155,370)
= Unit 2 Taxable Income	(523,815)	(157,145)	(366,670)
x Current Federal Income Tax Rate	35%	35%	35%
= Unit 2 Current Federal Income Tax	(183,335)	(55,001)	(128,334)
+ Unit 2 Def Fed & State Income Taxes	123,884	37,165	86,719
= Total Unit 2 Fed&State Income Taxes	(59,451)	(17,836)	(41,615)

* 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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**UNIT 2
October, 2012**

<u>Line No.</u>		
1	Operating Ratio:	
2	<u>Net In-Service Investment:</u>	
3	Electric Plant In-Service	763,208,408
4	- Accumulated Depreciation	537,994,791
5	+ Materials & Supplies	59,536,132
6	+ Prepayments	140,882
7	+ Plant Held For Future Use (A/C 105) *	0
8	+ Other Deferred Debits (A/C 186) *	0
9	+ Other Working Capital ***	(26,220,631)
10	+ Unamortized Debt Expense (A/C 181+189)	2,626,340
11	- Other Deferred Credits (A/C 253)	56,729,592
12	- Accumulated Deferred FIT	35,021,273
13	- Accumulated Deferred ITC	20,357,012
14	Total Net In-Service Investment	149,188,463
15	<u>Non-In-Service Investment - CWIP :</u>	
16	Construction Work In Progress	39,258,675
17	+ Materials & Supplies	0
18	- Accumulated Deferred FIT	0
19	Total Non-In-Service Investment - CWIP	39,258,675
20	<u>Non-In-Service Investment - Other :</u>	
21	Plant Held for Future Use (A/C 105) **	0
22	+ Other Deferred Debits (A/C 186) **	1,971,686
23	+ Fuel Inventory Over Allowed Level ****	(6,754,021)
24	Total Non-In-Service Investment - Other	(4,782,335)
25	Total Investment (Lines 14+19+24)	183,664,803
26	Operating Ratio (Line 14/Line 25)	81.2287%
27	Non-In-Service Investment-CWIP Ratio (Line 19/Line 25)	21.3752%
28	Non-In-Service Investment-Other Ratio (Line 24/Line 25)	-2.6039%
29	Total Investment	100.0000%
	* 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	

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

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**UNIT 2
October, 2012**

**Line
No.**

1	Net In-Service Investment Ratio:	
2	<u>Unit 2 Net In-Service Investment:</u>	
3	Electric Plant In-Service	112,618,750
4	- Accumulated Depreciation	114,389,867
5	+ Materials & Supplies	26,391,055
6	+ Prepayments	70,441
7	+ Plant Held For Future Use (A/C 105) *	0
8	+ Other Deferred Debits (A/C 186) *	0
9	+ Other Working Capital **	(23,415,200)
10	+ Unamortized Debt Expense (A/C 181+189)	1,313,170
11	- Other Deferred Credits (A/C 253)	56,729,592
12	- Accumulated Deferred FIT	(10,893,114)
13	- Accumulated Deferred ITC	20,028,210
14	Total Unit 2 Net In-Service Investment	(63,276,339)
15	<u>Unit 1 Net In-Service Investment:</u>	
16	Electric Plant In-Service	650,589,658
17	- Accumulated Depreciation	423,604,924
18	+ Materials & Supplies	33,145,076
19	+ Prepayments	70,441
20	+ Plant Held For Future Use (A/C 105) *	0
21	+ Other Deferred Debits (A/C 186) *	0
22	+ Other Working Capital **	(2,805,431)
23	+ Unamortized Debt Expense (A/C 181+189)	1,313,170
24	- Other Deferred Credits (A/C 253)	0
25	- Accumulated Deferred FIT	45,914,386
26	- Accumulated Deferred ITC	328,802
27	Total Unit 1 Net In-Service Investment	212,464,802
28	Total Net In-Service Investment	149,188,463
29	<u>Net In-Service Investment Ratio:</u>	
30	Unit 2 (Line 14 / Line 28)	-42.4100%
31	Unit 1 (Line 27 / Line 28)	142.4100%
		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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**UNIT 2
October, 2012**

<u>Line No.</u>		
1	Net Capitalization:	
2	Long-Term Debt	66,074,388
3	+ Short-Term Debt	35,142,141
4	+ Preferred Stock	0
5	+ Common Equity	72,387,051
6	- Temporary Cash Investments	0
7	Net Capitalization	173,603,580 =====
8	40% of Net Capitalization	69,441,432
9	<u>Return on Common Equity:</u>	
10	Lesser of Line 5 or Line 8	69,441,432
11	x Equity Return (Monthly Rate)	1.01333%
12	= Equity Return	703,671
13	x Operating Ratio	81.2287%
14	x Net In-Service Investment Ratio	-42.4100%
15	= Subtotal	(242,408)
16	Excess of Line 5 Over Line 8	2,945,619
17	x Weighted Cost of Debt (Monthly Rate)	0.1704%
18	= Return on Equity over 40% of Capitalization	5,019
19	x Operating Ratio	81.2287%
20	x Net In-Service Investment Ratio	-42.4100%
21	= Subtotal	(1,729)
22	Unit 2 Return on Equity (Line 15 + Line 21)	(244,137) =====
23	<u>Return on Other Capital:</u>	
24	Long-Term Debt Interest Expense	159,691
25	+ Short-Term Debt Interest Expense (a/c 430)	162,955
26	+ Other Interest Expense (a/c 431)	0
27	- Temporary Cash Investment Income *	0
28	= Net Interest Expense	322,646
29	+ Preferred Stock Dividends (a/c 437)	0
30	= Net Cost of Other Capital	322,646
31	x Operating Ratio	81.2287%
32	x Net In-Service Investment Ratio	-42.4100%
33	= Unit 2 Return on Other Capital	(111,149) =====

* 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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**UNIT 2
October, 2012**

**Line
No.**

1	Debt Balances (Prior Month Ending) :	
2	Long-Term Debt (Accts 221 thru 226)	66,074,388
3	+ Short-Term Debt (Accts 231 + 233)	35,142,141
4	+ Other Debt (Accts 132 thru 136 + 145)	0

5	Total Debt Balances (Prior Month Ending)	101,216,529
		=====
6	<u>Weighting of Debt Balances :</u>	
7	Long-Term Debt (LTD bal/Total Debt bal)	65.2802%
8	+ Short-Term Debt (STD bal/Total Debt bal)	34.7198%
9	+ Other Debt	0.0000%

10	Total Debt Balances	100.0000%
		=====
11	<u>Debt Cost Rates :</u>	
12	Long-Term Debt (avg LTD int rate)	2.8534%
13	Short-Term Debt (avg Money Pool STD int rate)	0.4295%
14	Other Debt	0.0000%
15	<u>Weighted Cost of Debt :</u>	
16	Long-Term Debt (LTD % x avg LTD int rate)	1.8627%
17	+ Short-Term Debt (STD % x avg MP STD int rate)	0.1491%
18	+ Other Debt	0.0000%

19	Total Weighted Cost of Debt	2.0118%
		=====

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

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UNIT 2

INCLUDE A/C 431 ON PG 5

<u>Line No.</u>		<u>October, 2012</u>
1	Unit 2 Materials and Supplies:	
2	Fuel Stock - Coal (per Line 23)	11,565,990
3	Fuel Stock Expenses - Undistributed (152)	461,928
4	Fuel Stock - Oil (1510002)	2,088,876
5	Plant Materials & Operating Supplies	12,274,262
6	Merchandise	0
7	Undistributed Stores Expense	0
8	Total Materials & Supplies	<u>26,391,055</u>
9	<u>Support of Coal Inventory Value:</u>	
10	Actual Coal Inventory (a/c 151.10)	11,565,990
11	+ Equivalent Inventory re: Deferred Return	739,514,167
12	= Imputed Coal Inventory	<u>751,080,157</u>
13	<u>Coal Inventory W/68 Day Supply Cap</u>	
14	Tons Consumed - CHANGE ANNUALLY FROM DEC PG 24	2,831,034
15	/ Hours Available * CHG ANNUALLY FROM GADS RPT 511	8260.6
16	= Tons Consumed per Hour	342.72
17	x 24 Hours per Day	24
18	= Tons Consumed Per Day	8225.28
19	x 68 days	68
20	= 68 day Supply (Tons)	559,319
21	x Coal Cost per Ton (per a/c 151.10 at End of Prior Month)	33.550
22	= 68 day Coal Inventory	<u>18,765,152</u>
23	Lesser of Imputed or Capped Coal Inventory	<u>18,765,152</u>
24	Imputed Inventory Minus Line 23	<u>732,315,005</u>
25	<u>Accumulated Deferred Inventory Return - Unit 2 (Memo Item):</u>	
26	Beginning Balance	5,578,222
27	+ Current Month Return on Beginning Balance	42,397
28	+ Current Month Deferral	55,209
29	- Current Month Recovery	0
30	= Ending Balance **	<u>5,675,828</u>
	* Excludes Forced Outages, Scheduled Outages, and Curtailments	
	** May Not Be Less Than Zero	
	Total Unit 2 Monthly Power Bill with Actual	15,039,095
	Total Unit 2 Monthly Power Bill with 68 Day Capped	15,094,304
	Difference	55,209

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
DETAIL OF OTHER OPERATING REVENUES**

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**UNIT 2
October, 2012**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</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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UNIT 2

October, 2012

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
1	500,502-509	Steam Power Generation - Operation	6,285,261
2	501	Fuel - Operation	7,521,530
3	510-515	Steam Power Generating - Maintenance	584,103
4		Total Steam Power Generation Expenses	14,390,894
5	555-557	Other Power Supply Expenses	8,642
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 Expense - Maintenance	0
11		Total Distribution Expense	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	188,311
16	935	Administrative and General Expenses - Maintenance	330
17		Total Administrative & General Exp.	188,641
18		Total Operation & Maintenance Expenses	14,588,177

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

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**UNIT 2
October, 2012**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
1	403	Depreciation Expense *	383,489
2	404	Amortization of Limited-Term Electric Plant **	305,965
3	405	Amortization of Other Electric Plant	0
4	406	Amortization of Electric Plant Acquisition Adjustments	0
5	407	Amortization of Property Losses, Unrecovered Plant and Regulatory Study Costs	0
			<hr/>
6		Total Depreciation Exp. & Amortization	689,454
			=====

* 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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UNIT 2
October, 2012

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
1	408.1	Taxes Other Than Federal Income Taxes, Utility Operating Income	154,785
2	409.1	State Income Taxes	30,205
3		Total Taxes Other than Federal Income Taxes	<hr/> 184,990 =====

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

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**UNIT 2
October, 2012**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>TOTAL</u>	<u>KPCO SHARE</u>	<u>I&M SHARE</u>
1		<u>Unit 2 Schedule 'M' Adjustments*</u>			
2	N/A	Excess ACRS Over Normalization Base Depreciation	(4,500)	(1,350)	(3,150)
3	N/A	Deferred Purchased Power Costs	0	0	0
4	N/A	Excess Normalization Base Over Book Depreciation	121,500	36,450	85,050
5	N/A	Other Unit 2 Schedule 'M' Adjustments	(338,957)	(101,687)	(237,270)
6	***	Total Unit 2 Schedule 'M' Adjustments	(221,957)	(66,587)	(155,370)
			=====	=====	=====
7		<u>Unit 2 Deferred Federal Income Tax</u>			
8	410.1	Excess ACRS Over Norm. Base Depr. (Line 2 x FIT Rate * -1)	(27,152)	(8,146)	(19,006)
9	410.1	Deferred Purchased Power Costs (Line 4 x FIT Rate * -1)	0	0	0
10	10.1&411.	Other Unit 2 Schedule 'M' Adjustments - Clearing Accounts	0	0	0
12	411.1	Feedback of Accumulated DFIT re: ABFUDC - Unit 2 Negative Amount Denotes Reduction.	(13,050)	(3,915)	(9,135)
13	411.1	Feedback of Accumulated DFIT re: Overheads Capitalized - Unit 2	(230)	(69)	(161)
14	411.1	Feedback of Accumulated DFIT re: Other Schedule 'M' Adj.-Utility	164,316	49,295	115,021
15	***	Total Unit 2 Deferred Federal Income Tax	123,884	37,165	86,719
			=====	=====	=====

*** Positive Amount Denotes Increase in Taxable Income,
Negative Amount Denotes Reduction.

Check Figure on Tax Page for Sch M	(221,957)
Check Figure on Tax Page for DFIT	123,884

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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<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
1		<u>ELECTRIC PLANT IN SERVICE</u>	
2	101	Electric Plant In Service	112,149,672
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	469,078
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	112,618,750
12	105	Plant Held For Future Use	0
13		<u>ACCUMULATED DEPRECIATION</u>	
14	108	Accumulated Provision for Depreciation of Electric Utility Plant	94,608,421
15	110	Accumulated Provision for Depreciation and Amort. of Elec. Utility Plant	0
16	111	Accumulated Provision for Amortization of Electric Utility Plant	19,781,446
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	114,389,867
20		<u>MATERIAL AND SUPPLIES</u>	
21	151	Fuel Stock	13,654,866
22	152	Fuel Stock Expenses - Undistributed	461,928
23	153	Residuals	0
24	154	Plant Materials and Operating Supplies	12,274,262
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)	26,391,055
29	165	Prepayments	70,441
30	186	Other Deferred Debits	0

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
OTHER WORKING CAPITAL, UNAMORTIZED DEBT EXPENSE,
AND OTHER DEFERRED CREDITS**

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**UNIT 2
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<u>Line No.</u>	<u>Account No.</u>	<u>Description *</u>	
1	128	Other Special Funds	0
2	131	Cash	0
3	135	Other Intra Company Adjustments	0
4	143	Accounts Receivable-Miscellaneous	982,673
5	146	Accounts Receivable-Associated Company	15,810,490
6	171	Interest and Dividends Receivable	4,848
7	174	Miscellaneous Current and Accrued Assets	0
8	232	Accounts Payable-General	(15,990)
9	234	Accounts Payable-Associated Company	(13,321,814)
10	236	Taxes Accrued	(3,081,924)
11	237	Interest Accrued	(355,109)
12	238	Dividends Declared	0
13	241	Tax Collections Payable	0
14	242	Misc Current and Accrued Liabilities	(23,438,374)
15		Total Other Working Capital	(23,415,200) =====
16	181+189	Unamortized Debt Expense	1,313,170
17	253	Other Deferred Credits	56,729,592
*		debit <credit>	

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

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**UNIT 2
October, 2012**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
31		ACCUMULATED DEFERRED INCOME TAXES	
32	190	-Accumulated Deferred Income Taxes	23,304,888
33	281	+Accumulated Deferred Income Taxes - Accelerated Amortization Property	0
34	282	+Accumulated Deferred Income Taxes - Other Property	11,844,517
35	283	+Accumulated Deferred Income Taxes - Other	567,258
36		Total Accumulated Deferred Income Taxes (In-Service Portion)	(10,893,114)
37	255	+Accumulated Deferred Investment Tax Credits	20,028,210
38	186.50	-Accumulated Deferred Investment Tax Credit	0
39		Total Accumulated Deferred Investment Tax Credits	20,028,210
40		Total Net In-Service Investment - Unit 2	(63,276,339)

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

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<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
		<u>Non-In-Service Investment - CWIP</u>	
1	107	Construction Work In Process	39,258,675
2		<u>MATERIAL AND SUPPLIES</u>	
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		<u>ACCUMULATED DEFERRED INCOME TAXES</u>	
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	0
16		Total Accumulated Deferred Income Taxes (CWIP Portion)	0
17		TOTAL NON-IN-SERVICE INVESTMENT - CWIP	39,258,675
		<u>Non-In-Service Investment - Other</u>	
18	105	Plant Held for Future Use	0
19	186	Other Deferred Debits	1,971,686
20	151.10	Fuel Inventory Over Allowed Level *	(6,754,021)
21		Total Non-In-Service Investment - Other	(4,782,335)
	*	INCLUDES ROCKPORT 1 AND 2	
		UNIT 1	(6,754,021)
		UNIT 2	0
		TOTAL	(6,754,021)

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
DETAIL OF NET CAPITALIZATION**

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<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
1		<u>COMMON CAPITAL STOCK</u>	
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		<u>OTHER PAID-IN CAPITAL</u>	
12	207	Premium on Capital Stock	0
13	208	Donations Received from Stockholders	69,478,987
14	211	Miscellaneous Paid-In Capital	0
15	213	Discount on Capital Stock	0
16		Total Other Paid-In Capital	69,478,987
17		<u>RETAINED EARNINGS</u>	
18	215	Appropriated Retained Earnings	0
19	215.1	Appropriated Retained Earnings- Amortization Reserve, Federal	0
20	216	Unappropriated Retained Earnings	2,525,064
21		Total Retained Earnings	2,525,064
22		Total Common Equity	72,387,051
23		<u>PREFERRED CAPITAL STOCK</u>	
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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<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
28		<u>LONG-TERM DEBT</u>	
29	221	Bonds	0
30	222	Reacquired Bonds	0
31	223	Advances from Associated Companies	0
32	224	Other Long-Term Debt	66,074,388
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	<u>66,074,388</u>
		<u>SHORT-TERM DEBT</u>	
36a	231.02	Notes Payable (Short-Term Debt)	0
36b	231.03	Unamortized Discount	0
37	233.00	Notes Payable, Assoc Co(Money Pool)	35,142,141
38		Total Short-Term Debt	<u>35,142,141</u>
39		<u>TEMPORARY CASH INVESTMENTS</u>	
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	<u>0</u>
45		NET CAPITALIZATION	<u>173,603,580</u> =====

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

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<u>Line No.</u>		
1	Capitalization Balances (Prior Month Ending) :	
2	Long-Term Debt (Accts 221 thru 226)	66,074,388
3	+ Short-Term Debt (Accts 231 + 233)	35,142,141
4	+ Preferred Stock	0
5	+ Common Equity (Accts 201 thru 216)	72,387,051
6	- Capitalization Offsets	0
7	Total Capitalization Balances	173,603,580
		=====
8	<u>Weighting of Capitalization Balances :</u>	
9	Long-Term Debt (LTD/Total Capital)	38.0605%
10	+ Short-Term Debt (STD/Total Capital)	20.2428%
11	+ Preferred Stock	0.0000%
12	+ Common Equity (Common Equity/Total Capital)	41.6968%
13	- Capitalization Offsets	0.0001%
14	Total Capitalization	100.0000%
		=====
15	<u>Capitalization Cost Rates :</u>	
16	Long-Term Debt (avg LTD int rate)	2.8534%
17	Short-Term Debt (avg money pool STD int rate)	0.4295%
18	Preferred Stock	0.0000%
19	Common Equity (FERC fixed rate)	12.1600%
20	Capitalization Offsets (sum of weighted costs of debt)	2.0118%
21	<u>Rate of Return (Net of Tax) :</u>	
22	Long-Term Debt (LTD % x avg LTD int rate)	1.0860%
23	+ Short-Term Debt (STD % x avg MP STD int rate)	0.0869%
24	+ Preferred Stock	0.0000%
25	+ Common Equity (CE % x FERC fixed rate)	5.0703%
26	- Capitalization Offsets	0.0000%
27	Total Rate of Return (Net of Tax)	6.2432%
		=====
28	Weighted Net Cost of Debt	1.1729%
	(LTD Rate of Return + STD RR - Cap Offsets RR)	
29	+ Pre-Tax Common Equity (Line 25 / .65)	7.8005%
	(Common Equity Rate of Return grossed up for tax)	
30	= Rate of Return (Pre-Tax)	8.9734%
		=====

A E P GENERATING COMPANY

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

500	SUPERVISION AND ENGINEERING	128,935
501	FUEL	7,521,530
502	STEAM EXPENSES	152,711
503	STEAM FROM OTHER SOURCES	0
504	STEAM TRANSFERRED - CR	0
505	ELECTRIC EXPENSES	87,382
506	MISC. STEAM POWER EXPENSES	225,783
507	RENTS	5,690,451
508	OPERATION SUPPLIES AND EXPENSES	0
509	CARRYING CHARGES - ALLOWANCES	0

TOTAL OPERATION EXPENSE 13,806,791

510	MAINTENANCE SUPER. AND ENGINEERING	94,906
511	MAINTENANCE OF STRUCTURES	16,046
512	MAINTENANCE OF BOILER PLANT	387,449
513	MAINTENANCE OF ELECTRIC PLANT	60,540
514	MAINTENANCE OF MISC. STEAM PLANT	25,161
515	MAINTENANCE NORMALIZING	0

TOTAL MAINTENANCE EXPENSES 584,103

555	PURCHASED POWER	0
556	SYSTEM CONTROL AND LOAD DISPATCHING	2,133
557	OTHER POWER SUPPLY EXPENSES	6,509

TOTAL OTHER SUPPLY EXPENSES 8,642

IS FUEL IN BALANCE	AMOUNT MUST BE ZERO
ON PAGE 2	0

BE SURE THIS IS CORRECT	
NO OF DAYS IN CURRENT MO >	31
NO OF DAYS IN CURRENT YEAR >	366
CURRENT YEAR IS	2012
CURRENT MONTH IS	10
THIS BILLING IS FOR MONTH OF	October, 2012

A E P GENERATING COMPANY

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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 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	33,804
921	OFFICE SUPPLIES AND EXPENSES	4,461
922	ADMINISTRATIVE EXPENSES TRANSF - CR	0
923	OUTSIDE SERVICES	49,302
924	PROPERTY INSURANCE	10,873
925	INJURIES AND DAMAGES	1,107
926	EMPLOYEE PENSIONS AND BENEFITS	84,009
927	FRANCHISE REQUIREMENTS	0
928	REGULATORY COMMISSION	0
929	DUPLICATE CHARGES-CREDIT	0
930	MISCELLANEOUS GENERAL EXPENSES	4,719
931	RENTS	36
933	TRANSPORTATION EXPENSE	0
	TOTAL ADM & GEN EXPENSES OPERATION	188,311
935	MAINTENANCE OF GENERAL PLANT	330
	TOTAL ADM & GEN EXPENSES	188,641
	TOTAL AEG OPERATION & MAINTENANCE EXPENSES	14,588,177
	ACCOUNT 40190 TOTAL FOR CROSS FOOT	14,588,177
	———DIFFERENCE———	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
07-Dec-12**

**UNIT 1
POWER BILL - - November, 2012**

IN ACCORDANCE WITH POWER AGREEMENT DATED OCTOBER 1, 1984 (AS AMENDED)
ENERGY DELIVERED FOR THE MONTH OF November, 2012
KWH FOR THE MONTH 230,770,000

	<u>SUMMARY</u>	<u>TOTAL</u>
Current Month Bill:		
Return on Common Equity		579,882
Return on Other Capital		154,069
Total Return		----- 733,951
Fuel		5,003,788
Purchased Power		0
Other Operating Revenues		(6,125)
Other Operation and Maintenance Exp		1,070,423
Depreciation Expense		1,165,608
Taxes Other Than Federal Income Tax		100,924
Federal Income Tax		(1,013,613)
TOTAL UNIT POWER BILL		----- 7,054,956 -----
Prior Month's Adjustment:		
Return on Common Equity & Other Capital		0
Fuel		0
Other Expenses (Includes taxes & interest)		(434,536)
TOTAL PRIOR MONTH'S ADJUSTMENTS		----- (434,536) -----
TOTAL UNIT POWER BILL		=====
		6,620,420
		=====

AMOUNTS WILL BE PAID DIRECT FROM GENERAL FUNDS.

DUE DATE - - - December 21, 2012
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

**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-Dec-12**

**UNIT 1
POWER BILL - - November, 2012**

IN ACCORDANCE WITH POWER AGREEMENT DATED OCTOBER 1, 1984 (AS AMENDED)
 ENERGY DELIVERED FOR THE MONTH OF November, 2012
 KWH FOR THE MONTH 98,927,000

<u>SUMMARY</u>	<u>TOTAL</u>
Current Month Bill:	
Return on Common Equity	248,521
Return on Other Capital	66,029
Total Return	314,550
Fuel	2,144,480
Purchased Power	0
Other Operating Revenues	(2,625)
Other Operation and Maintenance Exp	458,752
Depreciation Expense	499,547
Taxes Other Than Federal Income Tax	43,253
Federal Income Tax	(434,406)
TOTAL CURRENT UNIT POWER BILL	3,023,551
 Prior Month's Adjustment:	
Return on Common Equity & Other Capital	0
Fuel Expense	0
Other Expenses (Includes taxes & interest)	(186,229)
TOTAL PRIOR MONTH'S ADJUSTMENTS	(186,229)
=====	
TOTAL UNIT POWER BILL	2,837,323

AMOUNTS WILL BE PAID DIRECT FROM GENERAL FUNDS.

DUE DATE - - - December 21, 2012

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

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
SUMMARY OF MONTHLY POWER BILL**

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November, 2012

07-Dec-12

	<u>TOTAL UNIT 1 POWER BILL</u>	<u>KPCO SHARE</u>	<u>I&M SHARE</u>
Return on Common Equity	828,403	248,521	579,882
Return on Other Capital	220,098	66,029	154,069
Total Return	1,048,501	314,550	733,951
+ Fuel	7,148,268	2,144,480	5,003,788
+ Purchased Power	0	0	0
- Other Operating Revenues	(8,750)	(2,625)	(6,125)
+ Other Operation and Maintenance Exp	1,529,175	458,752	1,070,423
+ Depreciation Expense	1,665,155	499,547	1,165,608
+ Taxes Other Than Federal Income Tax	144,177	43,253	100,924
+ Federal and State Income Tax	(1,448,018)	(434,406)	(1,013,613)
= Total Unit 1 Monthly Power Bill	10,078,509	3,023,551	7,054,956
Determination of Federal Income Tax :			
Total Return (Line 3)	1,048,501	314,550	733,951
+ Unit 1 Schedule M Adjustments	1,968,977	590,693	1,378,284
+ Unit 1 Deferred Federal Income Taxes	(1,918,909)	(575,673)	(1,343,237)
- Unit 1 Interest Expense Deduction *	224,057	67,217	156,840
= Subtotal	874,511	262,353	612,158
x Gross-Up (FIT Rate / 1-FIT Rate)	0.538462	0.538462	0.538462
= Unit 1 Current Federal Income Tax	470,891	141,267	329,624
+ Unit 1 Def Fed & State Income Taxes	(1,918,909)	(575,673)	(1,343,237)
= Total Unit 1 Fed&State Income Taxes	(1,448,018)	(434,406)	(1,013,613)
Proof of Federal Income Tax :			
Total Unit 1 Monthly Power Bill	10,078,509	3,023,551	7,054,956
- Operation and Maintenance Expenses	8,677,443	2,603,232	6,074,211
- Depreciation Expense	1,665,155	499,547	1,165,608
- Taxes Other Than Federal Income Tax	144,177	43,253	100,924
- Unit 1 Interest Expense Deduction *	224,057	67,217	156,840
- Other Operating Revenues	(8,750)	(2,625)	(6,125)
= Pre-Tax Book Income	(623,574)	(187,073)	(436,502)
+ Unit 1 Schedule M Adjustments	1,968,977	590,693	1,378,284
= Unit 1 Taxable Income	1,345,403	403,620	941,782
x Current Federal Income Tax Rate	35%	35%	35%
= Unit 1 Current Federal Income Tax	470,891	141,267	329,624
+ Unit 1 Def Fed & State Income Taxes	(1,918,910)	(575,673)	(1,343,237)
= Total Unit 1 Fed&State Income Taxes	(1,448,019)	(434,406)	(1,013,613)

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

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<u>Line No.</u>		<u>UNIT 1 November, 2012</u>
1	<u>Operating Ratio:</u>	
2	<u>Net In-Service Investment:</u>	
3	Electric Plant In-Service	763,243,291
4	- Accumulated Depreciation	540,218,509
5	+ Materials & Supplies	60,746,484
6	+ Prepayments	124,252
7	+ Plant Held For Future Use (A/C 105) *	0
8	+ Other Deferred Debits (A/C 186) *	0
9	+ Other Working Capital ***	(28,587,220)
10	+ Unamortized Debt Expense (A/C 181+189)	2,596,208
11	- Other Deferred Credits (A/C 253)	56,265,346
12	- Accumulated Deferred FIT	34,834,031
13	- Accumulated Deferred ITC	20,083,471
14	Total Net In-Service Investment	----- 146,721,657
15	<u>Non-In-Service Investment - CWIP :</u>	
16	Construction Work In Progress	43,494,364
17	+ Materials & Supplies	0
18	- Accumulated Deferred FIT	0
19	Total Non-In-Service Investment - CWIP	----- 43,494,364
20	<u>Non-In-Service Investment - Other :</u>	
21	Plant Held for Future Use (A/C 105) **	1,034,099
22	+ Other Deferred Debits (A/C 186) **	1,686,969
23	+ Fuel Inventory Over Allowed Level ****	(6,387,320)
24	Total Non-In-Service Investment - Other	----- (3,666,252)
25	Total Investment (Lines 14+19+24)	----- 186,549,769 =====
26	Operating Ratio (Line 14/Line 25)	78.6501%
27	Non-In-Service Investment-CWIP Ratio (Line 19/Line 25)	23.3152%
28	Non-In-Service Investment-Other Ratio (Line 24/Line 25)	-1.9653%
29	Total Investment	----- 100.0000% =====
*	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	
****	Includes Rockport 1 and 2	

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

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<u>Line No.</u>		UNIT 1 <u>November, 2012</u>
1	<u>Net In-Service Investment Ratio:</u>	
2	Unit 1 Net In-Service Investment:	
3	Electric Plant In-Service	650,619,147
4	- Accumulated Depreciation	425,173,943
5	+ Materials & Supplies	33,566,902
6	+ Prepayments	62,126
7	+ Plant Held For Future Use (A/C 105) *	0
8	+ Other Deferred Debits (A/C 186) *	0
9	+ Other Working Capital **	(911,476)
10	+ Unamortized Debt Expense (A/C 181+189)	1,298,104
11	- Other Deferred Credits (A/C 253)	0
12	- Accumulated Deferred FIT	45,509,862
13	- Accumulated Deferred ITC	219,426
14	Total Unit 1 Net In-Service Investment	----- 213,731,572
15	Unit 2 Net In-Service Investment:	
16	Electric Plant In-Service	112,624,144
17	- Accumulated Depreciation	115,044,567
18	+ Materials & Supplies	27,179,582
19	+ Prepayments	62,126
20	+ Plant Held For Future Use (A/C 105) *	0
21	+ Other Deferred Debits (A/C 186) *	0
22	+ Other Working Capital **	(27,675,744)
23	+ Unamortized Debt Expense (A/C 181+189)	1,298,104
24	- Other Deferred Credits (A/C 253)	56,265,346
25	- Accumulated Deferred FIT	(10,675,831)
26	- Accumulated Deferred ITC	19,864,045
27	Total Unit 2 Net In-Service Investment	----- (67,009,915)
28	Total Net In-Service Investment	----- 146,721,657 =====
29	<u>Net In-Service Investment Ratio:</u>	
30	Unit 1 (Line 14 / Line 28)	145.6700%
31	Unit 2 (Line 27 / Line 28)	-45.6700%
		----- 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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<u>Line No.</u>		<u>UNIT 1 November, 2012</u>
1	<u>Net Capitalization:</u>	
2	Long-Term Debt	65,661,165
3	+ Short-Term Debt	38,683,233
4	+ Preferred Stock	0
5	+ Common Equity	73,189,235
6	- Temporary Cash Investments	0
7	Net Capitalization	----- 177,533,633 =====
8	40% of Net Capitalization	71,013,453
9	<u>Return on Common Equity:</u>	
10	Lesser of Line 5 or Line 8	71,013,453
11	x Equity Return (Monthly Rate)	1.01333%
12	= Equity Return	719,601
13	x Operating Ratio	78.6501%
14	x Net In-Service Investment Ratio	145.6700%
15	= Subtotal	824,444
16	Excess of Line 5 Over Line 8	2,175,782
17	x Weighted Cost of Debt (Monthly Rate)	0.1588%
18	= Return on Equity over 40% of Capitalization	3,455
19	x Operating Ratio	78.6501%
20	x Net In-Service Investment Ratio	145.6700%
21	= Subtotal	3,959
22	Unit 1 Return on Equity (Line 15 + Line 21)	----- 828,403 =====
23	<u>Return on Other Capital:</u>	
24	Long-Term Debt Interest Expense	151,987
25	+ Short-Term Debt Interest Expense (a/c 430)	40,121
26	+ Other Interest Expense (a/c 431)	0
27	- Temporary Cash Investment Income *	0
28	= Net Interest Expense	----- 192,108
29	+ Preferred Stock Dividends (a/c 437)	0
30	= Net Cost of Other Capital	----- 192,108
31	x Operating Ratio	78.6501%
32	x Net In-Service Investment Ratio	145.6700%
33	= Unit 1 Return on Other Capital	----- 220,098 =====
	* 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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**UNIT 1
November, 2012**

**Line
No.**

1	<u>Debt Balances (Prior Month Ending) :</u>	
2	Long-Term Debt (Accts 221 thru 226)	65,661,165
3	+ Short-Term Debt (Accts 231 + 233)	38,683,233
4	+ Other Debt (Accts 132 thru 136 + 145)	0

5	Total Debt Balances (Prior Month Ending)	104,344,398
		=====
6	<u>Weighting of Debt Balances :</u>	
7	Long-Term Debt (LTD bal/Total Debt bal)	62.9274%
8	+ Short-Term Debt (STD bal/Total Debt bal)	37.0726%
9	+ Other Debt	0.0000%

10	Total Debt Balances	100.0000%
		=====
11	<u>Debt Cost Rates :</u>	
12	Long-Term Debt (avg LTD int rate)	2.8240%
13	Short-Term Debt (avg Money Pool STD int rate)	0.4333%
14	Other Debt	0.0000%
15	<u>Weighted Cost of Debt :</u>	
16	Long-Term Debt (LTD % x avg LTD int rate)	1.7770%
17	+ Short-Term Debt (STD % x avg MP STD int rate)	0.1606%
18	+ Other Debt	0.0000%

19	Total Weighted Cost of Debt	1.9376%
		=====

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

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UNIT 1

<u>Line No.</u>		<u>November, 2012</u>
1	<u>Unit 1 Materials and Supplies:</u>	
2	Fuel Stock - Coal (per Line 23)	18,869,884
3	Fuel Stock Expenses - Undistributed (152)	486,493
4	Fuel Stock - Oil (1510002)	1,934,965
5	Plant Materials & Operating Supplies	12,275,560
6	Merchandise	0
7	Undistributed Stores Expense	0
8	Total Materials & Supplies	----- 33,566,902 =====
9	<u>Support of Coal Inventory Value:</u>	
10	Actual Coal Inventory (a/c 151.10)	12,482,564
11	+ Equivalent Inventory re: Deferred Return	18,658,777,445
12	= Imputed Coal Inventory	----- 18,671,260,009 -----
13	<u>Coal Inventory W/68 Day Supply Cap</u>	
14	Tons Consumed - CHANGE ANNUALLY FROM DEC PG 24	1,734,008
15	/ Hours Available * CHG ANNUALLY FROM GADS RPT 511	5182.5
16	= Tons Consumed per Hour	334.59
17	x 24 Hours per Day	24
18	= Tons Consumed Per Day	8030.16
19	x 68 days	68
20	= 68 day Supply (Tons)	546,051
21	x Coal Cost per Ton (per a/c 151.10 at End of Prior Month)	34.557
22	= 68 day Coal Inventory	----- 18,869,884 -----
23	Lesser of Imputed or Capped Coal Inventory	----- 18,869,884 -----
24	Imputed Inventory Minus Line 23	----- 18,652,390,125 =====
25	<u>Accumulated Deferred Inventory Return - Unit 1 (Memo Item):</u>	
26	Beginning Balance	134,394,399
27	+ Current Month Return on Beginning Balance	975,031
28	+ Current Month Deferral	0
29	- Current Month Recovery	44,863
30	= Ending Balance **	----- 135,324,567 =====

* 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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UNIT 1

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>November, 2015</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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UNIT 1

November, 2012

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
1	500,502-509	Steam Power Generation - Operation	567,768
2	501	Fuel - Operation	7,148,268
3	510-515	Steam Power Generating - Maintenance	785,592
4		Total Steam Power Generation Expenses	8,501,629
5	555-557	Other Power Supply Expenses	(22,333)
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 - Operation	197,984
16	935	Administrative and General Expenses - Maintenance	163
17		Total Administrative & General Exp.	198,147
18		Total Operation & Maintenance Expenses	8,677,443

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

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**UNIT 1
November, 2012**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
1	403	Depreciation Expense	1,665,155
2	404	Amortization of Limited-Term Electric Plant	0
3	405	Amortization of Other Electric Plant	0
4	406	Amortization of Electric Plant Acquisition Adjustments	0
5	407	Amortization of Property Losses, Unrecovered Plant and Regulatory Study Costs	0
			<hr/>
6		Total Depreciation Exp. & Amortization	1,665,155
			=====

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

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UNIT 1

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>November, 2012</u>
BS1			
1	408.1	Taxes Other Than Federal Income Taxes, Utility Operating Income	167,201
2	409.1	State Income Taxes	(23,024)
3		Total Taxes Other than FIT	----- 144,177 =====

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

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<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>TOTAL</u>	<u>KPCO SHARE</u>	<u>I&M SHARE</u>
1		<u>Unit 1 Schedule 'M' Adjustments*</u>			
2	N/A	Excess ACRS Over Normalization Base Depreciation	6,500	1,950	4,550
3	N/A	Deferred Purchased Power Costs	0	0	0
4	N/A	Excess Normalization Base Over Book Depreciation	(34,000)	(10,200)	(23,800)
5	N/A	Other Unit 1 Schedule 'M' Adjustments	1,996,477	598,943	1,397,534
6	***	Total Unit 1 Schedule 'M' Adjustments	<u>1,968,977</u>	<u>590,693</u>	<u>1,378,284</u>
7		<u>Unit 1 Deferred Federal Income Tax</u>			
8	410.1	Excess ACRS Over Norm. Base Depr. (Line 2 x FIT Rate * -1)	(611,963)	(183,589)	(428,374)
9	410.1	Deferred Purchased Power Costs (Line 4 x FIT Rate * -1)	0	0	0
10	410.1&411.1	Other Unit 1 Schedule 'M' Adjustments - Clearing Accounts	0	0	0
12	411.1	Feedback of Accumulated DFIT re: ABFUDC - Unit 1 Negative Amount Denotes Reduction.	(77,747)	(23,324)	(54,423)
13	411.1	Feedback of Accumulated DFIT re: Overheads Capitalized - Unit 1	(3,276)	(983)	(2,293)
14	411.1	Feedback of Accumulated DFIT re: Other Schedule 'M' Adj.-Utility	(1,225,924)	(367,777)	(858,147)
15	***	Total Unit 1 Deferred Federal Income Tax	<u>(1,918,909)</u>	<u>(575,673)</u>	<u>(1,343,237)</u>

*** 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
November 2012**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
1		<u>ELECTRIC PLANT IN SERVICE</u>	
2	101	Electric Plant In Service	650,389,059
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	230,089
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	650,619,147
12	105	Plant Held For Future Use	0
13		<u>ACCUMULATED DEPRECIATION</u>	
14	108	Accumulated Provision for Depreciation of Electric Utility Plant	424,632,553
15	110	Accumulated Provision for Depreciation and Amort. of Elec. Utility Plant	0
16	111	Accumulated Provision for Amortization of Electric Utility Plant	541,389
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	425,173,943
20		<u>MATERIAL AND SUPPLIES</u>	
21	151	Fuel Stock	20,804,849
22	152	Fuel Stock Expenses - Undistributed	486,493
23	153	Residuals	0
24	154	Plant Materials and Operating Supplies	12,275,560
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)	33,566,902
29	165	Prepayments	62,126
30	186	Other Deferred Debits	0

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
OTHER WORKING CAPITAL, UNAMORTIZED DEBT EXPENSE
AND OTHER DEFERRED CREDITS**

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<u>Line No.</u>	<u>Account No.</u>	<u>Description *</u>	<u>UNIT 1 November, 2012</u>
1	128	Other Special Funds	0
2	131	Cash	0
3	135	Other Intra Company Adjustments	0
4	143	Accounts Receivable-Miscellaneous	982,673
5	146	Accounts Receivable-Associated Company	19,235,951
6	171	Interest and Dividends Receivable	4,848
7	174	Miscellaneous Current and Accrued Assets	0
8	232	Accounts Payable-General	(921,158)
9	234	Accounts Payable-Associated Company	(14,959,896)
10	236	Taxes Accrued	(4,990,525)
11	237	Interest Accrued	(76,986)
12	238	Dividends Declared	0
13	241	Tax Collections Payable	0
14	242	Misc Current and Accrued Liabilities	(186,383)
15		Total Other Working Capital	(911,476)
			=====
16	181+189	Unamortized Debt Expense	1,298,104
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
November 2012

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
31		<u>ACCUMULATED DEFERRED INCOME TAXES</u>	
32	190	-Accumulated Deferred Income Taxes	1,498,888
33	281	+Accumulated Deferred Income Taxes - Accelerated Amortization Property	0
34	282	+Accumulated Deferred Income Taxes - Other Property	46,567,892
35	283	+Accumulated Deferred Income Taxes - Other	440,859
36		Total Accumulated Deferred Income Taxes (In-Service Portion)	----- 45,509,862 -----
37	255	+Accumulated Deferred Investment Tax Credits	219,426
38	186.50	-Accumulated Deferred Investment Tax Credit	0
39		Total Accumulated Deferred Investment Tax Credits	----- 219,426 -----
40		Total Net In-Service Investment - Unit 1	----- 213,731,572 =====

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

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**UNIT 1
November, 2012**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
		<u>Non-In-Service Investment - CWIP</u>	
1	107	Construction Work In Process	43,494,364
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		<u>ACCUMULATED DEFERRED INCOME TAXES</u>	
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	0
16		Total Accumulated Deferred Income Taxes (CWIP Portion)	----- 0
17		TOTAL NON-IN-SERVICE INVESTMENT - CWIP	----- 43,494,364 =====
		<u>Non-In-Service Investment - Other</u>	
18	105	Plant Held for Future Use	1,034,099
19	186	Other Deferred Debits	1,686,969
20	151.10	Fuel Inventory Over Allowed Level *	(6,387,320)
21		Total Non-In-Service Investment - Other	----- (3,666,252) =====
		* INCLUDES ROCKPORT 1 AND 2	
		UNIT 1	(6,387,320)
		UNIT 2	0
		TOTAL	----- (6,387,320) =====

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
DETAIL OF NET CAPITALIZATION**

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<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
1		<u>COMMON CAPITAL STOCK</u>	
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		<u>OTHER PAID-IN CAPITAL</u>	
12	207	Premium on Capital Stock	0
13	208	Donations Received from Stockholders	69,478,987
14	211	Miscellaneous Paid-In Capital	0
15	213	Discount on Capital Stock	0
16		Total Other Paid-In Capital	69,478,987
17		<u>RETAINED EARNINGS</u>	
18	215	Appropriated Retained Earnings	0
19	215.1	Appropriated Retained Earnings- Amortization Reserve, Federal	0
20	216	Unappropriated Retained Earnings	3,327,248
21		Total Retained Earnings	3,327,248
22		Total Common Equity	73,189,235
23		<u>PREFERED CAPITAL STOCK</u>	
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
November, 2012**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
28		<u>LONG-TERM DEBT</u>	
29	221	Bonds	0
30	222	Reacquired Bonds	0
31	223	Advances from Associated Companies	0
32	224	Other Long-Term Debt	65,661,165
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	----- 65,661,165
		<u>SHORT-TERM DEBT</u>	
36a	231.02	Notes Payable (Short-Term Debt)	0
36b	231.03	Unamortized Discount	0
37	233.00	Notes Payable, Assoc Co(Money Pool)	38,683,233
38		Total Short-Term Debt	----- 38,683,233
39		<u>TEMPORARY CASH INVESTMENTS</u>	
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	----- 177,533,633 =====

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

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**UNIT 1
November, 2012**

Line No.

1	<u>Capitalization Balances (Prior Month Ending) :</u>	
2	Long-Term Debt (Accts 221 thru 226)	65,661,165
3	+ Short-Term Debt (Accts 231 + 233)	38,683,233
4	+ Preferred Stock	0
5	+ Common Equity (Accts 201 thru 216)	73,189,235
6	- Capitalization Offsets	0

7	Total Capitalization Balances	177,533,633 =====
8	<u>Weighting of Capitalization Balances :</u>	
9	Long-Term Debt (LTD/Total Capital)	36.9852%
10	+ Short-Term Debt (STD/Total Capital)	21.7892%
11	+ Preferred Stock	0.0000%
12	+ Common Equity (Common Equity/Total Capital)	41.2256%
13	- Capitalization Offsets	0.0000%

14	Total Capitalization	100.0000% =====
15	<u>Capitalization Cost Rates :</u>	
16	Long-Term Debt (avg LTD int rate)	2.8240%
17	Short-Term Debt (avg money pool STD int rate)	0.4333%
18	Preferred Stock	0.0000%
19	Common Equity (FERC fixed rate)	12.1600%
20	Capitalization Offsets (sum of weighted costs of debt)	1.9376%
21	<u>Rate of Return (Net of Tax) :</u>	
22	Long-Term Debt (LTD % x avg LTD int rate)	1.0444%
23	+ Short-Term Debt (STD % x avg MP STD int rate)	0.0944%
24	+ Preferred Stock	0.0000%
25	+ Common Equity (CE % x FERC fixed rate)	5.0130%
26	- Capitalization Offsets	0.0000%

27	Total Rate of Return (Net of Tax)	6.1518% =====
28	Weighted Net Cost of Debt	1.1388%
	(LTD Rate of Return + STD RR - Cap Offsets RR)	
29	+ Pre-Tax Common Equity (Line 25 / .65)	7.7123%
	(Common Equity Rate of Return grossed up for tax)	-----
30	= Rate of Return (Pre-Tax)	8.8511% =====

A E P GENERATING COMPANY

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

500	SUPERVISION AND ENGINEERING	99,994
501	FUEL	7,148,268
502	STEAM EXPENSES	260,912
503	STEAM FROM OTHER SOURCES	0
504	STEAM TRANSFERRED - CR	0
505	ELECTRIC EXPENSES	89,783
506	MISC. STEAM POWER EXPENSES	116,881
507	RENTS	198
508	OPERATION SUPPLIES AND EXPENSES	0
509	CARRYING CHARGES - ALLOWANCES	0
	TOTAL OPERATION EXPENSE	7,716,036
510	MAINTENANCE SUPER. AND ENGINEERING	99,016
511	MAINTENANCE OF STRUCTURES	21,762
512	MAINTENANCE OF BOILER PLANT	478,603
513	MAINTENANCE OF ELECTRIC PLANT	153,152
514	MAINTENANCE OF MISC. STEAM PLANT	33,061
515	MAINTENANCE NORMALIZING	0
	TOTAL MAINTENANCE EXPENSES	785,592
555	PURCHASED POWER	0
556	SYSTEM CONTROL AND LOAD DISPATCHING	(5,299)
557	OTHER POWER SUPPLY EXPENSES	(17,034)
	TOTAL OTHER SUPPLY EXPENSES	(22,333)

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
 366
 2012
 11
 November, 2012

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	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
	TOTAL SALES EXPENSES	0
920	ADMIN. & GENERAL SALARIES	42,106
921	OFFICE SUPPLIES AND EXPENSES	5,613
922	ADMINISTRATIVE EXPENSES TRANSF - CR	0
923	OUTSIDE SERVICES	45,454
924	PROPERTY INSURANCE	10,853
925	INJURIES AND DAMAGES	793
926	EMPLOYEE PENSIONS AND BENEFITS	93,434
927	FRANCHISE REQUIREMENTS	0
928	REGULATORY COMMISSION	0
929	DUPLICATE CHARGES-CREDIT	0
930	MISCELLANEOUS GENERAL EXPENSES	(305)
931	RENTS	36
933	TRANSPORTATION EXPENSE	0
	TOTAL ADM & GEN EXPENSES OPERATION	197,984
935	MAINTENANCE OF GENERAL PLANT	163
	TOTAL ADM & GEN EXPENSES	198,147
	TOTAL AEG OPERATION & MAINTENANCE EXPENSES	8,677,443
	ACCOUNT 40190 TOTAL FOR CROSS FOOT	8,677,443
	-----DIFFERENCE-----	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
07-Dec-12**

**UNIT 2
POWER BILL - - November, 2012**

IN ACCORDANCE WITH POWER AGREEMENT DATED OCTOBER 1, 1984 (AS AMENDED)
ENERGY DELIVERED FOR THE MONTH OF November, 2012
KWH FOR THE MONTH 308,053,000

<u>SUMMARY</u>	<u>TOTAL</u>
Current Month Bill:	
Return on Common Equity	(182,816)
Return on Other Capital	(48,572)
Total Return	(231,388)
Fuel	6,627,228
Purchased Power	0
Other Operating Revenues	(6,125)
Other Operation and Maintenance Exp	4,735,686
Depreciation Expense	482,717
Taxes Other Than Federal Income Tax	98,404
Federal Income Tax	(29,480)
TOTAL CURRENT UNIT POWER BILL	11,677,041
Prior Month's Adjustment:	
Return on Common Equity & Other Capital	0
Fuel Expense	0
Other Expenses (Includes taxes & interest)	(434,536)
TOTAL PRIOR MONTH'S ADJUSTMENTS	(434,536)
TOTAL UNIT POWER BILL	11,242,505

AMOUNTS WILL BE PAID DIRECT FROM GENERAL FUNDS.

DUE DATE - - December 21, 2012

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**

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

**ESTIMATE
07-Dec-12**

**UNIT 2
POWER BILL - - November, 2012**

IN ACCORDANCE WITH POWER AGREEMENT DATED OCTOBER 1, 1984 (AS AMENDED)
ENERGY DELIVERED FOR THE MONTH OF November, 2012
KWH FOR THE MONTH 132,026,000

<u>SUMMARY</u>	<u>TOTAL</u>
Current Month Bill:	
Return on Common Equity	(78,350)
Return on Other Capital	(20,817)
Total Return	<u>(99,167)</u>
Fuel	2,840,240
Purchased Power	0
Other Operating Revenues	(2,625)
Other Operation and Maintenance Exp	2,029,579
Depreciation Expense	206,878
Taxes Other Than Federal Income Tax	42,173
Federal Income Tax	(12,635)
TOTAL CURRENT UNIT POWER BILL	<u>5,004,443</u> =====
Prior Month's Adjustment:	
Return on Common Equity & Other Capital	0
Fuel Expense	0
Other Expenses (Includes taxes & interest)	(186,230)
TOTAL PRIOR MONTH'S ADJUSTMENTS	<u>(186,230)</u> =====
TOTAL UNIT POWER BILL	<u>4,818,214</u> =====

AMOUNTS WILL BE PAID DIRECT FROM GENERAL FUNDS.

DUE DATE - - December 21, 2012

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
ROCKPORT POWER BILL
SUMMARY OF MONTHLY POWER BILL**

November, 2012 07-Dec-12

	<u>TOTAL UNIT 2 POWER BILL</u>	<u>KPCO SHARE</u>	<u>I&M SHARE</u>
Return on Common Equity	(261,166)	(78,350)	(182,816)
Return on Other Capital	(69,389)	(20,817)	(48,572)
Total Return	(330,555)	(99,167)	(231,388)
+ Fuel	9,467,468	2,840,240	6,627,228
+ Purchased Power	0	0	0
- Other Operating Revenues	(8,750)	(2,625)	(6,125)
+ Other Operation and Maintenance Exp	6,765,265	2,029,579	4,735,686
+ Depreciation Expense	689,595	206,878	482,717
+ Taxes Other Than Federal Income Tax	140,577	42,173	98,404
+ Federal and State Income Tax	(42,115)	(12,635)	(29,480)
= Total Unit 2 Monthly Power Bill	16,681,484	5,004,443	11,677,041
=====			
<u>Determination of Federal Income Tax :</u>			
Total Return (Line 3)	(330,555)	(99,167)	(231,388)
+ Unit 2 Schedule M Adjustments	(589,924)	(176,977)	(412,947)
+ Unit 2 Deferred Federal Income Taxes	270,070	81,021	189,049
- Unit 2 Interest Expense Deduction *	(70,637)	(21,191)	(49,446)
= Subtotal	(579,772)	(173,932)	(405,840)
x Gross-Up (FIT Rate / 1-FIT Rate)	0.538462	0.538462	0.538462
= Unit 2 Current Federal Income Tax	(312,185)	(93,656)	(218,529)
+ Unit 2 Def Fed & State Income Taxes	270,070	81,021	189,049
= Total Unit 2 Fed&State Income Taxes	(42,115)	(12,635)	(29,480)
=====			
<u>Proof of Federal Income Tax :</u>			
Total Unit 2 Monthly Power Bill	16,681,484	5,004,443	11,677,041
- Operation and Maintenance Expenses	16,232,733	4,869,819	11,362,913
- Depreciation Expense	689,595	206,878	482,717
- Taxes Other Than Federal Income Tax	140,577	42,173	98,404
- Unit 2 Interest Expense Deduction *	(70,637)	(21,191)	(49,446)
- Other Operating Revenues	(8,750)	(2,625)	(6,125)
= Pre-Tax Book Income	(302,033)	(90,611)	(211,422)
+ Unit 2 Schedule M Adjustments	(589,924)	(176,977)	(412,947)
= Unit 2 Taxable Income	(891,957)	(267,588)	(624,369)
x Current Federal Income Tax Rate	35%	35%	35%
= Unit 2 Current Federal Income Tax	(312,185)	(93,656)	(218,529)
+ Unit 2 Def Fed & State Income Taxes	270,070	81,021	189,049
= Total Unit 2 Fed&State Income Taxes	(42,115)	(12,635)	(29,480)
=====			

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

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

<u>Line No.</u>		UNIT 2 November, 2012
1	Operating Ratio:	
2	<u>Net In-Service Investment:</u>	
3	Electric Plant In-Service	763,243,291
4	- Accumulated Depreciation	540,218,509
5	+ Materials & Supplies	60,746,484
6	+ Prepayments	124,252
7	+ Plant Held For Future Use (A/C 105) *	0
8	+ Other Deferred Debits (A/C 186) *	0
9	+ Other Working Capital ***	(28,587,220)
10	+ Unamortized Debt Expense (A/C 181+189)	2,596,208
11	- Other Deferred Credits (A/C 253)	56,265,346
12	- Accumulated Deferred FIT	34,834,031
13	- Accumulated Deferred ITC	20,083,471
14	Total Net In-Service Investment	146,721,657
15	<u>Non-In-Service Investment - CWIP :</u>	
16	Construction Work In Progress	43,494,364
17	+ Materials & Supplies	0
18	- Accumulated Deferred FIT	0
19	Total Non-In-Service Investment - CWIP	43,494,364
20	<u>Non-In-Service Investment - Other :</u>	
21	Plant Held for Future Use (A/C 105) **	0
22	+ Other Deferred Debits (A/C 186) **	1,686,969
23	+ Fuel Inventory Over Allowed Level ****	(6,387,320)
24	Total Non-In-Service Investment - Other	(4,700,351)
25	Total Investment (Lines 14+19+24)	185,515,670
26	Operating Ratio (Line 14/Line 25)	79.0886%
27	Non-In-Service Investment-CWIP Ratio (Line 19/Line 25)	23.4451%
28	Non-In-Service Investment-Other Ratio (Line 24/Line 25)	-2.5337%
29	Total Investment	100.0000%
	* 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	

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

**UNIT 2
November, 2012**

<u>Line No.</u>		
1	Net In-Service Investment Ratio:	
2	<u>Unit 2 Net In-Service Investment:</u>	
3	Electric Plant In-Service	112,624,144
4	- Accumulated Depreciation	115,044,567
5	+ Materials & Supplies	27,179,582
6	+ Prepayments	62,126
7	+ Plant Held For Future Use (A/C 105) *	0
8	+ Other Deferred Debits (A/C 186) *	0
9	+ Other Working Capital **	(27,675,744)
10	+ Unamortized Debt Expense (A/C 181+189)	1,298,104
11	- Other Deferred Credits (A/C 253)	56,265,346
12	- Accumulated Deferred FIT	(10,675,831)
13	- Accumulated Deferred ITC	19,864,045
14	Total Unit 2 Net In-Service Investment	(67,009,915)
15	<u>Unit 1 Net In-Service Investment:</u>	
16	Electric Plant In-Service	650,619,147
17	- Accumulated Depreciation	425,173,943
18	+ Materials & Supplies	33,566,902
19	+ Prepayments	62,126
20	+ Plant Held For Future Use (A/C 105) *	0
21	+ Other Deferred Debits (A/C 186) *	0
22	+ Other Working Capital **	(911,476)
23	+ Unamortized Debt Expense (A/C 181+189)	1,298,104
24	- Other Deferred Credits (A/C 253)	0
25	- Accumulated Deferred FIT	45,509,862
26	- Accumulated Deferred ITC	219,426
27	Total Unit 1 Net In-Service Investment	213,731,572
28	Total Net In-Service Investment	146,721,657
29	<u>Net In-Service Investment Ratio:</u>	
30	Unit 2 (Line 14 / Line 28)	-45.6700%
31	Unit 1 (Line 27 / Line 28)	145.6700%
		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**

**Line
No.**

**UNIT 2
November, 2012**

1	Net Capitalization:	
2	Long-Term Debt	65,661,165
3	+ Short-Term Debt	38,683,233
4	+ Preferred Stock	0
5	+ Common Equity	73,189,235
6	- Temporary Cash Investments	0
7	Net Capitalization	177,533,633
		=====
8	40% of Net Capitalization	71,013,453
9	<u>Return on Common Equity:</u>	
10	Lesser of Line 5 or Line 8	71,013,453
11	x Equity Return (Monthly Rate)	1.01333%
12	= Equity Return	719,601
13	x Operating Ratio	79.0886%
14	x Net In-Service Investment Ratio	-45.6700%
15	= Subtotal	(259,918)
16	Excess of Line 5 Over Line 8	2,175,782
17	x Weighted Cost of Debt (Monthly Rate)	0.1588%
18	= Return on Equity over 40% of Capitalization	3,455
19	x Operating Ratio	79.0886%
20	x Net In-Service Investment Ratio	-45.6700%
21	= Subtotal	(1,248)
22	Unit 2 Return on Equity (Line 15 + Line 21)	(261,166)
		=====
23	<u>Return on Other Capital:</u>	
24	Long-Term Debt Interest Expense	151,987
25	+ Short-Term Debt Interest Expense (a/c 430)	40,121
26	+ Other Interest Expense (a/c 431)	0
27	- Temporary Cash Investment Income *	0
28	= Net Interest Expense	192,108
29	+ Preferred Stock Dividends (a/c 437)	0
30	= Net Cost of Other Capital	192,108
31	x Operating Ratio	79.0886%
32	x Net In-Service Investment Ratio	-45.6700%
33	= Unit 2 Return on Other Capital	(69,389)
		=====

* 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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**UNIT 2
November, 2012**

<u>Line No.</u>		
1	Debt Balances (Prior Month Ending) :	
2	Long-Term Debt (Accts 221 thru 226)	65,661,165
3	+ Short-Term Debt (Accts 231 + 233)	38,683,233
4	+ Other Debt (Accts 132 thru 136 + 145)	0
5	Total Debt Balances (Prior Month Ending)	104,344,398
		=====
6	<u>Weighting of Debt Balances :</u>	
7	Long-Term Debt (LTD bal/Total Debt bal)	62.9274%
8	+ Short-Term Debt (STD bal/Total Debt bal)	37.0726%
9	+ Other Debt	0.0000%
10	Total Debt Balances	100.0000%
		=====
11	<u>Debt Cost Rates :</u>	
12	Long-Term Debt (avg LTD int rate)	2.8240%
13	Short-Term Debt (avg Money Pool STD int rate)	0.4333%
14	Other Debt	0.0000%
15	<u>Weighted Cost of Debt :</u>	
16	Long-Term Debt (LTD % x avg LTD int rate)	1.7770%
17	+ Short-Term Debt (STD % x avg MP STD int rate)	0.1606%
18	+ Other Debt	0.0000%
19	Total Weighted Cost of Debt	1.9376%
		=====

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

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UNIT 2

INCLUDE A/C 431 ON PG 5

<u>Line No.</u>		<u>November, 2011</u>
1	Unit 2 Materials and Supplies:	
2	Fuel Stock - Coal (per Line 23)	12,482,564
3	Fuel Stock Expenses - Undistributed (152)	486,493
4	Fuel Stock - Oil (1510002)	1,934,965
5	Plant Materials & Operating Supplies	12,275,560
6	Merchandise	0
7	Undistributed Stores Expense	0
8	Total Materials & Supplies	27,179,582
9	<u>Support of Coal Inventory Value:</u>	=====
10	Actual Coal Inventory (a/c 151.10)	12,482,564
11	+ Equivalent Inventory re: Deferred Return	788,009,115
12	= Imputed Coal Inventory	800,491,679
13	<u>Coal Inventory W/68 Day Supply Cap</u>	
14	Tons Consumed - CHANGE ANNUALLY FROM DEC PG 24	2,831,034
15	/ Hours Available * CHG ANNUALLY FROM GADS RPT 511	8260.6
16	= Tons Consumed per Hour	342.72
17	x 24 Hours per Day	24
18	= Tons Consumed Per Day	8225.28
19	x 68 days	68
20	= 68 day Supply (Tons)	559,319
21	x Coal Cost per Ton (per a/c 151.10 at End of Prior Month)	34.557
22	= 68 day Coal Inventory	19,328,387
23	Lesser of Imputed or Capped Coal Inventory	19,328,387
24	Imputed Inventory Minus Line 23	781,163,292
25	<u>Accumulated Deferred Inventory Return - Unit 2 (Memo Item):</u>	
26	Beginning Balance	5,675,828
27	+ Current Month Return on Beginning Balance	41,178
28	+ Current Month Deferral	48,028
29	- Current Month Recovery	0
30	= Ending Balance **	5,765,034
	* Excludes Forced Outages, Scheduled Outages, and Curtailments	
	** May Not Be Less Than Zero	
	Total Unit 2 Monthly Power Bill with Actual	14,749,119
	Total Unit 2 Monthly Power Bill with 68 Day Capped	14,797,147
	Difference	48,028

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
DETAIL OF OTHER OPERATING REVENUES**

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UNIT 2

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>November, 2012</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	<hr style="width: 100%;"/> (8,750) =====

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

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UNIT 2

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>November, 2012</u>
1	500,502-509	Steam Power Generation - Operation	6,254,924
2	501	Fuel - Operation	9,467,468
3	510-515	Steam Power Generating - Maintenance	327,203
4		Total Steam Power Generation Expenses	16,049,595
5	555-557	Other Power Supply Expenses	(22,333)
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 Expense - Maintenance	0
11		Total Distribution Expense	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	205,306
16	935	Administrative and General Expenses - Maintenance	163
17		Total Administrative & General Exp.	205,470
18		Total Operation & Maintenance Expenses	16,232,733

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

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<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	UNIT 2 <u>November, 2015</u>
1	403	Depreciation Expense *	383,502
2	404	Amortization of Limited-Term Electric Plant **	306,093
3	405	Amortization of Other Electric Plant	0
4	406	Amortization of Electric Plant Acquisition Adjustments	0
5	407	Amortization of Property Losses, Unrecovered Plant and Regulatory Study Costs	0
			<hr/>
6		Total Depreciation Exp. & Amortization	689,595 =====

* 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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**UNIT 2
November, 2014**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
1	408.1	Taxes Other Than Federal Income Taxes, Utility Operating Income	163,601
2	409.1	State Income Taxes	(23,024)
3		Total Taxes Other than Federal Income Taxes	140,577 =====

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

KPSC Case No. 2014-00396
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Attachment 1 **November, 2011**
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<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>TOTAL</u>	<u>KPCO SHARE</u>	<u>I&M SHARE</u>
1		<u>Unit 2 Schedule 'M' Adjustments*</u>			
2	N/A	Excess ACRS Over Normalization Base Depreciation	6,500	1,950	4,550
3	N/A	Deferred Purchased Power Costs	0	0	0
4	N/A	Excess Normalization Base Over Book Depreciation	171,000	51,300	119,700
5	N/A	Other Unit 2 Schedule 'M' Adjustments	(767,424)	(230,227)	(537,197)
6	***	Total Unit 2 Schedule 'M' Adjustments	<u>(589,924)</u>	<u>(176,977)</u>	<u>(412,947)</u>
7		<u>Unit 2 Deferred Federal Income Tax</u>			
8	410.1	Excess ACRS Over Norm. Base Depr. (Line 2 x FIT Rate * -1)	(27,163)	(8,149)	(19,014)
9	410.1	Deferred Purchased Power Costs (Line 4 x FIT Rate * -1)	0	0	0
10	10.1&411.	Other Unit 2 Schedule 'M' Adjustments - Clearing Accounts	0	0	0
12	411.1	Feedback of Accumulated DFIT re: ABFUDC - Unit 2 Negative Amount Denotes Reduction.	(13,050)	(3,915)	(9,135)
13	411.1	Feedback of Accumulated DFIT re: Overheads Capitalized - Unit 2	(230)	(69)	(161)
14	411.1	Feedback of Accumulated DFIT re: Other Schedule 'M' Adj.-Utility	310,512	93,154	217,359
15	***	Total Unit 2 Deferred Federal Income Tax	<u>270,070</u>	<u>81,021</u>	<u>189,049</u>

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

Check Figure on Tax Page for Sch M	(589,924)
Check Figure on Tax Page for DFIT	270,070

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. 2014-00396
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**UNIT 2
November, 2012**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
1		<u>ELECTRIC PLANT IN SERVICE</u>	
2	101	Electric Plant In Service	112,213,022
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	411,121
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	112,624,144
12	105	Plant Held For Future Use	0
13		<u>ACCUMULATED DEPRECIATION</u>	
14	108	Accumulated Provision for Depreciation of Electric Utility Plant	94,967,387
15	110	Accumulated Provision for Depreciation and Amort. of Elec. Utility Plant	0
16	111	Accumulated Provision for Amortization of Electric Utility Plant	20,077,179
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	115,044,567
20		<u>MATERIAL AND SUPPLIES</u>	
21	151	Fuel Stock	14,417,529
22	152	Fuel Stock Expenses - Undistributed	486,493
23	153	Residuals	0
24	154	Plant Materials and Operating Supplies	12,275,560
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)	27,179,582
29	165	Prepayments	62,126
30	186	Other Deferred Debits	0

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
OTHER WORKING CAPITAL, UNAMORTIZED DEBT EXPENSE,
AND OTHER DEFERRED CREDITS**

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<u>Line</u> <u>No.</u>	<u>Account</u> <u>No.</u>	<u>Description *</u>	UNIT 2 November, 2012
1	128	Other Special Funds	0
2	131	Cash	0
3	135	Other Intra Company Adjustments	0
4	143	Accounts Receivable-Miscellaneous	982,673
5	146	Accounts Receivable-Associated Company	19,557,776
6	171	Interest and Dividends Receivable	4,848
7	174	Miscellaneous Current and Accrued Assets	0
8	232	Accounts Payable-General	(921,158)
9	234	Accounts Payable-Associated Company	(14,899,895)
10	236	Taxes Accrued	(2,610,101)
11	237	Interest Accrued	(76,986)
12	238	Dividends Declared	0
13	241	Tax Collections Payable	0
14	242	Misc Current and Accrued Liabilities	(29,712,901)
15		Total Other Working Capital	(27,675,744)
			=====
16	181+189	Unamortized Debt Expense	1,298,104
17	253	Other Deferred Credits	56,265,346

*		debit <credit>	

**AEP GENERATING COMPANY
ROCKPORT POWER BILL**

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

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UNIT 2
November, 2012

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
31		ACCUMULATED DEFERRED INCOME TAXES	
32	190	-Accumulated Deferred Income Taxes	23,024,113
33	281	+Accumulated Deferred Income Taxes - Accelerated Amortization Property	0
34	282	+Accumulated Deferred Income Taxes - Other Property	11,782,543
35	283	+Accumulated Deferred Income Taxes - Other	565,738
36		Total Accumulated Deferred Income Taxes (In-Service Portion)	<u>(10,675,831)</u>
37	255	+Accumulated Deferred Investment Tax Credits	19,864,045
38	186.50	-Accumulated Deferred Investment Tax Credit	0
39		Total Accumulated Deferred Investment Tax Credits	<u>19,864,045</u>
40		Total Net In-Service Investment - Unit 2	<u><u>(67,009,915)</u></u> =====

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

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<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
		<u>Non-In-Service Investment - CWIP</u>	
1	107	Construction Work In Process	43,494,364
2		<u>MATERIAL AND SUPPLIES</u>	
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		<u>ACCUMULATED DEFERRED INCOME TAXES</u>	
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	0
16		Total Accumulated Deferred Income Taxes (CWIP Portion)	0
17		TOTAL NON-IN-SERVICE INVESTMENT - CWIP	43,494,364
		<u>Non-In-Service Investment - Other</u>	
18	105	Plant Held for Future Use	0
19	186	Other Deferred Debits	1,686,969
20	151.10	Fuel Inventory Over Allowed Level *	(6,387,320)
21		Total Non-In-Service Investment - Other	(4,700,351)
		* INCLUDES ROCKPORT 1 AND 2	
		UNIT 1	(6,387,320)
		UNIT 2	0
		TOTAL	(6,387,320)

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
DETAIL OF NET CAPITALIZATION**

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**UNIT 2
November, 2012**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
1		<u>COMMON CAPITAL STOCK</u>	
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		<u>OTHER PAID-IN CAPITAL</u>	
12	207	Premium on Capital Stock	0
13	208	Donations Received from Stockholders	69,478,987
14	211	Miscellaneous Paid-In Capital	0
15	213	Discount on Capital Stock	0
16		Total Other Paid-In Capital	69,478,987
17		<u>RETAINED EARNINGS</u>	
18	215	Appropriated Retained Earnings	0
19	215.1	Appropriated Retained Earnings- Amortization Reserve, Federal	0
20	216	Unappropriated Retained Earnings	3,327,248
21		Total Retained Earnings	3,327,248
22		Total Common Equity	73,189,235
23		<u>PREFERRED CAPITAL STOCK</u>	
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
November, 2012

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
28		<u>LONG-TERM DEBT</u>	
29	221	Bonds	0
30	222	Reacquired Bonds	0
31	223	Advances from Associated Companies	0
32	224	Other Long-Term Debt	65,661,165
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	<u>65,661,165</u>
		<u>SHORT-TERM DEBT</u>	
36a	231.02	Notes Payable (Short-Term Debt)	0
36b	231.03	Unamortized Discount	0
37	233.00	Notes Payable, Assoc Co(Money Pool)	38,683,233
38		Total Short-Term Debt	<u>38,683,233</u>
39		<u>TEMPORARY CASH INVESTMENTS</u>	
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	<u>0</u>
45		NET CAPITALIZATION	<u>177,533,633</u> =====

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

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**UNIT 2
November, 2012**

Line No.

1	Capitalization Balances (Prior Month Ending) :	
2	Long-Term Debt (Accts 221 thru 226)	65,661,165
3	+ Short-Term Debt (Accts 231 + 233)	38,683,233
4	+ Preferred Stock	0
5	+ Common Equity (Accts 201 thru 216)	73,189,235
6	- Capitalization Offsets	0
7	Total Capitalization Balances	177,533,633
		=====
8	<u>Weighting of Capitalization Balances :</u>	
9	Long-Term Debt (LTD/Total Capital)	36.9852%
10	+ Short-Term Debt (STD/Total Capital)	21.7892%
11	+ Preferred Stock	0.0000%
12	+ Common Equity (Common Equity/Total Capital)	41.2256%
13	- Capitalization Offsets	0.0000%
14	Total Capitalization	100.0000%
		=====
15	<u>Capitalization Cost Rates :</u>	
16	Long-Term Debt (avg LTD int rate)	2.8240%
17	Short-Term Debt (avg money pool STD int rate)	0.4333%
18	Preferred Stock	0.0000%
19	Common Equity (FERC fixed rate)	12.1600%
20	Capitalization Offsets (sum of weighted costs of debt)	1.9376%
21	<u>Rate of Return (Net of Tax) :</u>	
22	Long-Term Debt (LTD % x avg LTD int rate)	1.0444%
23	+ Short-Term Debt (STD % x avg MP STD int rate)	0.0944%
24	+ Preferred Stock	0.0000%
25	+ Common Equity (CE % x FERC fixed rate)	5.0130%
26	- Capitalization Offsets	0.0000%
27	Total Rate of Return (Net of Tax)	6.1518%
		=====
28	Weighted Net Cost of Debt (LTD Rate of Return + STD RR - Cap Offsets RR)	1.1388%
29	+ Pre-Tax Common Equity (Line 25 / .65) (Common Equity Rate of Return grossed up for tax)	7.7123%
30	= Rate of Return (Pre-Tax)	8.8511%
		=====

A E P GENERATING COMPANY

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

500	SUPERVISION AND ENGINEERING	105,941
501	FUEL	9,467,468
502	STEAM EXPENSES	300,691
503	STEAM FROM OTHER SOURCES	0
504	STEAM TRANSFERRED - CR	0
505	ELECTRIC EXPENSES	63,154
506	MISC. STEAM POWER EXPENSES	94,687
507	RENTS	5,690,451
508	OPERATION SUPPLIES AND EXPENSES	0
509	CARRYING CHARGES - ALLOWANCES	0
	TOTAL OPERATION EXPENSE	15,722,392
510	MAINTENANCE SUPER. AND ENGINEERING	95,889
511	MAINTENANCE OF STRUCTURES	896
512	MAINTENANCE OF BOILER PLANT	176,556
513	MAINTENANCE OF ELECTRIC PLANT	36,389
514	MAINTENANCE OF MISC. STEAM PLANT	17,473
515	MAINTENANCE NORMALIZING	0
	TOTAL MAINTENANCE EXPENSES	327,203
555	PURCHASED POWER	0
556	SYSTEM CONTROL AND LOAD DISPATCHING	(5,299)
557	OTHER POWER SUPPLY EXPENSES	(17,034)
	TOTAL OTHER SUPPLY EXPENSES	(22,333)

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 >	366
CURRENT YEAR IS	2012
CURRENT MONTH IS	11
THIS BILLING IS FOR MONTH OF	November, 2012

A E P GENERATING COMPANY

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 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	43,559
921	OFFICE SUPPLIES AND EXPENSES	5,614
922	ADMINISTRATIVE EXPENSES TRANSF - CR	0
923	OUTSIDE SERVICES	51,322
924	PROPERTY INSURANCE	10,853
925	INJURIES AND DAMAGES	793
926	EMPLOYEE PENSIONS AND BENEFITS	93,434
927	FRANCHISE REQUIREMENTS	0
928	REGULATORY COMMISSION	0
929	DUPLICATE CHARGES-CREDIT	0
930	MISCELLANEOUS GENERAL EXPENSES	(305)
931	RENTS	36
933	TRANSPORTATION EXPENSE	0
	TOTAL ADM & GEN EXPENSES OPERATION	205,306
935	MAINTENANCE OF GENERAL PLANT	163
	TOTAL ADM & GEN EXPENSES	205,470
	TOTAL AEG OPERATION & MAINTENANCE EXPENSES	16,232,733
	ACCOUNT 40190 TOTAL FOR CROSS FOOT	16,232,733
	————DIFFERENCE————	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
07-Jan-13

UNIT 1
POWER BILL - - December, 2012

IN ACCORDANCE WITH POWER AGREEMENT DATED OCTOBER 1, 1984 (AS AMENDED)
 ENERGY DELIVERED FOR THE MONTH OF December, 2012
 KWH FOR THE MONTH 328,594,000

	<u>SUMMARY</u>	<u>TOTAL</u>
Current Month Bill:		
Return on Common Equity		577,649
Return on Other Capital		191,170
Total Return		----- 768,819
Fuel		7,501,033
Purchased Power		0
Other Operating Revenues		(6,125)
Other Operation and Maintenance Exp		1,357,051
Depreciation Expense		1,166,089
Taxes Other Than Federal Income Tax		106,509
Federal Income Tax		51,661
TOTAL UNIT POWER BILL		----- 10,945,037 -----

Prior Month's Adjustment:		
Return on Common Equity & Other Capital		0
Fuel		0
Other Expenses (Includes taxes & interest)		(454,028)
TOTAL PRIOR MONTH'S ADJUSTMENTS		----- (454,028) -----

	=====
TOTAL UNIT POWER BILL	10,491,009
	=====

AMOUNTS WILL BE PAID DIRECT FROM GENERAL FUNDS.

DUE DATE - - - December 21, 2012

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

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-Jan-13

UNIT 1
POWER BILL - - December, 2012

IN ACCORDANCE WITH POWER AGREEMENT DATED OCTOBER 1, 1984 (AS AMENDED)
 ENERGY DELIVERED FOR THE MONTH OF December, 2012
 KWH FOR THE MONTH 140,844,000

	<u>SUMMARY</u>	<u>TOTAL</u>
Current Month Bill:		
Return on Common Equity		247,564
Return on Other Capital		81,930
Total Return		----- 329,494
Fuel		3,214,728
Purchased Power		0
Other Operating Revenues		(2,625)
Other Operation and Maintenance Exp		581,593
Depreciation Expense		499,752
Taxes Other Than Federal Income Tax		45,647
Federal Income Tax		22,139
TOTAL CURRENT UNIT POWER BILL		----- 4,690,728 -----
Prior Month's Adjustment:		
Return on Common Equity & Other Capital		0
Fuel Expense		0
Other Expenses (Includes taxes & interest)		(194,582)
TOTAL PRIOR MONTH'S ADJUSTMENTS		----- (194,582) -----
TOTAL UNIT POWER BILL		=====
		4,496,146
		=====

AMOUNTS WILL BE PAID DIRECT FROM GENERAL FUNDS.

DUE DATE - - - December 21, 2012

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

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
SUMMARY OF MONTHLY POWER BILL**

December, 2012

	<u>TOTAL UNIT 1 POWER BILL</u>	<u>KPCO SHARE</u>	<u>I&M SHARE</u>
Return on Common Equity	825,213	247,564	577,649
Return on Other Capital	273,100	81,930	191,170
Total Return	1,098,313	329,494	768,819
+ Fuel	10,715,761	3,214,728	7,501,033
+ Purchased Power	0	0	0
- Other Operating Revenues	(8,750)	(2,625)	(6,125)
+ Other Operation and Maintenance Exp	1,938,644	581,593	1,357,051
+ Depreciation Expense	1,665,841	499,752	1,166,089
+ Taxes Other Than Federal Income Tax	152,156	45,647	106,509
+ Federal and State Income Tax	73,800	22,139	51,661
= Total Unit 1 Monthly Power Bill	15,635,765	4,690,728	10,945,037
<u>Determination of Federal Income Tax :</u>			
Total Return (Line 3)	1,098,313	329,494	768,819
+ Unit 1 Schedule M Adjustments	1,077,544	323,263	754,281
+ Unit 1 Deferred Federal Income Taxes	(614,645)	(184,394)	(430,251)
- Unit 1 Interest Expense Deduction *	282,670	84,801	197,869
= Subtotal	1,278,542	383,562	894,980
x Gross-Up (FIT Rate / 1-FIT Rate)	0.538462	0.538462	0.538462
= Unit 1 Current Federal Income Tax	688,445	206,533	481,912
+ Unit 1 Def Fed & State Income Taxes	(614,645)	(184,394)	(430,251)
= Total Unit 1 Fed&State Income Taxes	73,800	22,139	51,661
<u>Proof of Federal Income Tax :</u>			
Total Unit 1 Monthly Power Bill	15,635,765	4,690,728	10,945,037
- Operation and Maintenance Expenses	12,654,405	3,796,321	8,858,084
- Depreciation Expense	1,665,841	499,752	1,166,089
- Taxes Other Than Federal Income Tax	152,156	45,647	106,509
- Unit 1 Interest Expense Deduction *	282,670	84,801	197,869
- Other Operating Revenues	(8,750)	(2,625)	(6,125)
= Pre-Tax Book Income	889,443	266,832	622,611
+ Unit 1 Schedule M Adjustments	1,077,544	323,263	754,281
= Unit 1 Taxable Income	1,966,987	590,095	1,376,892
x Current Federal Income Tax Rate	35%	35%	35%
= Unit 1 Current Federal Income Tax	688,445	206,533	481,912
+ Unit 1 Def Fed & State Income Taxes	(614,645)	(184,394)	(430,251)
= Total Unit 1 Fed&State Income Taxes	73,800	22,139	51,661

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

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<u>Line No.</u>		<u>UNIT 1 December, 2012</u>
1	<u>Operating Ratio:</u>	
2	<u>Net In-Service Investment:</u>	
3	Electric Plant In-Service	763,403,201
4	- Accumulated Depreciation	542,135,707
5	+ Materials & Supplies	61,823,071
6	+ Prepayments	107,621
7	+ Plant Held For Future Use (A/C 105) *	0
8	+ Other Deferred Debits (A/C 186) *	0
9	+ Other Working Capital ***	(40,920,185)
10	+ Unamortized Debt Expense (A/C 181+189)	303,510
11	- Other Deferred Credits (A/C 253)	55,801,100
12	- Accumulated Deferred FIT	31,554,246
13	- Accumulated Deferred ITC	19,809,930
14	Total Net In-Service Investment	----- 135,416,235 -----
15	<u>Non-In-Service Investment - CWIP :</u>	
16	Construction Work In Progress	48,672,021
17	+ Materials & Supplies	0
18	- Accumulated Deferred FIT	0
19	Total Non-In-Service Investment - CWIP	----- 48,672,021 -----
20	<u>Non-In-Service Investment - Other :</u>	
21	Plant Held for Future Use (A/C 105) **	1,034,099
22	+ Other Deferred Debits (A/C 186) **	1,394,777
23	+ Fuel Inventory Over Allowed Level ****	(4,507,279)
24	Total Non-In-Service Investment - Other	----- (2,078,402) -----
25	Total Investment (Lines 14+19+24)	----- 182,009,853 =====
26	Operating Ratio (Line 14/Line 25)	74.4005%
27	Non-In-Service Investment-CWIP Ratio (Line 19/Line 25)	26.7414%
28	Non-In-Service Investment-Other Ratio (Line 24/Line 25)	-1.1419%
29	Total Investment	----- 100.0000% =====
*	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	
****	Includes Rockport 1 and 2	

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

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<u>Line No.</u>		<u>UNIT 1</u> <u>December, 2012</u>
1	<u>Net In-Service Investment Ratio:</u>	
2	Unit 1 Net In-Service Investment:	
3	Electric Plant In-Service	650,788,022
4	- Accumulated Depreciation	426,587,332
5	+ Materials & Supplies	34,105,195
6	+ Prepayments	53,811
7	+ Plant Held For Future Use (A/C 105) *	0
8	+ Other Deferred Debits (A/C 186) *	0
9	+ Other Working Capital **	(4,000,709)
10	+ Unamortized Debt Expense (A/C 181+189)	151,755
11	- Other Deferred Credits (A/C 253)	0
12	- Accumulated Deferred FIT	41,334,457
13	- Accumulated Deferred ITC	110,050
14	Total Unit 1 Net In-Service Investment	213,066,235
15	Unit 2 Net In-Service Investment:	
16	Electric Plant In-Service	112,615,179
17	- Accumulated Depreciation	115,548,375
18	+ Materials & Supplies	27,717,875
19	+ Prepayments	53,811
20	+ Plant Held For Future Use (A/C 105) *	0
21	+ Other Deferred Debits (A/C 186) *	0
22	+ Other Working Capital **	(36,919,476)
23	+ Unamortized Debt Expense (A/C 181+189)	151,755
24	- Other Deferred Credits (A/C 253)	55,801,100
25	- Accumulated Deferred FIT	(9,780,211)
26	- Accumulated Deferred ITC	19,699,880
27	Total Unit 2 Net In-Service Investment	(77,650,000)
28	Total Net In-Service Investment	135,416,235
29	<u>Net In-Service Investment Ratio:</u>	
30	Unit 1 (Line 14 / Line 28)	157.3400%
31	Unit 2 (Line 27 / Line 28)	-57.3400%
		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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<u>Line No.</u>		<u>UNIT 1 December, 2012</u>
1	<u>Net Capitalization:</u>	
2	Long-Term Debt	65,661,165
3	+ Short-Term Debt	32,499,480
4	+ Preferred Stock	0
5	+ Common Equity	73,738,717
6	- Temporary Cash Investments	0
7	Net Capitalization	----- 171,899,362 =====
8	40% of Net Capitalization	68,759,745
9	<u>Return on Common Equity:</u>	
10	Lesser of Line 5 or Line 8	68,759,745
11	x Equity Return (Monthly Rate)	1.01333%
12	= Equity Return	696,763
13	x Operating Ratio	74.4005%
14	x Net In-Service Investment Ratio	157.3400%
15	= Subtotal	815,643
16	Excess of Line 5 Over Line 8	4,978,972
17	x Weighted Cost of Debt (Monthly Rate)	0.1642%
18	= Return on Equity over 40% of Capitalization	8,175
19	x Operating Ratio	74.4005%
20	x Net In-Service Investment Ratio	157.3400%
21	= Subtotal	9,570
22	Unit 1 Return on Equity (Line 15 + Line 21)	----- 825,213 =====
23	<u>Return on Other Capital:</u>	
24	Long-Term Debt Interest Expense	149,969
25	+ Short-Term Debt Interest Expense (a/c 430)	83,327
26	+ Other Interest Expense (a/c 431)	0
27	- Temporary Cash Investment Income *	0
28	= Net Interest Expense	----- 233,296
29	+ Preferred Stock Dividends (a/c 437)	0
30	= Net Cost of Other Capital	----- 233,296
31	x Operating Ratio	74.4005%
32	x Net In-Service Investment Ratio	157.3400%
33	= Unit 1 Return on Other Capital	----- 273,100 =====
	* Line 6 x Line 19 from Pg 6 of 18	

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

<u>Line No.</u>	<u>UNIT 1 December, 2012</u>	
1	<u>Debt Balances (Prior Month Ending) :</u>	
2	Long-Term Debt (Accts 221 thru 226)	65,661,165
3	+ Short-Term Debt (Accts 231 + 233)	32,499,480
4	+ Other Debt (Accts 132 thru 136 + 145)	0

5	Total Debt Balances (Prior Month Ending)	98,160,645
		=====
6	<u>Weighting of Debt Balances :</u>	
7	Long-Term Debt (LTD bal/Total Debt bal)	66.8915%
8	+ Short-Term Debt (STD bal/Total Debt bal)	33.1085%
9	+ Other Debt	0.0000%

10	Total Debt Balances	100.0000%
		=====
11	<u>Debt Cost Rates :</u>	
12	Long-Term Debt (avg LTD int rate)	2.7865%
13	Short-Term Debt (avg Money Pool STD int rate)	0.4221%
14	Other Debt	0.0000%
15	<u>Weighted Cost of Debt :</u>	
16	Long-Term Debt (LTD % x avg LTD int rate)	1.8639%
17	+ Short-Term Debt (STD % x avg MP STD int rate)	0.1398%
18	+ Other Debt	0.0000%

19	Total Weighted Cost of Debt	2.0037%
		=====

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

<u>Line No.</u>		<u>December, 2012</u>
1	<u>Unit 1 Materials and Supplies:</u>	
2	Fuel Stock - Coal (per Line 23)	18,869,884
3	Fuel Stock Expenses - Undistributed (152)	687,287
4	Fuel Stock - Oil (1510002)	2,249,220
5	Plant Materials & Operating Supplies	12,298,804
6	Merchandise	0
7	Undistributed Stores Expense	0
8	Total Materials & Supplies	34,105,195
9	<u>Support of Coal Inventory Value:</u>	
10	Actual Coal Inventory (a/c 151.10)	14,362,605
11	+ Equivalent Inventory re: Deferred Return	18,016,320,300
12	= Imputed Coal Inventory	18,030,682,905
13	<u>Coal Inventory W/68 Day Supply Cap</u>	
14	Tons Consumed - CHANGE ANNUALLY FROM DEC PG 24	1,734,008
15	/ Hours Available * CHG ANNUALLY FROM GADS RPT 511	5182.5
16	= Tons Consumed per Hour	334.59
17	x 24 Hours per Day	24
18	= Tons Consumed Per Day	8030.16
19	x 68 days	68
20	= 68 day Supply (Tons)	546,051
21	x Coal Cost per Ton (per a/c 151.10 at End of Prior Month)	42.135
22	= 68 day Coal Inventory	23,007,859
23	Lesser of Imputed or Capped Coal Inventory	23,007,859
24	Imputed Inventory Minus Line 23	18,007,675,046
25	<u>Accumulated Deferred Inventory Return - Unit 1 (Memo Item):</u>	
26	Beginning Balance	134,394,399
27	+ Current Month Return on Beginning Balance	1,010,062
28	+ Current Month Deferral	0
29	- Current Month Recovery	44,863
30	= Ending Balance **	135,359,598

* 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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UNIT 1

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>December, 2012</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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UNIT 1

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>December, 2012</u>
1	500,502-509	Steam Power Generation - Operation	650,245
2	501	Fuel - Operation	10,715,761
3	510-515	Steam Power Generating - Maintenance	1,004,038
4		Total Steam Power Generation Expenses	12,370,044
5	555-557	Other Power Supply Expenses	(5,177)
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 - Operation	289,033
16	935	Administrative and General Expenses - Maintenance	505
17		Total Administrative & General Exp.	289,538
18		Total Operation & Maintenance Expenses	12,654,405

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

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			UNIT 1
			<u>December, 2012</u>
<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
1	403	Depreciation Expense	1,665,841
2	404	Amortization of Limited-Term Electric Plant	0
3	405	Amortization of Other Electric Plant	0
4	406	Amortization of Electric Plant Acquisition Adjustments	0
5	407	Amortization of Property Losses, Unrecovered Plant and Regulatory Study Costs	0
			<hr/>
6		Total Depreciation Exp. & Amortization	1,665,841
			<hr/> <hr/> <hr/>

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

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UNIT 1

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>December, 2012</u>
BS1			
1	408.1	Taxes Other Than Federal Income Taxes, Utility Operating Income	164,071
2	409.1	State Income Taxes	(11,915)
3		Total Taxes Other than FIT	----- 152,156 =====

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

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<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>TOTAL</u>	<u>KPCO SHARE</u>	<u>I&M SHARE</u>
1		<u>Unit 1 Schedule `M' Adjustments*</u>			
2	N/A	Excess ACRS Over Normalization Base Depreciation	(3,500)	(1,050)	(2,450)
3	N/A	Deferred Purchased Power Costs	0	0	0
4	N/A	Excess Normalization Base Over Book Depreciation	(19,000)	(5,700)	(13,300)
5	N/A	Other Unit 1 Schedule `M' Adjustments	1,100,044	330,013	770,031
6	***	Total Unit 1 Schedule `M' Adjustments	1,077,544	323,263	754,281
			=====	=====	=====
7		<u>Unit 1 Deferred Federal Income Tax</u>			
8	410.1	Excess ACRS Over Norm. Base Depr. (Line 2 x FIT Rate * -1)	(416,433)	(124,930)	(291,503)
9	410.1	Deferred Purchased Power Costs (Line 4 x FIT Rate * -1)	0	0	0
10	410.1&411.1	Other Unit 1 Schedule `M' Adjustments - Clearing Accounts	0	0	0
12	411.1	Feedback of Accumulated DFIT re: ABFUDC - Unit 1 Negative Amount Denotes Reduction.	(77,741)	(23,322)	(54,419)
13	411.1	Feedback of Accumulated DFIT re: Overheads Capitalized - Unit 1	(3,275)	(983)	(2,292)
14	411.1	Feedback of Accumulated DFIT re: Other Schedule `M' Adj.-Utility	(117,196)	(35,159)	(82,037)
			-----	-----	-----
15	***	Total Unit 1 Deferred Federal Income Tax	(614,645)	(184,394)	(430,251)
			=====	=====	=====

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

=====

=====

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

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**UNIT 1
December, 2012**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
1		<u>ELECTRIC PLANT IN SERVICE</u>	
2	101	Electric Plant In Service	650,129,487
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	658,535
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	650,788,022
12	105	Plant Held For Future Use	0
13		<u>ACCUMULATED DEPRECIATION</u>	
14	108	Accumulated Provision for Depreciation of Electric Utility Plant	426,135,943
15	110	Accumulated Provision for Depreciation and Amort. of Elec. Utility Plant	0
16	111	Accumulated Provision for Amortization of Electric Utility Plant	451,389
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	426,587,332
20		<u>MATERIAL AND SUPPLIES</u>	
21	151	Fuel Stock	21,119,104
22	152	Fuel Stock Expenses - Undistributed	687,287
23	153	Residuals	0
24	154	Plant Materials and Operating Supplies	12,298,804
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)	34,105,195
29	165	Prepayments	53,811
30	186	Other Deferred Debits	0

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
OTHER WORKING CAPITAL, UNAMORTIZED DEBT EXPENSE,
AND OTHER DEFERRED CREDITS**

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			UNIT 1
			<u>December, 2012</u>
<u>Line</u>	<u>Account</u>	<u>Description *</u>	
<u>No.</u>	<u>No.</u>		
1	128	Other Special Funds	0
2	131	Cash	0
3	135	Other Intra Company Adjustments	0
4	143	Accounts Receivable-Miscellaneous	982,673
5	146	Accounts Receivable-Associated Company	12,818,676
6	171	Interest and Dividends Receivable	4,848
7	174	Miscellaneous Current and Accrued Assets	0
8	232	Accounts Payable-General	(24,820)
9	234	Accounts Payable-Associated Company	(13,568,962)
10	236	Taxes Accrued	(4,034,138)
11	237	Interest Accrued	(131,160)
12	238	Dividends Declared	0
13	241	Tax Collections Payable	0
14	242	Misc Current and Accrued Liabilities	(47,825)
15		Total Other Working Capital	(4,000,709)
			=====
16	181+189	Unamortized Debt Expense	151,755
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
December, 2012**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
31		<u>ACCUMULATED DEFERRED INCOME TAXES</u>	
32	190	-Accumulated Deferred Income Taxes	1,316,311
33	281	+Accumulated Deferred Income Taxes - Accelerated Amortization Property	0
34	282	+Accumulated Deferred Income Taxes - Other Property	42,236,476
35	283	+Accumulated Deferred Income Taxes - Other	414,292
36		Total Accumulated Deferred Income Taxes (In-Service Portion)	----- 41,334,457 -----
37	255	+Accumulated Deferred Investment Tax Credits	110,050
38	186.50	-Accumulated Deferred Investment Tax Credit	0
39		Total Accumulated Deferred Investment Tax Credits	----- 110,050 -----
40		Total Net In-Service Investment - Unit 1	----- 213,066,235 =====

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

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**UNIT 1
December, 2012**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
		<u>Non-In-Service Investment - CWIP</u>	
1	107	Construction Work In Process	48,672,021
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		<u>ACCUMULATED DEFERRED INCOME TAXES</u>	
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	0
16		Total Accumulated Deferred Income Taxes (CWIP Portion)	----- 0
17		TOTAL NON-IN-SERVICE INVESTMENT - CWIP	----- 48,672,021 =====
		<u>Non-In-Service Investment - Other</u>	
18	105	Plant Held for Future Use	1,034,099
19	186	Other Deferred Debits	1,394,777
20	151.10	Fuel Inventory Over Allowed Level *	(4,507,279)
21		Total Non-In-Service Investment - Other	----- (2,078,402) =====
		* INCLUDES ROCKPORT 1 AND 2	
		UNIT 1	(4,507,279)
		UNIT 2	0
		TOTAL	----- (4,507,279) =====

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
DETAIL OF NET CAPITALIZATION**

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**UNIT 1
December, 2012**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
1		<u>COMMON CAPITAL STOCK</u>	
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		<u>OTHER PAID-IN CAPITAL</u>	
12	207	Premium on Capital Stock	0
13	208	Donations Received from Stockholders	69,478,987
14	211	Miscellaneous Paid-In Capital	0
15	213	Discount on Capital Stock	0
16		Total Other Paid-In Capital	69,478,987
17		<u>RETAINED EARNINGS</u>	
18	215	Appropriated Retained Earnings	0
19	215.1	Appropriated Retained Earnings- Amortization Reserve, Federal	0
20	216	Unappropriated Retained Earnings	3,876,730
21		Total Retained Earnings	3,876,730
22		Total Common Equity	73,738,717
23		<u>PREFERRED CAPITAL STOCK</u>	
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
December, 2012**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
28		<u>LONG-TERM DEBT</u>	
29	221	Bonds	0
30	222	Reacquired Bonds	0
31	223	Advances from Associated Companies	0
32	224	Other Long-Term Debt	65,661,165
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	----- 65,661,165
		<u>SHORT-TERM DEBT</u>	
36a	231.02	Notes Payable (Short-Term Debt)	0
36b	231.03	Unamortized Discount	0
37	233.00	Notes Payable, Assoc Co(Money Pool)	32,499,480
38		Total Short-Term Debt	----- 32,499,480
39		<u>TEMPORARY CASH INVESTMENTS</u>	
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	----- 171,899,362 =====

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

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**UNIT 1
December, 2012**

Line No.

1	<u>Capitalization Balances (Prior Month Ending) :</u>	
2	Long-Term Debt (Accts 221 thru 226)	65,661,165
3	+ Short-Term Debt (Accts 231 + 233)	32,499,480
4	+ Preferred Stock	0
5	+ Common Equity (Accts 201 thru 216)	73,738,717
6	- Capitalization Offsets	0

7	Total Capitalization Balances	171,899,362
		=====
8	<u>Weighting of Capitalization Balances :</u>	
9	Long-Term Debt (LTD/Total Capital)	38.1974%
10	+ Short-Term Debt (STD/Total Capital)	18.9061%
11	+ Preferred Stock	0.0000%
12	+ Common Equity (Common Equity/Total Capital)	42.8964%
13	- Capitalization Offsets	-0.0001%

14	Total Capitalization	100.0000%
		=====
15	<u>Capitalization Cost Rates :</u>	
16	Long-Term Debt (avg LTD int rate)	2.7865%
17	Short-Term Debt (avg money pool STD int rate)	0.4221%
18	Preferred Stock	0.0000%
19	Common Equity (FERC fixed rate)	12.1600%
20	Capitalization Offsets (sum of weighted costs of debt)	2.0037%
21	<u>Rate of Return (Net of Tax) :</u>	
22	Long-Term Debt (LTD % x avg LTD int rate)	1.0644%
23	+ Short-Term Debt (STD % x avg MP STD int rate)	0.0798%
24	+ Preferred Stock	0.0000%
25	+ Common Equity (CE % x FERC fixed rate)	5.2162%
26	- Capitalization Offsets	0.0000%

27	Total Rate of Return (Net of Tax)	6.3604%
		=====
28	Weighted Net Cost of Debt	1.1442%
	(LTD Rate of Return + STD RR - Cap Offsets RR)	
29	+ Pre-Tax Common Equity (Line 25 / .65)	8.0249%
	(Common Equity Rate of Return grossed up for tax)	

30	= Rate of Return (Pre-Tax)	9.1691%
		=====

A E P GENERATING COMPANY

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

500	SUPERVISION AND ENGINEERING	163,834
501	FUEL	10,715,761
502	STEAM EXPENSES	283,191
503	STEAM FROM OTHER SOURCES	0
504	STEAM TRANSFERRED - CR	0
505	ELECTRIC EXPENSES	65,582
506	MISC. STEAM POWER EXPENSES	137,442
507	RENTS	198
508	OPERATION SUPPLIES AND EXPENSES	0
509	CARRYING CHARGES - ALLOWANCES	0

TOTAL OPERATION EXPENSE 11,366,007

510	MAINTENANCE SUPER. AND ENGINEERING	109,602
511	MAINTENANCE OF STRUCTURES	110,137
512	MAINTENANCE OF BOILER PLANT	610,217
513	MAINTENANCE OF ELECTRIC PLANT	101,133
514	MAINTENANCE OF MISC. STEAM PLANT	72,948
515	MAINTENANCE NORMALIZING	0

TOTAL MAINTENANCE EXPENSES 1,004,038

555	PURCHASED POWER	0
556	SYSTEM CONTROL AND LOAD DISPATCHING	(1,326)
557	OTHER POWER SUPPLY EXPENSES	(3,852)

TOTAL OTHER SUPPLY EXPENSES (5,177)

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	366
CURRENT YEAR IS	2012
CURRENT MONTH IS	12
THIS BILLING IS FOR MONTH OF	December, 2012

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	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
	TOTAL SALES EXPENSES	0
920	ADMIN. & GENERAL SALARIES	56,467
921	OFFICE SUPPLIES AND EXPENSES	(556)
922	ADMINISTRATIVE EXPENSES TRANSF - CR	0
923	OUTSIDE SERVICES	111,071
924	PROPERTY INSURANCE	10,862
925	INJURIES AND DAMAGES	1,122
926	EMPLOYEE PENSIONS AND BENEFITS	94,552
927	FRANCHISE REQUIREMENTS	0
928	REGULATORY COMMISSION	0
929	DUPLICATE CHARGES-CREDIT	0
930	MISCELLANEOUS GENERAL EXPENSES	15,472
931	RENTS	42
933	TRANSPORTATION EXPENSE	0
	TOTAL ADM & GEN EXPENSES OPERATION	289,033
935	MAINTENANCE OF GENERAL PLANT	505
	TOTAL ADM & GEN EXPENSES	289,538
	TOTAL AEG OPERATION & MAINTENANCE EXPENSES	12,654,405
	ACCOUNT 40190 TOTAL FOR CROSS FOOT	12,654,405
	-----DIFFERENCE-----	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
07-Jan-13**

**UNIT 2
POWER BILL - - December, 2012**

IN ACCORDANCE WITH POWER AGREEMENT DATED OCTOBER 1, 1984 (AS AMENDED)
ENERGY DELIVERED FOR THE MONTH OF December, 2012
KWH FOR THE MONTH 297,024,000

<u>SUMMARY</u>	<u>TOTAL</u>
Current Month Bill:	
Return on Common Equity	(209,541)
Return on Other Capital	(69,346)
Total Return	<hr/> (278,887)
Fuel	6,866,866
Purchased Power	0
Other Operating Revenues	(6,125)
Other Operation and Maintenance Exp	5,065,909
Depreciation Expense	483,946
Taxes Other Than Federal Income Tax	103,989
Federal Income Tax	(72,088)
 TOTAL CURRENT UNIT POWER BILL	 <hr/> <hr/> 12,163,610
Prior Month's Adjustment:	
Return on Common Equity & Other Capital	0
Fuel Expense	0
Other Expenses (Includes taxes & interest)	(454,061)
 TOTAL PRIOR MONTH'S ADJUSTMENTS	 <hr/> <hr/> (454,061)

=====

TOTAL UNIT POWER BILL 11,709,549

=====

AMOUNTS WILL BE PAID DIRECT FROM GENERAL FUNDS.

DUE DATE - - December 21, 2012

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**

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

**ESTIMATE
 07-Jan-13**

**UNIT 2
POWER BILL - - December, 2012**

IN ACCORDANCE WITH POWER AGREEMENT DATED OCTOBER 1, 1984 (AS AMENDED)
 ENERGY DELIVERED FOR THE MONTH OF December, 2012
 KWH FOR THE MONTH 127,290,000

<u>SUMMARY</u>	<u>TOTAL</u>
Current Month Bill:	
Return on Common Equity	(89,804)
Return on Other Capital	(29,720)
Total Return	<u>(119,524)</u>
Fuel	2,942,943
Purchased Power	0
Other Operating Revenues	(2,625)
Other Operation and Maintenance Exp	2,171,103
Depreciation Expense	207,405
Taxes Other Than Federal Income Tax	44,567
Federal Income Tax	(30,896)
TOTAL CURRENT UNIT POWER BILL	<u>5,212,973</u> =====
Prior Month's Adjustment:	
Return on Common Equity & Other Capital	0
Fuel Expense	0
Other Expenses (Includes taxes & interest)	(194,597)
TOTAL PRIOR MONTH'S ADJUSTMENTS	<u>(194,597)</u> =====
TOTAL UNIT POWER BILL	<u>5,018,376</u> =====

AMOUNTS WILL BE PAID DIRECT FROM GENERAL FUNDS.

DUE DATE - - December 21, 2012

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
ROCKPORT POWER BILL
SUMMARY OF MONTHLY POWER BILL**

December, 2012

	TOTAL UNIT 2 POWER BILL	KPCO SHARE	I&M SHARE
Return on Common Equity	(299,345)	(89,804)	(209,541)
Return on Other Capital	(99,066)	(29,720)	(69,346)
Total Return	(398,411)	(119,524)	(278,887)
+ Fuel	9,809,809	2,942,943	6,866,866
+ Purchased Power	0	0	0
- Other Operating Revenues	(8,750)	(2,625)	(6,125)
+ Other Operation and Maintenance Exp	7,237,012	2,171,103	5,065,909
+ Depreciation Expense	691,351	207,405	483,946
+ Taxes Other Than Federal Income Tax	148,556	44,567	103,989
+ Federal and State Income Tax	(102,985)	(30,896)	(72,088)
= Total Unit 2 Monthly Power Bill	17,376,582	5,212,973	12,163,610

Determination of Federal Income Tax :

Total Return (Line 3)	(398,411)	(119,524)	(278,887)
+ Unit 2 Schedule M Adjustments	(262,942)	(78,882)	(184,059)
+ Unit 2 Deferred Federal Income Taxes	128,645	38,593	90,051
- Unit 2 Interest Expense Deduction *	(102,538)	(30,761)	(71,777)
= Subtotal	(430,170)	(129,052)	(301,117)
x Gross-Up (FIT Rate / 1-FIT Rate)	0.538462	0.538462	0.538462
= Unit 2 Current Federal Income Tax	(231,630)	(69,490)	(162,140)
+ Unit 2 Def Fed & State Income Taxes	128,645	38,593	90,051
= Total Unit 2 Fed&State Income Taxes	(102,985)	(30,896)	(72,088)

Proof of Federal Income Tax :

Total Unit 2 Monthly Power Bill	17,376,582	5,212,973	12,163,610
- Operation and Maintenance Expenses	17,046,820	5,114,046	11,932,775
- Depreciation Expense	691,351	207,405	483,946
- Taxes Other Than Federal Income Tax	148,556	44,567	103,989
- Unit 2 Interest Expense Deduction *	(102,538)	(30,761)	(71,777)
- Other Operating Revenues	(8,750)	(2,625)	(6,125)
= Pre-Tax Book Income	(398,858)	(119,659)	(279,198)
+ Unit 2 Schedule M Adjustments	(262,942)	(78,882)	(184,059)
= Unit 2 Taxable Income	(661,800)	(198,541)	(463,257)
x Current Federal Income Tax Rate	35%	35%	35%
= Unit 2 Current Federal Income Tax	(231,630)	(69,490)	(162,140)
+ Unit 2 Def Fed & State Income Taxes	128,645	38,593	90,051
= Total Unit 2 Fed&State Income Taxes	(102,985)	(30,897)	(72,089)

* 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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<u>Line No.</u>		<u>UNIT 2</u> <u>December, 2012</u>
1	Operating Ratio:	
2	<u>Net In-Service Investment:</u>	
3	Electric Plant In-Service	763,403,201
4	- Accumulated Depreciation	542,135,707
5	+ Materials & Supplies	61,823,071
6	+ Prepayments	107,621
7	+ Plant Held For Future Use (A/C 105) *	0
8	+ Other Deferred Debits (A/C 186) *	0
9	+ Other Working Capital ***	(40,920,185)
10	+ Unamortized Debt Expense (A/C 181+189)	303,510
11	- Other Deferred Credits (A/C 253)	55,801,100
12	- Accumulated Deferred FIT	31,554,246
13	- Accumulated Deferred ITC	19,809,930
14	Total Net In-Service Investment	<u>135,416,235</u>
15	<u>Non-In-Service Investment - CWIP :</u>	
16	Construction Work In Progress	48,672,021
17	+ Materials & Supplies	0
18	- Accumulated Deferred FIT	0
19	Total Non-In-Service Investment - CWIP	<u>48,672,021</u>
20	<u>Non-In-Service Investment - Other :</u>	
21	Plant Held for Future Use (A/C 105) **	0
22	+ Other Deferred Debits (A/C 186) **	1,394,777
23	+ Fuel Inventory Over Allowed Level ****	(2,627,238)
24	Total Non-In-Service Investment - Other	<u>(1,232,461)</u>
25	Total Investment (Lines 14+19+24)	<u>182,855,795</u> =====
26	Operating Ratio (Line 14/Line 25)	74.0563%
27	Non-In-Service Investment-CWIP Ratio (Line 19/Line 25)	26.6177%
28	Non-In-Service Investment-Other Ratio (Line 24/Line 25)	-0.6740%
29	Total Investment	<u>100.0000%</u> =====
	* 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	

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

<u>Line No.</u>		<u>UNIT 2</u> <u>December, 2012</u>
1	Net In-Service Investment Ratio:	
2	<u>Unit 2 Net In-Service Investment:</u>	
3	Electric Plant In-Service	112,615,179
4	- Accumulated Depreciation	115,548,375
5	+ Materials & Supplies	27,717,875
6	+ Prepayments	53,811
7	+ Plant Held For Future Use (A/C 105) *	0
8	+ Other Deferred Debits (A/C 186) *	0
9	+ Other Working Capital **	(36,919,476)
10	+ Unamortized Debt Expense (A/C 181+189)	151,755
11	- Other Deferred Credits (A/C 253)	55,801,100
12	- Accumulated Deferred FIT	(9,780,211)
13	- Accumulated Deferred ITC	19,699,880
14	Total Unit 2 Net In-Service Investment	(77,650,000)
15	<u>Unit 1 Net In-Service Investment:</u>	
16	Electric Plant In-Service	650,788,022
17	- Accumulated Depreciation	426,587,332
18	+ Materials & Supplies	34,105,195
19	+ Prepayments	53,811
20	+ Plant Held For Future Use (A/C 105) *	0
21	+ Other Deferred Debits (A/C 186) *	0
22	+ Other Working Capital **	(4,000,709)
23	+ Unamortized Debt Expense (A/C 181+189)	151,755
24	- Other Deferred Credits (A/C 253)	0
25	- Accumulated Deferred FIT	41,334,457
26	- Accumulated Deferred ITC	110,050
27	Total Unit 1 Net In-Service Investment	213,066,235
28	Total Net In-Service Investment	135,416,235
29	<u>Net In-Service Investment Ratio:</u>	
30	Unit 2 (Line 14 / Line 28)	-57.3400%
31	Unit 1 (Line 27 / Line 28)	157.3400%
		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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<u>Line No.</u>		UNIT 2 <u>December, 2012</u>
1	Net Capitalization:	
2	Long-Term Debt	65,661,165
3	+ Short-Term Debt	32,499,480
4	+ Preferred Stock	0
5	+ Common Equity	73,738,717
6	- Temporary Cash Investments	0
7	Net Capitalization	<hr/> 171,899,362 =====
8	40% of Net Capitalization	68,759,745
9	<u>Return on Common Equity:</u>	
10	Lesser of Line 5 or Line 8	68,759,745
11	x Equity Return (Monthly Rate)	1.01333%
12	= Equity Return	696,763
13	x Operating Ratio	74.0563%
14	x Net In-Service Investment Ratio	-57.3400%
15	= Subtotal	(295,873)
16	Excess of Line 5 Over Line 8	4,978,972
17	x Weighted Cost of Debt (Monthly Rate)	0.1642%
18	= Return on Equity over 40% of Capitalization	8,175
19	x Operating Ratio	74.0563%
20	x Net In-Service Investment Ratio	-57.3400%
21	= Subtotal	(3,472)
22	Unit 2 Return on Equity (Line 15 + Line 21)	<hr/> (299,345) =====
23	<u>Return on Other Capital:</u>	
24	Long-Term Debt Interest Expense	149,969
25	+ Short-Term Debt Interest Expense (a/c 430)	83,327
26	+ Other Interest Expense (a/c 431)	0
27	- Temporary Cash Investment Income *	0
28	= Net Interest Expense	<hr/> 233,296
29	+ Preferred Stock Dividends (a/c 437)	0
30	= Net Cost of Other Capital	<hr/> 233,296
31	x Operating Ratio	74.0563%
32	x Net In-Service Investment Ratio	-57.3400%
33	= Unit 2 Return on Other Capital	<hr/> (99,066) =====

* 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 2
December, 2012**

1	Debt Balances (Prior Month Ending) :		
2	Long-Term Debt (Accts 221 thru 226)	65,661,165	
3	+ Short-Term Debt (Accts 231 + 233)	32,499,480	
4	+ Other Debt (Accts 132 thru 136 + 145)	0	
5	Total Debt Balances (Prior Month Ending)	98,160,645	=====
6	<u>Weighting of Debt Balances :</u>		
7	Long-Term Debt (LTD bal/Total Debt bal)	66.8915%	
8	+ Short-Term Debt (STD bal/Total Debt bal)	33.1085%	
9	+ Other Debt	0.0000%	
10	Total Debt Balances	100.0000%	=====
11	<u>Debt Cost Rates :</u>		
12	Long-Term Debt (avg LTD int rate)	2.7865%	
13	Short-Term Debt (avg Money Pool STD int rate)	0.4221%	
14	Other Debt	0.0000%	
15	<u>Weighted Cost of Debt :</u>		
16	Long-Term Debt (LTD % x avg LTD int rate)	1.8639%	
17	+ Short-Term Debt (STD % x avg MP STD int rate)	0.1398%	
18	+ Other Debt	0.0000%	
19	Total Weighted Cost of Debt	2.0037%	=====

**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

<u>Line No.</u>		<u>December, 2012</u>
1	Unit 2 Materials and Supplies:	
2	Fuel Stock - Coal (per Line 23)	12,482,564
3	Fuel Stock Expenses - Undistributed (152)	687,287
4	Fuel Stock - Oil (1510002)	2,249,220
5	Plant Materials & Operating Supplies	12,298,804
6	Merchandise	0
7	Undistributed Stores Expense	0
8	Total Materials & Supplies	27,717,875
9	<u>Support of Coal Inventory Value:</u>	
10	Actual Coal Inventory (a/c 151.10)	14,362,605
11	+ Equivalent Inventory re: Deferred Return	760,876,465
12	= Imputed Coal Inventory	775,239,070
13	<u>Coal Inventory W/68 Day Supply Cap</u>	
14	Tons Consumed - CHANGE ANNUALLY FROM DEC PG 24	2,831,034
15	/ Hours Available * CHG ANNUALLY FROM GADS RPT 511	8260.6
16	= Tons Consumed per Hour	342.72
17	x 24 Hours per Day	24
18	= Tons Consumed Per Day	8225.28
19	x 68 days	68
20	= 68 day Supply (Tons)	559,319
21	x Coal Cost per Ton (per a/c 151.10 at End of Prior Month)	42.135
22	= 68 day Coal Inventory	23,566,906
23	Lesser of Imputed or Capped Coal Inventory	23,566,906
24	Imputed Inventory Minus Line 23	751,672,164
25	<u>Accumulated Deferred Inventory Return - Unit 2 (Memo Item):</u>	
26	Beginning Balance	5,675,828
27	+ Current Month Return on Beginning Balance	42,658
28	+ Current Month Deferral	48,028
29	- Current Month Recovery	0
30	= Ending Balance **	5,766,514
	* Excludes Forced Outages, Scheduled Outages, and Curtailments	
	** May Not Be Less Than Zero	
	Total Unit 2 Monthly Power Bill with Actual	14,749,119
	Total Unit 2 Monthly Power Bill with 68 Day Capped	14,797,147
	Difference	48,028

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
DETAIL OF OTHER OPERATING REVENUES**

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UNIT 2

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>December, 2012</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	<hr/> (8,750) <hr/> =====

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

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UNIT 2

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>December, 2012</u>
1	500,502-509	Steam Power Generation - Operation	6,228,853
2	501	Fuel - Operation	9,809,809
3	510-515	Steam Power Generating - Maintenance	722,198
4		Total Steam Power Generation Expenses	16,760,860
5	555-557	Other Power Supply Expenses	(5,177)
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 Expense - Maintenance	0
11		Total Distribution Expense	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	290,633
16	935	Administrative and General Expenses - Maintenance	505
17		Total Administrative & General Exp.	291,138
18		Total Operation & Maintenance Expenses	17,046,820

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

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<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	UNIT 2 <u>December, 2012</u>
1	403	Depreciation Expense *	383,652
2	404	Amortization of Limited-Term Electric Plant **	307,699
3	405	Amortization of Other Electric Plant	0
4	406	Amortization of Electric Plant Acquisition Adjustments	0
5	407	Amortization of Property Losses, Unrecovered Plant and Regulatory Study Costs	0
			<hr/>
6		Total Depreciation Exp. & Amortization	691,351
			=====

* 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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**UNIT 2
December, 2012**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
1	408.1	Taxes Other Than Federal Income Taxes, Utility Operating Income	160,471
2	409.1	State Income Taxes	(11,915)
3		Total Taxes Other than Federal Income Taxes	<hr/> 148,556 =====

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

KPSC Case No. 2014-00396
AG's Final Supplemental Data Requests
Dated February 27, 2012 of 18
Item No. 5CS (a) **UNIT 2**
Attachment 1 **December, 2012**
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<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>TOTAL</u>	<u>KPCO SHARE</u>	<u>I&M SHARE</u>
1		<u>Unit 2 Schedule 'M' Adjustments*</u>			
2	N/A	Excess ACRS Over Normalization Base Depreciation	(3,500)	(1,050)	(2,450)
3	N/A	Deferred Purchased Power Costs	0	0	0
4	N/A	Excess Normalization Base Over Book Depreciation	126,000	37,800	88,200
5	N/A	Other Unit 2 Schedule 'M' Adjustments	(385,442)	(115,632)	(269,809)
6	***	Total Unit 2 Schedule 'M' Adjustments	<u>(262,942)</u>	<u>(78,882)</u>	<u>(184,059)</u>
7		<u>Unit 2 Deferred Federal Income Tax</u>			
8	410.1	Excess ACRS Over Norm. Base Depr. (Line 2 x FIT Rate * -1)	(27,153)	(8,146)	(19,007)
9	410.1	Deferred Purchased Power Costs (Line 4 x FIT Rate * -1)	0	0	0
10	10.1&411.	Other Unit 2 Schedule 'M' Adjustments - Clearing Accounts	0	0	0
12	411.1	Feedback of Accumulated DFIT re: ABFUDC - Unit 2 Negative Amount Denotes Reduction.	(5,744)	(1,723)	(4,021)
13	411.1	Feedback of Accumulated DFIT re: Overheads Capitalized - Unit 2	(228)	(68)	(160)
14	411.1	Feedback of Accumulated DFIT re: Other Schedule 'M' Adj.-Utility	161,770	48,531	113,239
15	***	Total Unit 2 Deferred Federal Income Tax	<u>128,645</u>	<u>38,593</u>	<u>90,051</u>

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

Check Figure on Tax Page for Sch M	(262,942)
Check Figure on Tax Page for DFIT	128,645

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. 2014-00396
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**UNIT 2
December, 2012**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
1		<u>ELECTRIC PLANT IN SERVICE</u>	
2	101	Electric Plant In Service	112,257,071
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	358,108
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	112,615,179
12	105	Plant Held For Future Use	0
13		<u>ACCUMULATED DEPRECIATION</u>	
14	108	Accumulated Provision for Depreciation of Electric Utility Plant	95,302,230
15	110	Accumulated Provision for Depreciation and Amort. of Elec. Utility Plant	0
16	111	Accumulated Provision for Amortization of Electric Utility Plant	20,246,145
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	115,548,375
20		<u>MATERIAL AND SUPPLIES</u>	
21	151	Fuel Stock	14,731,784
22	152	Fuel Stock Expenses - Undistributed	687,287
23	153	Residuals	0
24	154	Plant Materials and Operating Supplies	12,298,804
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)	27,717,875
29	165	Prepayments	53,811
30	186	Other Deferred Debits	0

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
OTHER WORKING CAPITAL, UNAMORTIZED DEBT EXPENSE,
AND OTHER DEFERRED CREDITS**

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			UNIT 2
<u>Line</u>	<u>Account</u>	<u>Description *</u>	<u>December, 2012</u>
<u>No.</u>	<u>No.</u>		
1	128	Other Special Funds	0
2	131	Cash	0
3	135	Other Intra Company Adjustments	0
4	143	Accounts Receivable-Miscellaneous	982,673
5	146	Accounts Receivable-Associated Company	13,140,501
6	171	Interest and Dividends Receivable	4,848
7	174	Miscellaneous Current and Accrued Assets	0
8	232	Accounts Payable-General	(24,820)
9	234	Accounts Payable-Associated Company	(13,508,961)
10	236	Taxes Accrued	(1,653,714)
11	237	Interest Accrued	(131,160)
12	238	Dividends Declared	0
13	241	Tax Collections Payable	0
14	242	Misc Current and Accrued Liabilities	(35,728,843)
			<hr/>
15		Total Other Working Capital	(36,919,476)
			<hr/> <hr/>
16	181+189	Unamortized Debt Expense	151,755
			<hr/>
17	253	Other Deferred Credits	55,801,100
			<hr/>
*		debit <credit>	

**AEP GENERATING COMPANY
ROCKPORT POWER BILL**

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

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UNIT 2
December, 2012

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
31		ACCUMULATED DEFERRED INCOME TAXES	
32	190	-Accumulated Deferred Income Taxes	22,621,754
33	281	+Accumulated Deferred Income Taxes - Accelerated Amortization Property	0
34	282	+Accumulated Deferred Income Taxes - Other Property	12,303,401
35	283	+Accumulated Deferred Income Taxes - Other	538,142
36		Total Accumulated Deferred Income Taxes (In-Service Portion)	<u>(9,780,211)</u>
37	255	+Accumulated Deferred Investment Tax Credits	19,699,880
38	186.50	-Accumulated Deferred Investment Tax Credit	0
39		Total Accumulated Deferred Investment Tax Credits	<u>19,699,880</u>
40		Total Net In-Service Investment - Unit 2	<u>(77,650,000)</u> =====

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

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UNIT 2
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<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
		<u>Non-In-Service Investment - CWIP</u>	
1	107	Construction Work In Process	48,672,021
2		<u>MATERIAL AND SUPPLIES</u>	
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		<u>ACCUMULATED DEFERRED INCOME TAXES</u>	
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	0
16		Total Accumulated Deferred Income Taxes (CWIP Portion)	0
17		TOTAL NON-IN-SERVICE INVESTMENT - CWIP	48,672,021
		<u>Non-In-Service Investment - Other</u>	
18	105	Plant Held for Future Use	0
19	186	Other Deferred Debits	1,394,777
20	151.10	Fuel Inventory Over Allowed Level *	(2,627,238)
21		Total Non-In-Service Investment - Other	(1,232,461)
		* INCLUDES ROCKPORT 1 AND 2	
		UNIT 1	(4,507,279)
		UNIT 2	1,880,041
		TOTAL	(2,627,238)

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
DETAIL OF NET CAPITALIZATION**

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**UNIT 2
December, 2012**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
1		<u>COMMON CAPITAL STOCK</u>	
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		<u>OTHER PAID-IN CAPITAL</u>	
12	207	Premium on Capital Stock	0
13	208	Donations Received from Stockholders	69,478,987
14	211	Miscellaneous Paid-In Capital	0
15	213	Discount on Capital Stock	0
16		Total Other Paid-In Capital	69,478,987
17		<u>RETAINED EARNINGS</u>	
18	215	Appropriated Retained Earnings	0
19	215.1	Appropriated Retained Earnings- Amortization Reserve, Federal	0
20	216	Unappropriated Retained Earnings	3,876,730
21		Total Retained Earnings	3,876,730
22		Total Common Equity	73,738,717
23		<u>PREFERRED CAPITAL STOCK</u>	
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
December, 2012**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
28		<u>LONG-TERM DEBT</u>	
29	221	Bonds	0
30	222	Reacquired Bonds	0
31	223	Advances from Associated Companies	0
32	224	Other Long-Term Debt	65,661,165
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	65,661,165
		<u>SHORT-TERM DEBT</u>	
36a	231.02	Notes Payable (Short-Term Debt)	0
36b	231.03	Unamortized Discount	0
37	233.00	Notes Payable, Assoc Co(Money Pool)	32,499,480
38		Total Short-Term Debt	32,499,480
39		<u>TEMPORARY CASH INVESTMENTS</u>	
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	171,899,362

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

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**UNIT 2
December, 2012**

<u>Line No.</u>		
1	Capitalization Balances (Prior Month Ending) :	
2	Long-Term Debt (Accts 221 thru 226)	65,661,165
3	+ Short-Term Debt (Accts 231 + 233)	32,499,480
4	+ Preferred Stock	0
5	+ Common Equity (Accts 201 thru 216)	73,738,717
6	- Capitalization Offsets	0
7	Total Capitalization Balances	171,899,362
		=====
8	<u>Weighting of Capitalization Balances :</u>	
9	Long-Term Debt (LTD/Total Capital)	38.1974%
10	+ Short-Term Debt (STD/Total Capital)	18.9061%
11	+ Preferred Stock	0.0000%
12	+ Common Equity (Common Equity/Total Capital)	42.8964%
13	- Capitalization Offsets	-0.0001%
14	Total Capitalization	100.0000%
		=====
15	<u>Capitalization Cost Rates :</u>	
16	Long-Term Debt (avg LTD int rate)	2.7865%
17	Short-Term Debt (avg money pool STD int rate)	0.4221%
18	Preferred Stock	0.0000%
19	Common Equity (FERC fixed rate)	12.1600%
20	Capitalization Offsets (sum of weighted costs of debt)	2.0037%
21	<u>Rate of Return (Net of Tax) :</u>	
22	Long-Term Debt (LTD % x avg LTD int rate)	1.0644%
23	+ Short-Term Debt (STD % x avg MP STD int rate)	0.0798%
24	+ Preferred Stock	0.0000%
25	+ Common Equity (CE % x FERC fixed rate)	5.2162%
26	- Capitalization Offsets	0.0000%
27	Total Rate of Return (Net of Tax)	6.3604%
		=====
28	Weighted Net Cost of Debt (LTD Rate of Return + STD RR - Cap Offsets RR)	1.1442%
29	+ Pre-Tax Common Equity (Line 25 / .65) (Common Equity Rate of Return grossed up for tax)	8.0249%
30	= Rate of Return (Pre-Tax)	9.1691%
		=====

A E P GENERATING COMPANY

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

500	SUPERVISION AND ENGINEERING	158,596
501	FUEL	9,809,809
502	STEAM EXPENSES	182,583
503	STEAM FROM OTHER SOURCES	0
504	STEAM TRANSFERRED - CR	0
505	ELECTRIC EXPENSES	59,790
506	MISC. STEAM POWER EXPENSES	137,442
507	RENTS	5,690,441
508	OPERATION SUPPLIES AND EXPENSES	0
509	CARRYING CHARGES - ALLOWANCES	0
	TOTAL OPERATION EXPENSE	16,038,662
510	MAINTENANCE SUPER. AND ENGINEERING	109,335
511	MAINTENANCE OF STRUCTURES	33,134
512	MAINTENANCE OF BOILER PLANT	440,125
513	MAINTENANCE OF ELECTRIC PLANT	42,716
514	MAINTENANCE OF MISC. STEAM PLANT	96,888
515	MAINTENANCE NORMALIZING	0
	TOTAL MAINTENANCE EXPENSES	722,198
555	PURCHASED POWER	0
556	SYSTEM CONTROL AND LOAD DISPATCHING	(1,326)
557	OTHER POWER SUPPLY EXPENSES	(3,852)
	TOTAL OTHER SUPPLY EXPENSES	(5,177)

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 >	366
CURRENT YEAR IS	2012
CURRENT MONTH IS	12
THIS BILLING IS FOR MONTH OF	December, 2012

A E P GENERATING COMPANY

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

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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 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	58,065
921	OFFICE SUPPLIES AND EXPENSES	(554)
922	ADMINISTRATIVE EXPENSES TRANSF - CR	0
923	OUTSIDE SERVICES	111,071
924	PROPERTY INSURANCE	10,862
925	INJURIES AND DAMAGES	1,122
926	EMPLOYEE PENSIONS AND BENEFITS	94,552
927	FRANCHISE REQUIREMENTS	0
928	REGULATORY COMMISSION	0
929	DUPLICATE CHARGES-CREDIT	0
930	MISCELLANEOUS GENERAL EXPENSES	15,472
931	RENTS	42
933	TRANSPORTATION EXPENSE	0
	TOTAL ADM & GEN EXPENSES OPERATION	290,633
935	MAINTENANCE OF GENERAL PLANT	505
	TOTAL ADM & GEN EXPENSES	291,138
	TOTAL AEG OPERATION & MAINTENANCE EXPENSES	17,046,820
	ACCOUNT 40190 TOTAL FOR CROSS FOOT	17,046,820
	-----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
 06-Feb-13**

**UNIT 1
POWER BILL -- January, 2013**

IN ACCORDANCE WITH POWER AGREEMENT DATED OCTOBER 1, 1984 (AS AMENDED)
 ENERGY DELIVERED FOR THE MONTH OF January, 2013
 KWH FOR THE MONTH 137,871,000

SUMMARY TOTAL

Current Month Bill:

Return on Common Equity	216,556
Return on Other Capital	95,223

Total Return	311,779
Fuel	3,274,099
Purchased Power	0
Other Operating Revenues	(2,625)
Other Operation and Maintenance Exp	410,984
Depreciation Expense	500,200
Taxes Other Than Federal Income Tax	53,761
Federal Income Tax	47,247

TOTAL CURRENT UNIT POWER BILL	4,595,445

Prior Month's Adjustment:

Return on Common Equity & Other Capital	0
Fuel Expense	0
Other Expenses (Includes taxes & interest)	137,135

TOTAL PRIOR MONTH'S ADJUSTMENTS	137,135

TOTAL UNIT POWER BILL =====
4,732,580
=====

AMOUNTS WILL BE PAID DIRECT FROM GENERAL FUNDS.

DUE DATE --- February 21, 2013
 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

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-Feb-13

UNIT 1
POWER BILL - - January, 2013

IN ACCORDANCE WITH POWER AGREEMENT DATED OCTOBER 1, 1984 (AS AMENDED)
 ENERGY DELIVERED FOR THE MONTH OF January, 2013
 KWH FOR THE MONTH 321,571,000

	<u>SUMMARY</u>	<u>TOTAL</u>
Current Month Bill:		
Return on Common Equity		505,298
Return on Other Capital		222,187
Total Return		----- 727,485
Fuel		7,639,565
Purchased Power		0
Other Operating Revenues		(6,125)
Other Operation and Maintenance Exp		958,962
Depreciation Expense		1,167,132
Taxes Other Than Federal Income Tax		125,443
Federal Income Tax		110,245
TOTAL UNIT POWER BILL		----- 10,722,707 -----
Prior Month's Adjustment:		
Return on Common Equity & Other Capital		0
Fuel		0
Other Expenses (Includes taxes & interest)		319,976
TOTAL PRIOR MONTH'S ADJUSTMENTS		----- 319,976 -----
=====		
TOTAL UNIT POWER BILL		11,042,683 =====

AMOUNTS WILL BE PAID DIRECT FROM GENERAL FUNDS.

DUE DATE - - - February 21, 2013
 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

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
SUMMARY OF MONTHLY POWER BILL**

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January, 2013

06-Feb-13

	<u>TOTAL UNIT 1 POWER BILL</u>	<u>KPCO SHARE</u>	<u>I&M SHARE</u>
Return on Common Equity	721,854	216,556	505,298
Return on Other Capital	317,410	95,223	222,187
Total Return	1,039,264	311,779	727,485
+ Fuel	10,913,664	3,274,099	7,639,565
+ Purchased Power	0	0	0
- Other Operating Revenues	(8,750)	(2,625)	(6,125)
+ Other Operation and Maintenance Exp	1,369,946	410,984	958,962
+ Depreciation Expense	1,667,332	500,200	1,167,132
+ Taxes Other Than Federal Income Tax	179,204	53,761	125,443
+ Federal and State Income Tax	157,492	47,247	110,245
= Total Unit 1 Monthly Power Bill	15,318,153	4,595,445	10,722,707
=====			
<u>Determination of Federal Income Tax :</u>			
Total Return (Line 3)	1,039,264	311,779	727,485
+ Unit 1 Schedule M Adjustments	1,058,989	317,697	741,292
+ Unit 1 Deferred Federal Income Taxes	(520,925)	(156,278)	(364,647)
- Unit 1 Interest Expense Deduction *	317,410	95,223	222,187
= Subtotal	1,259,918	377,975	881,943
x Gross-Up (FIT Rate / 1-FIT Rate)	0.538462	0.538462	0.538462
= Unit 1 Current Federal Income Tax	678,417	203,525	474,892
+ Unit 1 Def Fed & State Income Taxes	(520,925)	(156,278)	(364,647)
= Total Unit 1 Fed&State Income Taxes	157,492	47,247	110,245
=====			
<u>Proof of Federal Income Tax :</u>			
Total Unit 1 Monthly Power Bill	15,318,153	4,595,445	10,722,707
- Operation and Maintenance Expenses	12,283,610	3,685,083	8,598,527
- Depreciation Expense	1,667,332	500,200	1,167,132
- Taxes Other Than Federal Income Tax	179,204	53,761	125,443
- Unit 1 Interest Expense Deduction *	317,410	95,223	222,187
- Other Operating Revenues	(8,750)	(2,625)	(6,125)
= Pre-Tax Book Income	879,346	263,803	615,543
+ Unit 1 Schedule M Adjustments	1,058,989	317,697	741,292
= Unit 1 Taxable Income	1,938,335	581,500	1,356,835
x Current Federal Income Tax Rate	35%	35%	35%
= Unit 1 Current Federal Income Tax	678,417	203,525	474,892
+ Unit 1 Def Fed & State Income Taxes	(520,925)	(156,278)	(364,647)
= Total Unit 1 Fed&State Income Taxes	157,492	47,247	110,245
=====			

* 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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<u>Line No.</u>		UNIT 1 <u>January, 2013</u>
1	<u>Operating Ratio:</u>	
2	<u>Net In-Service Investment:</u>	
3	Electric Plant In-Service	763,516,363
4	- Accumulated Depreciation	544,194,423
5	+ Materials & Supplies	66,563,909
6	+ Prepayments	90,991
7	+ Plant Held For Future Use (A/C 105) *	0
8	+ Other Deferred Debits (A/C 186) *	0
9	+ Other Working Capital ***	(1,736,076)
10	+ Unamortized Debt Expense (A/C 181+189)	2,539,508
11	- Other Deferred Credits (A/C 253)	55,336,854
12	- Accumulated Deferred FIT	31,447,651
13	- Accumulated Deferred ITC	19,536,386
14	Total Net In-Service Investment	----- 180,459,381
15	<u>Non-In-Service Investment - CWIP :</u>	
16	Construction Work In Progress	54,273,159
17	+ Materials & Supplies	0
18	- Accumulated Deferred FIT	0
19	Total Non-In-Service Investment - CWIP	----- 54,273,159
20	<u>Non-In-Service Investment - Other :</u>	
21	Plant Held for Future Use (A/C 105) **	1,034,099
22	+ Other Deferred Debits (A/C 186) **	1,114,435
23	+ Fuel Inventory Over Allowed Level ****	(11,220,518)
24	Total Non-In-Service Investment - Other	----- (9,071,983)
25	Total Investment (Lines 14+19+24)	----- 225,660,557 =====
26	Operating Ratio (Line 14/Line 25)	79.9694%
27	Non-In-Service Investment-CWIP Ratio (Line 19/Line 25)	24.0508%
28	Non-In-Service Investment-Other Ratio (Line 24/Line 25)	-4.0202%
29	Total Investment	----- 100.0000% =====
*	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	
****	Includes Rockport 1 and 2	

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

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**UNIT 1
January, 2013**

Line No.		
1	<u>Net In-Service Investment Ratio:</u>	
2	Unit 1 Net In-Service Investment:	
3	Electric Plant In-Service	650,851,041
4	- Accumulated Depreciation	428,128,527
5	+ Materials & Supplies	38,892,214
6	+ Prepayments	45,495
7	+ Plant Held For Future Use (A/C 105) *	0
8	+ Other Deferred Debits (A/C 186) *	0
9	+ Other Working Capital **	(2,872,151)
10	+ Unamortized Debt Expense (A/C 181+189)	1,269,754
11	- Other Deferred Credits (A/C 253)	0
12	- Accumulated Deferred FIT	40,910,220
13	- Accumulated Deferred ITC	672
14	Total Unit 1 Net In-Service Investment	----- 219,146,933 -----
15	Unit 2 Net In-Service Investment:	
16	Electric Plant In-Service	112,665,322
17	- Accumulated Depreciation	116,065,896
18	+ Materials & Supplies	27,671,695
19	+ Prepayments	45,495
20	+ Plant Held For Future Use (A/C 105) *	0
21	+ Other Deferred Debits (A/C 186) *	0
22	+ Other Working Capital **	1,136,075
23	+ Unamortized Debt Expense (A/C 181+189)	1,269,754
24	- Other Deferred Credits (A/C 253)	55,336,854
25	- Accumulated Deferred FIT	(9,462,570)
26	- Accumulated Deferred ITC	19,535,714
27	Total Unit 2 Net In-Service Investment	----- (38,687,552) -----
28	Total Net In-Service Investment	----- 180,459,381 =====
29	<u>Net In-Service Investment Ratio:</u>	
30	Unit 1 (Line 14 / Line 28)	121.4400%
31	Unit 2 (Line 27 / Line 28)	-21.4400%
		----- 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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**UNIT 1
January, 2013**

<u>Line No.</u>		
1	<u>Net Capitalization:</u>	
2	Long-Term Debt	65,661,165
3	+ Short-Term Debt	72,409,343
4	+ Preferred Stock	0
5	+ Common Equity	73,352,069
6	- Temporary Cash Investments	0
7	Net Capitalization	211,422,577
8	40% of Net Capitalization	84,569,031
9	<u>Return on Common Equity:</u>	
10	Lesser of Line 5 or Line 8	73,352,069
11	x Equity Return (Monthly Rate)	1.01333%
12	= Equity Return	743,299
13	x Operating Ratio	79.9694%
14	x Net In-Service Investment Ratio	121.4400%
15	= Subtotal	721,854
16	Excess of Line 5 Over Line 8	0
17	x Weighted Cost of Debt (Monthly Rate)	0.1293%
18	= Return on Equity over 40% of Capitalization	0
19	x Operating Ratio	79.9694%
20	x Net In-Service Investment Ratio	121.4400%
21	= Subtotal	0
22	Unit 1 Return on Equity (Line 15 + Line 21)	721,854
23	<u>Return on Other Capital:</u>	
24	Long-Term Debt Interest Expense	154,023
25	+ Short-Term Debt Interest Expense (a/c 430)	172,817
26	+ Other Interest Expense (a/c 431)	0
27	- Temporary Cash Investment Income *	0
28	= Net Interest Expense	326,840
29	+ Preferred Stock Dividends (a/c 437)	0
30	= Net Cost of Other Capital	326,840
31	x Operating Ratio	79.9694%
32	x Net In-Service Investment Ratio	121.4400%
33	= Unit 1 Return on Other Capital	317,410
	* 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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**UNIT 1
January, 2013**

<u>Line No.</u>		
1	<u>Debt Balances (Prior Month Ending) :</u>	
2	Long-Term Debt (Accts 221 thru 226)	65,661,165
3	+ Short-Term Debt (Accts 231 + 233)	72,409,343
4	+ Other Debt (Accts 132 thru 136 + 145)	0
5	Total Debt Balances (Prior Month Ending)	138,070,508
6	<u>Weighting of Debt Balances :</u>	
7	Long-Term Debt (LTD bal/Total Debt bal)	47.5563%
8	+ Short-Term Debt (STD bal/Total Debt bal)	52.4437%
9	+ Other Debt	0.0000%
10	Total Debt Balances	100.0000%
11	<u>Debt Cost Rates :</u>	
12	Long-Term Debt (avg LTD int rate)	2.7619%
13	Short-Term Debt (avg Money Pool STD int rate)	0.3980%
14	Other Debt	0.0000%
15	<u>Weighted Cost of Debt :</u>	
16	Long-Term Debt (LTD % x avg LTD int rate)	1.3135%
17	+ Short-Term Debt (STD % x avg MP STD int rate)	0.2087%
18	+ Other Debt	0.0000%
19	Total Weighted Cost of Debt	1.5222%

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

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<u>Line No.</u>		<u>January, 2013</u>
1	<u>Unit 1 Materials and Supplies:</u>	
2	Fuel Stock - Coal (per Line 23)	23,651,567
3	Fuel Stock Expenses - Undistributed (152)	706,031
4	Fuel Stock - Oil (1510002)	2,163,798
5	Plant Materials & Operating Supplies	12,370,817
6	Merchandise	0
7	Undistributed Stores Expense	0
8	Total Materials & Supplies	38,892,214
9	<u>Support of Coal Inventory Value:</u>	
10	Actual Coal Inventory (a/c 151.10)	12,431,049
11	+ Equivalent Inventory re: Deferred Return	21,428,799,622
12	= Imputed Coal Inventory	21,441,230,671
13	<u>Coal Inventory W/68 Day Supply Cap</u>	
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)	44.713
22	= 68 day Coal Inventory	23,651,567
23	Lesser of Imputed or Capped Coal Inventory	23,651,567
24	Imputed Inventory Minus Line 23	21,417,579,104
25	<u>Accumulated Deferred Inventory Return - Unit 1 (Memo Item):</u>	
26	Beginning Balance	135,359,598
27	+ Current Month Return on Beginning Balance	860,463
28	+ Current Month Deferral	0
29	- Current Month Recovery	73,078
30	= Ending Balance **	136,146,983

* 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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UNIT 1
January, 2013

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>January, 2013</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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UNIT 1
January, 2013

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
1	500,502-509	Steam Power Generation - Operation	455,426
2	501	Fuel - Operation	10,913,664
3	510-515	Steam Power Generating - Maintenance	720,659
4		Total Steam Power Generation Expenses	12,089,749
5	555-557	Other Power Supply Expenses	16,520
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 - Operation	152,911
16	935	Administrative and General Expenses - Maintenance	24,431
17		Total Administrative & General Exp.	177,342
18		Total Operation & Maintenance Expenses	12,283,610

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

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**UNIT 1
January, 2013**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
1	403	Depreciation Expense	1,667,332
2	404	Amortization of Limited-Term Electric Plant	0
3	405	Amortization of Other Electric Plant	0
4	406	Amortization of Electric Plant Acquisition Adjustments	0
5	407	Amortization of Property Losses, Unrecovered Plant and Regulatory Study Costs	0

6		Total Depreciation Exp. & Amortization	1,667,332
			=====

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

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 UNIT 1

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>January, 2013</u>
BS1			
1	408.1	Taxes Other Than Federal Income Taxes, Utility Operating Income	167,749
2	409.1	State Income Taxes	11,455
3		Total Taxes Other than FIT	----- 179,204 =====

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

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<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>TOTAL</u>	<u>KPCO SHARE</u>	<u>I&M SHARE</u>
1		<u>Unit 1 Schedule 'M' Adjustments*</u>			
2	N/A	Excess ACRS Over Normalization Base Depreciation	(3,500)	(1,050)	(2,450)
3	N/A	Deferred Purchased Power Costs	0	0	0
4	N/A	Excess Normalization Base Over Book Depreciation	(19,000)	(5,700)	(13,300)
5	N/A	Other Unit 1 Schedule 'M' Adjustments	1,081,489	324,447	757,042
6	***	Total Unit 1 Schedule 'M' Adjustments	=====	=====	=====
7		<u>Unit 1 Deferred Federal Income Tax</u>			
8	410.1	Excess ACRS Over Norm. Base Depr. (Line 2 x FIT Rate * -1)	(416,433)	(124,930)	(291,503)
9	410.1	Deferred Purchased Power Costs (Line 4 x FIT Rate * -1)	0	0	0
10	410.1&411.1	Other Unit 1 Schedule 'M' Adjustments - Clearing Accounts	0	0	0
12	411.1	Feedback of Accumulated DFIT re: ABFUDC - Unit 1 Negative Amount Denotes Reduction.	(2,639)	(792)	(1,847)
13	411.1	Feedback of Accumulated DFIT re: Overheads Capitalized - Unit 1	(51)	(15)	(36)
14	411.1	Feedback of Accumulated DFIT re: Other Schedule 'M' Adj.-Utility	(101,802)	(30,541)	(71,261)
15	***	Total Unit 1 Deferred Federal Income Tax	=====	=====	=====

*** 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
January 2013

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
1		<u>ELECTRIC PLANT IN SERVICE</u>	
2	101	Electric Plant In Service	650,066,948
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	784,093
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	650,851,041
12	105	Plant Held For Future Use	0
13		<u>ACCUMULATED DEPRECIATION</u>	
14	108	Accumulated Provision for Depreciation of Electric Utility Plant	427,677,138
15	110	Accumulated Provision for Depreciation and Amort. of Elec. Utility Plant	0
16	111	Accumulated Provision for Amortization of Electric Utility Plant	451,389
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	428,128,527
20		<u>MATERIAL AND SUPPLIES</u>	
21	151	Fuel Stock	25,815,365
22	152	Fuel Stock Expenses - Undistributed	706,031
23	153	Residuals	0
24	154	Plant Materials and Operating Supplies	12,370,817
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)	38,892,214
29	165	Prepayments	45,495
30	186	Other Deferred Debits	0

**AEP GENERATING COMPANY
 ROCKPORT POWER BILL
 OTHER WORKING CAPITAL, UNAMORTIZED DEBT EXPENSE
 AND OTHER DEFERRED CREDITS**

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**UNIT 1
 January, 2013**

<u>Line No.</u>	<u>Account No.</u>	<u>Description *</u>	
1	128	Other Special Funds	0
2	131	Cash	0
3	135	Other Intra Company Adjustments	0
4	143	Accounts Receivable-Miscellaneous	982,673
5	146	Accounts Receivable-Associated Company	17,425,706
6	171	Interest and Dividends Receivable	420
7	174	Miscellaneous Current and Accrued Assets	0
8	232	Accounts Payable-General	(16,293)
9	234	Accounts Payable-Associated Company	(15,608,216)
10	236	Taxes Accrued	(2,276,976)
11	237	Interest Accrued	(195,559)
12	238	Dividends Declared	0
13	241	Tax Collections Payable	0
14	242	Misc Current and Accrued Liabilities	(3,183,907)

15		Total Other Working Capital	(2,872,151)
			=====
16	181+189	Unamortized Debt Expense	1,269,754

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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January 2013

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
31		<u>ACCUMULATED DEFERRED INCOME TAXES</u>	
32	190	-Accumulated Deferred Income Taxes	1,151,495
33	281	+Accumulated Deferred Income Taxes - Accelerated Amortization Property	0
34	282	+Accumulated Deferred Income Taxes - Other Property	41,651,704
35	283	+Accumulated Deferred Income Taxes - Other	410,011
36		Total Accumulated Deferred Income Taxes (In-Service Portion)	----- 40,910,220 -----
37	255	+Accumulated Deferred Investment Tax Credits	672
38	186.50	-Accumulated Deferred Investment Tax Credit	0
39		Total Accumulated Deferred Investment Tax Credits	----- 672 -----
40		Total Net In-Service Investment - Unit 1	----- 219,146,933 =====

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

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UNIT 1
January, 2013

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
		<u>Non-In-Service Investment - CWIP</u>	
1	107	Construction Work In Process	54,273,159
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		<u>ACCUMULATED DEFERRED INCOME TAXES</u>	
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	0
16		Total Accumulated Deferred Income Taxes (CWIP Portion)	----- 0
17		TOTAL NON-IN-SERVICE INVESTMENT - CWIP	----- 54,273,159 =====
		<u>Non-In-Service Investment - Other</u>	
18	105	Plant Held for Future Use	1,034,099
19	186	Other Deferred Debits	1,114,435
20	151.10	Fuel Inventory Over Allowed Level *	(11,220,518)
21		Total Non-In-Service Investment - Other	----- (9,071,983) =====
		* INCLUDES ROCKPORT 1 AND 2	
		UNIT 1	(11,220,518)
		UNIT 2	0
		TOTAL	----- (11,220,518) =====

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
DETAIL OF NET CAPITALIZATION**

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<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
1		<u>COMMON CAPITAL STOCK</u>	
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		<u>OTHER PAID-IN CAPITAL</u>	
12	207	Premium on Capital Stock	0
13	208	Donations Received from Stockholders	69,478,987
14	211	Miscellaneous Paid-In Capital	0
15	213	Discount on Capital Stock	0
16		Total Other Paid-In Capital	69,478,987
17		<u>RETAINED EARNINGS</u>	
18	215	Appropriated Retained Earnings	0
19	215.1	Appropriated Retained Earnings- Amortization Reserve, Federal	0
20	216	Unappropriated Retained Earnings	3,490,082
21		Total Retained Earnings	3,490,082
22		Total Common Equity	73,352,069
23		<u>PREFERED CAPITAL STOCK</u>	
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
January, 2013**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
28		<u>LONG-TERM DEBT</u>	
29	221	Bonds	0
30	222	Reacquired Bonds	0
31	223	Advances from Associated Companies	0
32	224	Other Long-Term Debt	65,661,165
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	65,661,165
		<u>SHORT-TERM DEBT</u>	
36a	231.02	Notes Payable (Short-Term Debt)	0
36b	231.03	Unamortized Discount	0
37	233.00	Notes Payable, Assoc Co(Money Pool)	72,409,343
38		Total Short-Term Debt	72,409,343
39		<u>TEMPORARY CASH INVESTMENTS</u>	
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	211,422,577

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

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**UNIT 1
January, 2013**

Line No.

1	<u>Capitalization Balances (Prior Month Ending) :</u>	
2	Long-Term Debt (Accts 221 thru 226)	65,661,165
3	+ Short-Term Debt (Accts 231 + 233)	72,409,343
4	+ Preferred Stock	0
5	+ Common Equity (Accts 201 thru 216)	73,352,069
6	- Capitalization Offsets	0

7	Total Capitalization Balances	211,422,577
		=====
8	<u>Weighting of Capitalization Balances :</u>	
9	Long-Term Debt (LTD/Total Capital)	31.0568%
10	+ Short-Term Debt (STD/Total Capital)	34.2486%
11	+ Preferred Stock	0.0000%
12	+ Common Equity (Common Equity/Total Capital)	34.6945%
13	- Capitalization Offsets	-0.0001%

14	Total Capitalization	100.0000%
		=====
15	<u>Capitalization Cost Rates :</u>	
16	Long-Term Debt (avg LTD int rate)	2.7619%
17	Short-Term Debt (avg money pool STD int rate)	0.3980%
18	Preferred Stock	0.0000%
19	Common Equity (FERC fixed rate)	12.1600%
20	Capitalization Offsets (sum of weighted costs of debt)	1.5222%
21	<u>Rate of Return (Net of Tax) :</u>	
22	Long-Term Debt (LTD % x avg LTD int rate)	0.8578%
23	+ Short-Term Debt (STD % x avg MP STD int rate)	0.1363%
24	+ Preferred Stock	0.0000%
25	+ Common Equity (CE % x FERC fixed rate)	4.2189%
26	- Capitalization Offsets	0.0000%

27	Total Rate of Return (Net of Tax)	5.2130%
		=====
28	Weighted Net Cost of Debt	0.9941%
	(LTD Rate of Return + STD RR - Cap Offsets RR)	
29	+ Pre-Tax Common Equity (Line 25 / .65)	6.4906%
	(Common Equity Rate of Return grossed up for tax)	-----
30	= Rate of Return (Pre-Tax)	7.4847%
		=====

A E P GENERATING COMPANY

January 2013
 KPR 14-00396
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ROCK PORT OPERATION & MAINTENANCE EXPENSES UNIT 1
50% OWNERSHIP INTEREST OF ROCKPORT PLANT

500	SUPERVISION AND ENGINEERING	90,692
501	FUEL	10,913,664
502	STEAM EXPENSES	142,947
503	STEAM FROM OTHER SOURCES	0
504	STEAM TRANSFERRED - CR	0
505	ELECTRIC EXPENSES	61,896
506	MISC. STEAM POWER EXPENSES	159,714
507	RENTS	177
508	OPERATION SUPPLIES AND EXPENSES	0
509	CARRYING CHARGES - ALLOWANCES	0

TOTAL OPERATION EXPENSE 11,369,090

510	MAINTENANCE SUPER. AND ENGINEERING	78,368
511	MAINTENANCE OF STRUCTURES	59,836
512	MAINTENANCE OF BOILER PLANT	289,969
513	MAINTENANCE OF ELECTRIC PLANT	264,255
514	MAINTENANCE OF MISC. STEAM PLANT	28,231
515	MAINTENANCE NORMALIZING	0

TOTAL MAINTENANCE EXPENSES 720,659

555	PURCHASED POWER	0
556	SYSTEM CONTROL AND LOAD DISPATCHING	3,879
557	OTHER POWER SUPPLY EXPENSES	12,640

TOTAL OTHER SUPPLY EXPENSES 16,520

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	1
THIS BILLING IS FOR MONTH OF	January, 2013

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

 January, 2013
 ESTIMATE

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 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	24,893
921	OFFICE SUPPLIES AND EXPENSES	15,183
922	ADMINISTRATIVE EXPENSES TRANSF - CR	0
923	OUTSIDE SERVICES	(54,141)
924	PROPERTY INSURANCE	10,864
925	INJURIES AND DAMAGES	1,398
926	EMPLOYEE PENSIONS AND BENEFITS	108,837
927	FRANCHISE REQUIREMENTS	0
928	REGULATORY COMMISSION	0
929	DUPLICATE CHARGES-CREDIT	0
930	MISCELLANEOUS GENERAL EXPENSES	45,380
931	RENTS	496
933	TRANSPORTATION EXPENSE	0
	TOTAL ADM & GEN EXPENSES OPERATION	152,911
935	MAINTENANCE OF GENERAL PLANT	24,431
	TOTAL ADM & GEN EXPENSES	177,342
	TOTAL AEG OPERATION & MAINTENANCE EXPENSES	12,283,610
	ACCOUNT 40190 TOTAL FOR CROSS FOOT	12,283,610
	-----DIFFERENCE-----	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
 06-Feb-13**

**UNIT 2
POWER BILL - - January, 2013**

IN ACCORDANCE WITH POWER AGREEMENT DATED OCTOBER 1, 1984 (AS AMENDED)
 ENERGY DELIVERED FOR THE MONTH OF January, 2013
 KWH FOR THE MONTH 278,213,000

	<u>SUMMARY</u>	<u>TOTAL</u>
Current Month Bill:		
Return on Common Equity		(89,620)
Return on Other Capital		(39,407)
Total Return		(129,027)
Fuel		6,862,719
Purchased Power		0
Other Operating Revenues		(6,125)
Other Operation and Maintenance Exp		5,008,354
Depreciation Expense		485,236
Taxes Other Than Federal Income Tax		122,923
Federal Income Tax		(63)
TOTAL CURRENT UNIT POWER BILL		12,344,018
Prior Month's Adjustment:		
Return on Common Equity & Other Capital		0
Fuel Expense		0
Other Expenses (Includes taxes & interest)		319,977
TOTAL PRIOR MONTH'S ADJUSTMENTS		319,977
TOTAL UNIT POWER BILL		12,663,995

AMOUNTS WILL BE PAID DIRECT FROM GENERAL FUNDS.

DUE DATE - - February 21, 2013

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**

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

**ESTIMATE
06-Feb-13**

**UNIT 2
POWER BILL - - January, 2013**

IN ACCORDANCE WITH POWER AGREEMENT DATED OCTOBER 1, 1984 (AS AMENDED)
ENERGY DELIVERED FOR THE MONTH OF January, 2013
KWH FOR THE MONTH 119,307,000

<u>SUMMARY</u>	<u>TOTAL</u>
Current Month Bill:	
Return on Common Equity	(38,408)
Return on Other Capital	(16,889)
Total Return	(55,297)
Fuel	2,941,165
Purchased Power	0
Other Operating Revenues	(2,625)
Other Operation and Maintenance Exp	2,146,437
Depreciation Expense	207,958
Taxes Other Than Federal Income Tax	52,681
Federal Income Tax	(26)
TOTAL CURRENT UNIT POWER BILL	5,290,293
Prior Month's Adjustment:	
Return on Common Equity & Other Capital	0
Fuel Expense	0
Other Expenses (Includes taxes & interest)	137,134
TOTAL PRIOR MONTH'S ADJUSTMENTS	137,134
TOTAL UNIT POWER BILL	5,427,427

AMOUNTS WILL BE PAID DIRECT FROM GENERAL FUNDS.

DUE DATE - - February 21, 2013

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
ROCKPORT POWER BILL
SUMMARY OF MONTHLY POWER BILL**

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ESTIMATE
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	<u>TOTAL UNIT 2 POWER BILL</u>	<u>KPCO SHARE</u>	<u>I&M SHARE</u>
Return on Common Equity	(128,028)	(38,408)	(89,620)
Return on Other Capital	(56,296)	(16,889)	(39,407)
Total Return	(184,324)	(55,297)	(129,027)
+ Fuel	9,803,884	2,941,165	6,862,719
+ Purchased Power	0	0	0
- Other Operating Revenues	(8,750)	(2,625)	(6,125)
+ Other Operation and Maintenance Exp	7,154,791	2,146,437	5,008,354
+ Depreciation Expense	693,194	207,958	485,236
+ Taxes Other Than Federal Income Tax	175,604	52,681	122,923
+ Federal and State Income Tax	(90)	(26)	(63)
= Total Unit 2 Monthly Power Bill	17,634,310	5,290,293	12,344,018
<u>Determination of Federal Income Tax :</u>			
Total Return (Line 3)	(184,324)	(55,297)	(129,027)
+ Unit 2 Schedule M Adjustments	(251,580)	(75,474)	(176,106)
+ Unit 2 Deferred Federal Income Taxes	132,804	39,841	92,963
- Unit 2 Interest Expense Deduction *	(56,296)	(16,889)	(39,407)
= Subtotal	(246,804)	(74,040)	(172,763)
x Gross-Up (FIT Rate / 1-FIT Rate)	0.538462	0.538462	0.538462
= Unit 2 Current Federal Income Tax	(132,894)	(39,868)	(93,026)
+ Unit 2 Def Fed & State Income Taxes	132,804	39,841	92,963
= Total Unit 2 Fed&State Income Taxes	(90)	(26)	(63)
<u>Proof of Federal Income Tax :</u>			
Total Unit 2 Monthly Power Bill	17,634,310	5,290,293	12,344,018
- Operation and Maintenance Expenses	16,958,675	5,087,602	11,871,073
- Depreciation Expense	693,194	207,958	485,236
- Taxes Other Than Federal Income Tax	175,604	52,681	122,923
- Unit 2 Interest Expense Deduction *	(56,296)	(16,889)	(39,407)
- Other Operating Revenues	(8,750)	(2,625)	(6,125)
= Pre-Tax Book Income	(128,118)	(38,434)	(89,683)
+ Unit 2 Schedule M Adjustments	(251,580)	(75,474)	(176,106)
= Unit 2 Taxable Income	(379,698)	(113,908)	(265,789)
x Current Federal Income Tax Rate	35%	35%	35%
= Unit 2 Current Federal Income Tax	(132,894)	(39,868)	(93,026)
+ Unit 2 Def Fed & State Income Taxes	132,804	39,841	92,963
= Total Unit 2 Fed&State Income Taxes	(90)	(27)	(63)

* 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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**UNIT 2
January, 2013**

<u>Line No.</u>		
1	Operating Ratio:	
2	<u>Net In-Service Investment:</u>	
3	Electric Plant In-Service	763,516,363
4	- Accumulated Depreciation	544,194,423
5	+ Materials & Supplies	66,563,909
6	+ Prepayments	90,991
7	+ Plant Held For Future Use (A/C 105) *	0
8	+ Other Deferred Debits (A/C 186) *	0
9	+ Other Working Capital ***	(1,736,076)
10	+ Unamortized Debt Expense (A/C 181+189)	2,539,508
11	- Other Deferred Credits (A/C 253)	55,336,854
12	- Accumulated Deferred FIT	31,447,651
13	- Accumulated Deferred ITC	19,536,386
14	Total Net In-Service Investment	180,459,381
15	<u>Non-In-Service Investment - CWIP :</u>	
16	Construction Work In Progress	54,273,159
17	+ Materials & Supplies	0
18	- Accumulated Deferred FIT	0
19	Total Non-In-Service Investment - CWIP	54,273,159
20	<u>Non-In-Service Investment - Other :</u>	
21	Plant Held for Future Use (A/C 105) **	0
22	+ Other Deferred Debits (A/C 186) **	1,114,435
23	+ Fuel Inventory Over Allowed Level ****	(11,220,518)
24	Total Non-In-Service Investment - Other	(10,106,083)
25	Total Investment (Lines 14+19+24)	224,626,458
26	Operating Ratio (Line 14/Line 25)	80.3375%
27	Non-In-Service Investment-CWIP Ratio (Line 19/Line 25)	24.1615%
28	Non-In-Service Investment-Other Ratio (Line 24/Line 25)	-4.4990%
29	Total Investment	100.0000%
	* 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	

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

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**UNIT 2
January, 2013**

<u>Line No.</u>		
1	Net In-Service Investment Ratio:	
2	<u>Unit 2 Net In-Service Investment:</u>	
3	Electric Plant In-Service	112,665,322
4	- Accumulated Depreciation	116,065,896
5	+ Materials & Supplies	27,671,695
6	+ Prepayments	45,495
7	+ Plant Held For Future Use (A/C 105) *	0
8	+ Other Deferred Debits (A/C 186) *	0
9	+ Other Working Capital **	1,136,075
10	+ Unamortized Debt Expense (A/C 181+189)	1,269,754
11	- Other Deferred Credits (A/C 253)	55,336,854
12	- Accumulated Deferred FIT	(9,462,570)
13	- Accumulated Deferred ITC	19,535,714
14	Total Unit 2 Net In-Service Investment	(38,687,552)
15	<u>Unit 1 Net In-Service Investment:</u>	
16	Electric Plant In-Service	650,851,041
17	- Accumulated Depreciation	428,128,527
18	+ Materials & Supplies	38,892,214
19	+ Prepayments	45,495
20	+ Plant Held For Future Use (A/C 105) *	0
21	+ Other Deferred Debits (A/C 186) *	0
22	+ Other Working Capital **	(2,872,151)
23	+ Unamortized Debt Expense (A/C 181+189)	1,269,754
24	- Other Deferred Credits (A/C 253)	0
25	- Accumulated Deferred FIT	40,910,220
26	- Accumulated Deferred ITC	672
27	Total Unit 1 Net In-Service Investment	219,146,933
28	Total Net In-Service Investment	180,459,381
29	<u>Net In-Service Investment Ratio:</u>	
30	Unit 2 (Line 14 / Line 28)	-21.4400%
31	Unit 1 (Line 27 / Line 28)	121.4400%
		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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**UNIT 2
January, 2013**

<u>Line No.</u>		
1	Net Capitalization:	
2	Long-Term Debt	65,661,165
3	+ Short-Term Debt	72,409,343
4	+ Preferred Stock	0
5	+ Common Equity	73,352,069
6	- Temporary Cash Investments	0
7	Net Capitalization	211,422,577 =====
8	40% of Net Capitalization	84,569,031
9	<u>Return on Common Equity:</u>	
10	Lesser of Line 5 or Line 8	73,352,069
11	x Equity Return (Monthly Rate)	1.01333%
12	= Equity Return	743,299
13	x Operating Ratio	80.3375%
14	x Net In-Service Investment Ratio	-21.4400%
15	= Subtotal	(128,028)
16	Excess of Line 5 Over Line 8	0
17	x Weighted Cost of Debt (Monthly Rate)	0.1293%
18	= Return on Equity over 40% of Capitalization	0
19	x Operating Ratio	80.3375%
20	x Net In-Service Investment Ratio	-21.4400%
21	= Subtotal	0
22	Unit 2 Return on Equity (Line 15 + Line 21)	(128,028) =====
23	<u>Return on Other Capital:</u>	
24	Long-Term Debt Interest Expense	154,023
25	+ Short-Term Debt Interest Expense (a/c 430)	172,817
26	+ Other Interest Expense (a/c 431)	0
27	- Temporary Cash Investment Income *	0
28	= Net Interest Expense	326,840
29	+ Preferred Stock Dividends (a/c 437)	0
30	= Net Cost of Other Capital	326,840
31	x Operating Ratio	80.3375%
32	x Net In-Service Investment Ratio	-21.4400%
33	= Unit 2 Return on Other Capital	(56,296) =====

* 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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**UNIT 2
January, 2013**

**Line
No.**

1	Debt Balances (Prior Month Ending) :	
2	Long-Term Debt (Accts 221 thru 226)	65,661,165
3	+ Short-Term Debt (Accts 231 + 233)	72,409,343
4	+ Other Debt (Accts 132 thru 136 + 145)	0
5	Total Debt Balances (Prior Month Ending)	138,070,508
		=====
6	<u>Weighting of Debt Balances :</u>	
7	Long-Term Debt (LTD bal/Total Debt bal)	47.5563%
8	+ Short-Term Debt (STD bal/Total Debt bal)	52.4437%
9	+ Other Debt	0.0000%
10	Total Debt Balances	100.0000%
		=====
11	<u>Debt Cost Rates :</u>	
12	Long-Term Debt (avg LTD int rate)	2.7619%
13	Short-Term Debt (avg Money Pool STD int rate)	0.3980%
14	Other Debt	0.0000%
15	<u>Weighted Cost of Debt :</u>	
16	Long-Term Debt (LTD % x avg LTD int rate)	1.3135%
17	+ Short-Term Debt (STD % x avg MP STD int rate)	0.2087%
18	+ Other Debt	0.0000%
19	Total Weighted Cost of Debt	1.5222%
		=====

**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

<u>Line No.</u>		<u>January, 2013</u>
1	Unit 2 Materials and Supplies:	
2	Fuel Stock - Coal (per Line 23)	12,431,049
3	Fuel Stock Expenses - Undistributed (152)	706,031
4	Fuel Stock - Oil (1510002)	2,163,798
5	Plant Materials & Operating Supplies	12,370,817
6	Merchandise	0
7	Undistributed Stores Expense	0
8	Total Materials & Supplies	27,671,695
9	<u>Support of Coal Inventory Value:</u>	
10	Actual Coal Inventory (a/c 151.10)	12,431,049
11	+ Equivalent Inventory re: Deferred Return	912,897,754
12	= Imputed Coal Inventory	925,328,803
13	<u>Coal Inventory W/68 Day Supply Cap</u>	
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)	44.713
22	= 68 day Coal Inventory	23,381,546
23	Lesser of Imputed or Capped Coal Inventory	23,381,546
24	Imputed Inventory Minus Line 23	901,947,257
25	<u>Accumulated Deferred Inventory Return - Unit 2 (Memo Item):</u>	
26	Beginning Balance	5,766,514
27	+ Current Month Return on Beginning Balance	36,657
28	+ Current Month Deferral	71,710
29	- Current Month Recovery	0
30	= Ending Balance **	5,874,881
	* Excludes Forced Outages, Scheduled Outages, and Curtailments	
	** May Not Be Less Than Zero	
	Total Unit 2 Monthly Power Bill with Actual	17,622,726
	Total Unit 2 Monthly Power Bill with 68 Day Capped	17,694,436
	Difference	71,710

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
DETAIL OF OTHER OPERATING REVENUES**

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UNIT 2
January, 2013

<u>Line No.</u>	<u>Account No.</u>	<u>Description</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	<u>(8,750)</u> =====

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

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**UNIT 2
January, 2013**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
1	500,502-509	Steam Power Generation - Operation	6,195,643
2	501	Fuel - Operation	9,803,884
3	510-515	Steam Power Generating - Maintenance	764,784
4		Total Steam Power Generation Expenses	16,764,311
5	555-557	Other Power Supply Expenses	16,520
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 Expense - Maintenance	0
11		Total Distribution Expense	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	153,414
16	935	Administrative and General Expenses - Maintenance	24,431
17		Total Administrative & General Exp.	177,845
18		Total Operation & Maintenance Expenses	16,958,675

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

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**UNIT 2
January, 2013**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
1	403	Depreciation Expense *	385,360
2	404	Amortization of Limited-Term Electric Plant **	307,834
3	405	Amortization of Other Electric Plant	0
4	406	Amortization of Electric Plant Acquisition Adjustments	0
5	407	Amortization of Property Losses, Unrecovered Plant and Regulatory Study Costs	0
			<hr/>
6		Total Depreciation Exp. & Amortization	693,194
			=====

* 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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**UNIT 2
January, 2013**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
1	408.1	Taxes Other Than Federal Income Taxes, Utility Operating Income	164,149
2	409.1	State Income Taxes	11,455
3		Total Taxes Other than Federal Income Taxes	<hr/> 175,604 =====

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

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UNIT 2
January, 2013

Line No.	Account No.	Description	TOTAL	KPCO SHARE	I&M SHARE
1		<u>Unit 2 Schedule `M' Adjustments*</u>			
2	N/A	Excess ACRS Over Normalization Base Depreciation	(3,500)	(1,050)	(2,450)
3	N/A	Deferred Purchased Power Costs	0	0	0
4	N/A	Excess Normalization Base Over Book Depreciation	126,000	37,800	88,200
5	N/A	Other Unit 2 Schedule `M' Adjustments	(374,080)	(112,224)	(261,856)
6	***	Total Unit 2 Schedule `M' Adjustments	<u>(251,580)</u>	<u>(75,474)</u>	<u>(176,106)</u>
7		<u>Unit 2 Deferred Federal Income Tax</u>			
8	410.1	Excess ACRS Over Norm. Base Depr. (Line 2 x FIT Rate * -1)	(25,536)	(7,661)	(17,875)
9	410.1	Deferred Purchased Power Costs (Line 4 x FIT Rate * -1)	0	0	0
10	10.1&411.	Other Unit 2 Schedule `M' Adjustments - Clearing Accounts	0	0	0
12	411.1	Feedback of Accumulated DFIT re: ABFU DC - Unit 2 Negative Amount Denotes Reduction.	(11,892)	(3,568)	(8,324)
13	411.1	Feedback of Accumulated DFIT re: Overheads Capitalized - Unit 2	(181)	(54)	(126)
14	411.1	Feedback of Accumulated DFIT re: Other Schedule `M' Adj.-Utility	170,412	51,124	119,288
15	***	Total Unit 2 Deferred Federal Income Tax	<u>132,804</u>	<u>39,841</u>	<u>92,963</u>

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

Check Figure on Tax Page for Sch M	(251,580)
Check Figure on Tax Page for DFIT	132,804

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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<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
1		<u>ELECTRIC PLANT IN SERVICE</u>	
2	101	Electric Plant In Service	112,184,586
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	480,736
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	112,665,322
12	105	Plant Held For Future Use	0
13		<u>ACCUMULATED DEPRECIATION</u>	
14	108	Accumulated Provision for Depreciation of Electric Utility Plant	95,585,154
15	110	Accumulated Provision for Depreciation and Amort. of Elec. Utility Plant	0
16	111	Accumulated Provision for Amortization of Electric Utility Plant	20,480,742
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	116,065,896
20		<u>MATERIAL AND SUPPLIES</u>	
21	151	Fuel Stock	14,594,847
22	152	Fuel Stock Expenses - Undistributed	706,031
23	153	Residuals	0
24	154	Plant Materials and Operating Supplies	12,370,817
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)	27,671,695
29	165	Prepayments	45,495
30	186	Other Deferred Debits	0

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
OTHER WORKING CAPITAL, UNAMORTIZED DEBT EXPENSE
AND OTHER DEFERRED CREDITS**

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**UNIT 2
January, 2013**

<u>Line No.</u>	<u>Account No.</u>	<u>Description *</u>	
1	128	Other Special Funds	0
2	131	Cash	0
3	135	Other Intra Company Adjustments	0
4	143	Accounts Receivable-Miscellaneous	982,673
5	146	Accounts Receivable-Associated Company	17,747,531
6	171	Interest and Dividends Receivable	420
7	174	Miscellaneous Current and Accrued Assets	0
8	232	Accounts Payable-General	(16,293)
9	234	Accounts Payable-Associated Company	(15,548,214)
10	236	Taxes Accrued	103,448
11	237	Interest Accrued	(195,559)
12	238	Dividends Declared	0
13	241	Tax Collections Payable	0
14	242	Misc Current and Accrued Liabilities	(1,937,930)

15		Total Other Working Capital	1,136,075
			=====
16	181+189	Unamortized Debt Expense	1,269,754

17	253	Other Deferred Credits	55,336,854

*		debit <credit>	

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

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UNIT 2
January, 2013

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
31		ACCUMULATED DEFERRED INCOME TAXES	
32	190	-Accumulated Deferred Income Taxes	22,245,865
33	281	+Accumulated Deferred Income Taxes - Accelerated Amortization Property	0
34	282	+Accumulated Deferred Income Taxes - Other Property	12,250,465
35	283	+Accumulated Deferred Income Taxes - Other	532,831
36		Total Accumulated Deferred Income Taxes (In-Service Portion)	<u>(9,462,570)</u>
37	255	+Accumulated Deferred Investment Tax Credits	19,535,714
38	186.50	-Accumulated Deferred Investment Tax Credit	0
39		Total Accumulated Deferred Investment Tax Credits	<u>19,535,714</u>
40		Total Net In-Service Investment - Unit 2	<u><u>(38,687,552)</u></u> =====

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

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<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
		<u>Non-In-Service Investment - CWIP</u>	
1	107	Construction Work In Process	54,273,159
2		<u>MATERIAL AND SUPPLIES</u>	
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		<u>ACCUMULATED DEFERRED INCOME TAXES</u>	
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	0
16		Total Accumulated Deferred Income Taxes (CWIP Portion)	0
17		TOTAL NON-IN-SERVICE INVESTMENT - CWIP	54,273,159
		<u>Non-In-Service Investment - Other</u>	
18	105	Plant Held for Future Use	0
19	186	Other Deferred Debits	1,114,435
20	151.10	Fuel Inventory Over Allowed Level *	(11,220,518)
21		Total Non-In-Service Investment - Other	(10,106,083)
		* INCLUDES ROCKPORT 1 AND 2	
		UNIT 1	(11,220,518)
		UNIT 2	0
		TOTAL	(11,220,518)

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
DETAIL OF NET CAPITALIZATION**

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<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
1		<u>COMMON CAPITAL STOCK</u>	
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		<u>OTHER PAID-IN CAPITAL</u>	
12	207	Premium on Capital Stock	0
13	208	Donations Received from Stockholders	69,478,987
14	211	Miscellaneous Paid-In Capital	0
15	213	Discount on Capital Stock	0
16		Total Other Paid-In Capital	69,478,987
17		<u>RETAINED EARNINGS</u>	
18	215	Appropriated Retained Earnings	0
19	215.1	Appropriated Retained Earnings- Amortization Reserve, Federal	0
20	216	Unappropriated Retained Earnings	3,490,082
21		Total Retained Earnings	3,490,082
22		Total Common Equity	73,352,069
23		<u>PREFERRED CAPITAL STOCK</u>	
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

January 2013

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
28		<u>LONG-TERM DEBT</u>	
29	221	Bonds	0
30	222	Reacquired Bonds	0
31	223	Advances from Associated Companies	0
32	224	Other Long-Term Debt	65,661,165
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	65,661,165
		<u>SHORT-TERM DEBT</u>	
36a	231.02	Notes Payable (Short-Term Debt)	0
36b	231.03	Unamortized Discount	0
37	233.00	Notes Payable, Assoc Co(Money Pool)	72,409,343
38		Total Short-Term Debt	72,409,343
39		<u>TEMPORARY CASH INVESTMENTS</u>	
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	211,422,577

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

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**UNIT 2
January, 2013**

Line No.

1	Capitalization Balances (Prior Month Ending) :	
2	Long-Term Debt (Accts 221 thru 226)	65,661,165
3	+ Short-Term Debt (Accts 231 + 233)	72,409,343
4	+ Preferred Stock	0
5	+ Common Equity (Accts 201 thru 216)	73,352,069
6	- Capitalization Offsets	0
7	Total Capitalization Balances	211,422,577
		=====
8	<u>Weighting of Capitalization Balances :</u>	
9	Long-Term Debt (LTD/Total Capital)	31.0568%
10	+ Short-Term Debt (STD/Total Capital)	34.2486%
11	+ Preferred Stock	0.0000%
12	+ Common Equity (Common Equity/Total Capital)	34.6945%
13	- Capitalization Offsets	-0.0001%
14	Total Capitalization	100.0000%
		=====
15	<u>Capitalization Cost Rates :</u>	
16	Long-Term Debt (avg LTD int rate)	2.7619%
17	Short-Term Debt (avg money pool STD int rate)	0.3980%
18	Preferred Stock	0.0000%
19	Common Equity (FERC fixed rate)	12.1600%
20	Capitalization Offsets (sum of weighted costs of debt)	1.5222%
21	<u>Rate of Return (Net of Tax) :</u>	
22	Long-Term Debt (LTD % x avg LTD int rate)	0.8578%
23	+ Short-Term Debt (STD % x avg MP STD int rate)	0.1363%
24	+ Preferred Stock	0.0000%
25	+ Common Equity (CE % x FERC fixed rate)	4.2189%
26	- Capitalization Offsets	0.0000%
27	Total Rate of Return (Net of Tax)	5.2130%
		=====
28	Weighted Net Cost of Debt	0.9941%
	(LTD Rate of Return + STD RR - Cap Offsets RR)	
29	+ Pre-Tax Common Equity (Line 25 / .65)	6.4906%
	(Common Equity Rate of Return grossed up for tax)	
30	= Rate of Return (Pre-Tax)	7.4847%
		=====

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

500	SUPERVISION AND ENGINEERING	92,579
501	FUEL	9,803,884
502	STEAM EXPENSES	197,827
503	STEAM FROM OTHER SOURCES	0
504	STEAM TRANSFERRED - CR	0
505	ELECTRIC EXPENSES	55,093
506	MISC. STEAM POWER EXPENSES	159,714
507	RENTS	5,690,430
508	OPERATION SUPPLIES AND EXPENSES	0
509	CARRYING CHARGES - ALLOWANCES	0

TOTAL OPERATION EXPENSE 15,999,527

510	MAINTENANCE SUPER. AND ENGINEERING	78,974
511	MAINTENANCE OF STRUCTURES	21,915
512	MAINTENANCE OF BOILER PLANT	574,784
513	MAINTENANCE OF ELECTRIC PLANT	68,201
514	MAINTENANCE OF MISC. STEAM PLANT	20,910
515	MAINTENANCE NORMALIZING	0

TOTAL MAINTENANCE EXPENSES 764,784

555	PURCHASED POWER	0
556	SYSTEM CONTROL AND LOAD DISPATCHING	3,879
557	OTHER POWER SUPPLY EXPENSES	12,640

TOTAL OTHER SUPPLY EXPENSES 16,520

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	1
THIS BILLING IS FOR MONTH OF	January, 2013

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 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	25,396
921	OFFICE SUPPLIES AND EXPENSES	15,183
922	ADMINISTRATIVE EXPENSES TRANSF - CR	0
923	OUTSIDE SERVICES	(54,141)
924	PROPERTY INSURANCE	10,864
925	INJURIES AND DAMAGES	1,398
926	EMPLOYEE PENSIONS AND BENEFITS	108,837
927	FRANCHISE REQUIREMENTS	0
928	REGULATORY COMMISSION	0
929	DUPLICATE CHARGES-CREDIT	0
930	MISCELLANEOUS GENERAL EXPENSES	45,380
931	RENTS	496
933	TRANSPORTATION EXPENSE	0
	TOTAL ADM & GEN EXPENSES OPERATION	153,414
935	MAINTENANCE OF GENERAL PLANT	24,431
	TOTAL ADM & GEN EXPENSES	177,845
	TOTAL AEG OPERATION & MAINTENANCE EXPENSES	16,958,675
	ACCOUNT 40190 TOTAL FOR CROSS FOOT	16,958,675
	-----DIFFERENCE-----	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
07-Mar-13

UNIT 1
POWER BILL - - February, 2013

IN ACCORDANCE WITH POWER AGREEMENT DATED OCTOBER 1, 1984 (AS AMENDED)
 ENERGY DELIVERED FOR THE MONTH OF February, 2013
 KWH FOR THE MONTH 267,858,000

	<u>SUMMARY</u>	<u>TOTAL</u>
Current Month Bill:		
Return on Common Equity		531,870
Return on Other Capital		132,710
Total Return		----- 664,580
Fuel		6,781,552
Purchased Power		0
Other Operating Revenues		(6,125)
Other Operation and Maintenance Exp		955,724
Depreciation Expense		1,188,896
Taxes Other Than Federal Income Tax		155,156
Federal Income Tax		125,078
TOTAL UNIT POWER BILL		----- 9,864,863 -----
Prior Month's Adjustment:		
Return on Common Equity & Other Capital		0
Fuel		0
Other Expenses (Includes taxes & interest)		255,524
TOTAL PRIOR MONTH'S ADJUSTMENTS		----- 255,524 -----
TOTAL UNIT POWER BILL		=====
		10,120,387
		=====

AMOUNTS WILL BE PAID DIRECT FROM GENERAL FUNDS.

DUE DATE - - - March 21, 2013

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

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-13

UNIT 1
POWER BILL - - February, 2013

IN ACCORDANCE WITH POWER AGREEMENT DATED OCTOBER 1, 1984 (AS AMENDED)
 ENERGY DELIVERED FOR THE MONTH OF February, 2013
 KWH FOR THE MONTH 114,796,000

	<u>SUMMARY</u>	<u>TOTAL</u>
Current Month Bill:		
Return on Common Equity		227,945
Return on Other Capital		56,876
Total Return		----- 284,821
Fuel		2,906,380
Purchased Power		0
Other Operating Revenues		(2,625)
Other Operation and Maintenance Exp		409,596
Depreciation Expense		509,527
Taxes Other Than Federal Income Tax		66,496
Federal Income Tax		53,604
TOTAL CURRENT UNIT POWER BILL		----- 4,227,799 -----
Prior Month's Adjustment:		
Return on Common Equity & Other Capital		0
Fuel Expense		0
Other Expenses (Includes taxes & interest)		109,511
TOTAL PRIOR MONTH'S ADJUSTMENTS		----- 109,511 -----
TOTAL UNIT POWER BILL		=====
		4,337,310
		=====

AMOUNTS WILL BE PAID DIRECT FROM GENERAL FUNDS.

DUE DATE - - - March 21, 2013

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

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
SUMMARY OF MONTHLY POWER BILL**

KPSC Case No. 2014-00396 **ESTIMATE**
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February, 2013

07-Mar-13

	<u>TOTAL UNIT 1 POWER BILL</u>	<u>KPCO SHARE</u>	<u>I&M SHARE</u>
Return on Common Equity	759,815	227,945	531,870
Return on Other Capital	189,586	56,876	132,710
Total Return	949,401	284,821	664,580
+ Fuel	9,687,932	2,906,380	6,781,552
+ Purchased Power	0	0	0
- Other Operating Revenues	(8,750)	(2,625)	(6,125)
+ Other Operation and Maintenance Exp	1,365,320	409,596	955,724
+ Depreciation Expense	1,698,423	509,527	1,188,896
+ Taxes Other Than Federal Income Tax	221,652	66,496	155,156
+ Federal and State Income Tax	178,682	53,604	125,078
= Total Unit 1 Monthly Power Bill	14,092,661	4,227,799	9,864,863
<u>Determination of Federal Income Tax :</u>			
Total Return (Line 3)	949,401	284,821	664,580
+ Unit 1 Schedule M Adjustments	1,289,858	386,957	902,901
+ Unit 1 Deferred Federal Income Taxes	(601,241)	(180,373)	(420,869)
- Unit 1 Interest Expense Deduction *	189,586	56,876	132,710
= Subtotal	1,448,432	434,529	1,013,902
x Gross-Up (FIT Rate / 1-FIT Rate)	0.538462	0.538462	0.538462
= Unit 1 Current Federal Income Tax	779,924	233,977	545,947
+ Unit 1 Def Fed & State Income Taxes	(601,241)	(180,373)	(420,869)
= Total Unit 1 Fed&State Income Taxes	178,682	53,604	125,078
<u>Proof of Federal Income Tax :</u>			
Total Unit 1 Monthly Power Bill	14,092,661	4,227,799	9,864,863
- Operation and Maintenance Expenses	11,053,252	3,315,976	7,737,277
- Depreciation Expense	1,698,423	509,527	1,188,896
- Taxes Other Than Federal Income Tax	221,652	66,496	155,156
- Unit 1 Interest Expense Deduction *	189,586	56,876	132,710
- Other Operating Revenues	(8,750)	(2,625)	(6,125)
= Pre-Tax Book Income	938,497	281,549	656,948
+ Unit 1 Schedule M Adjustments	1,289,858	386,957	902,901
= Unit 1 Taxable Income	2,228,355	668,506	1,559,849
x Current Federal Income Tax Rate	35%	35%	35%
= Unit 1 Current Federal Income Tax	779,924	233,977	545,947
+ Unit 1 Def Fed & State Income Taxes	(601,242)	(180,373)	(420,869)
= Total Unit 1 Fed&State Income Taxes	178,682	53,604	125,078

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

KPSC Case No. 2014-00396
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<u>Line No.</u>		UNIT 1 <u>February, 2013</u>
1	<u>Operating Ratio:</u>	
2	<u>Net In-Service Investment:</u>	
3	Electric Plant In-Service	766,150,838
4	- Accumulated Depreciation	547,557,837
5	+ Materials & Supplies	65,966,596
6	+ Prepayments	74,456
7	+ Plant Held For Future Use (A/C 105) *	0
8	+ Other Deferred Debits (A/C 186) *	0
9	+ Other Working Capital ***	(2,320,233)
10	+ Unamortized Debt Expense (A/C 181)	280,448
11	+ Deferred ASH pond cost (A/C182.3)	2,977,266
12	- Asset Retirement Obligation (A/C 230)	4,047,907
13	- Other Deferred Credits (A/C 253)	54,872,608
14	- Accumulated Deferred FIT	31,394,293
15	- Accumulated Deferred ITC	19,372,081
16	Total Net In-Service Investment	----- 175,884,644 -----
17	<u>Non-In-Service Investment - CWIP :</u>	
18	Construction Work In Progress	55,993,854
19	+ Materials & Supplies	0
20	- Accumulated Deferred FIT	0
21	Total Non-In-Service Investment - CWIP	----- 55,993,854 -----
22	<u>Non-In-Service Investment - Other :</u>	
23	Plant Held for Future Use (A/C 105) **	1,034,099
24	+ Other Deferred Debits (A/C 186) **	877,163
25	+ Fuel Inventory Over Allowed Level ****	(14,187,467)
26	Total Non-In-Service Investment - Other	----- (12,276,205) -----
27	Total Investment (Lines 16+21+26)	----- 219,602,293 =====
28	Operating Ratio (Line 16/Line 27)	80.0924%
29	Non-In-Service Investment-CWIP Ratio (Line 21/Line 27)	25.4978%
30	Non-In-Service Investment-Other Ratio (Line 26/Line 27)	-5.5902%
31	Total Investment	----- 100.0000% =====
*	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	
****	Includes Rockport 1 and 2	

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

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<u>Line No.</u>		UNIT 1 <u>February, 2013</u>
1	<u>Net In-Service Investment Ratio:</u>	
2	Unit 1 Net In-Service Investment:	
3	Electric Plant In-Service	652,681,632
4	- Accumulated Depreciation	430,523,245
5	+ Materials & Supplies	40,077,031
6	+ Prepayments	37,228
7	+ Plant Held For Future Use (A/C 105) *	0
8	+ Other Deferred Debits (A/C 186) *	0
9	+ Other Working Capital **	(86,980)
10	+ Unamortized Debt Expense (A/C 181)	140,224
11	+ Deferred ASH pond cost (A/C182.3)	1,488,633
12	- Asset Retirement Obligation (A/C 230)	2,023,954
13	- Other Deferred Credits (A/C 253)	0
14	- Accumulated Deferred FIT	40,555,313
15	- Accumulated Deferred ITC	532
16	Total Unit 1 Net In-Service Investment	----- 221,234,725 -----
17	Unit 2 Net In-Service Investment:	
18	Electric Plant In-Service	113,469,206
19	- Accumulated Depreciation	117,034,592
20	+ Materials & Supplies	25,889,564
21	+ Prepayments	37,228
22	+ Plant Held For Future Use (A/C 105) *	0
23	+ Other Deferred Debits (A/C 186) *	0
24	+ Other Working Capital **	(2,233,253)
25	+ Unamortized Debt Expense (A/C 181)	140,224
26	+ Deferred ASH pond cost (A/C182.3)	1,488,633
27	- Asset Retirement Obligation (A/C 230)	2,023,954
28	- Other Deferred Credits (A/C 253)	54,872,608
29	- Accumulated Deferred FIT	(9,161,019)
30	- Accumulated Deferred ITC	19,371,549
31	Total Unit 2 Net In-Service Investment	----- (45,350,080) -----
32	Total Net In-Service Investment	----- 175,884,644 =====
33	<u>Net In-Service Investment Ratio:</u>	
34	Unit 1 (Line 16 / Line 32)	125.7800%
35	Unit 2 (Line 31 / Line 32)	----- -25.7800% -----
		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
February, 2013**

1	<u>Net Capitalization:</u>	
2	Long-Term Debt	65,661,165
3	+ Short-Term Debt	67,884,116
4	+ Preferred Stock	0
5	+ Common Equity	74,431,005
6	- Temporary Cash Investments	0
7	Net Capitalization	----- 207,976,286 =====
8	40% of Net Capitalization	83,190,514
9	<u>Return on Common Equity:</u>	
10	Lesser of Line 5 or Line 8	74,431,005
11	x Equity Return (Monthly Rate)	1.01333%
12	= Equity Return	754,232
13	x Operating Ratio	80.0924%
14	x Net In-Service Investment Ratio	125.7800%
15	= Subtotal	759,815
16	Excess of Line 5 Over Line 8	0
17	x Weighted Cost of Debt (Monthly Rate)	0.1184%
18	= Return on Equity over 40% of Capitalization	0
19	x Operating Ratio	80.0924%
20	x Net In-Service Investment Ratio	125.7800%
21	= Subtotal	0
22	Unit 1 Return on Equity (Line 15 + Line 21)	----- 759,815 =====
23	<u>Return on Other Capital:</u>	
24	Long-Term Debt Interest Expense (A/C 427-429)	139,485
25	+ Short-Term Debt Interest Expense (a/c 430)	48,708
26	+ Other Interest Expense (a/c 431)	0
27	- Temporary Cash Investment Income *	0
28	= Net Interest Expense	----- 188,193
29	+ Preferred Stock Dividends (a/c 437)	0
30	= Net Cost of Other Capital	----- 188,193
31	x Operating Ratio	80.0924%
32	x Net In-Service Investment Ratio	125.7800%
33	= Unit 1 Return on Other Capital	189,586
	* 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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**UNIT 1
February, 2013**

**Line
No.**

1	<u>Debt Balances (Prior Month Ending) :</u>	
2	Long-Term Debt (Accts 221 thru 226)	65,661,165
3	+ Short-Term Debt (Accts 231 + 233)	67,884,116
4	+ Other Debt (Accts 132 thru 136 + 145)	0

5	Total Debt Balances (Prior Month Ending)	133,545,281
		=====
6	<u>Weighting of Debt Balances :</u>	
7	Long-Term Debt (LTD bal/Total Debt bal)	49.1677%
8	+ Short-Term Debt (STD bal/Total Debt bal)	50.8323%
9	+ Other Debt	0.0000%

10	Total Debt Balances	100.0000%
		=====
11	<u>Debt Cost Rates :</u>	
12	Long-Term Debt (avg LTD int rate)	2.7692%
13	Short-Term Debt (avg Money Pool STD int rate)	0.3581%
14	Other Debt	0.0000%
15	<u>Weighted Cost of Debt :</u>	
16	Long-Term Debt (LTD % x avg LTD int rate)	1.3615%
17	+ Short-Term Debt (STD % x avg MP STD int rate)	0.1820%
18	+ Other Debt	0.0000%

19	Total Weighted Cost of Debt	1.5435%
		=====

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

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<u>Line No.</u>		<u>February, 2013</u>
1	<u>Unit 1 Materials and Supplies:</u>	
2	Fuel Stock - Coal (per Line 23)	25,150,651
3	Fuel Stock Expenses - Undistributed (152)	631,706
4	Fuel Stock - Oil (151)	2,013,717
5	Plant Materials & Operating Supplies	12,280,957
6	Merchandise	0
7	Undistributed Stores Expense	0
8	Total Materials & Supplies	40,077,031
9	<u>Support of Coal Inventory Value:</u>	
10	Actual Coal Inventory (a/c 151.10)	10,963,184
11	+ Equivalent Inventory re: Deferred Return	23,226,231,565
12	= Imputed Coal Inventory	23,237,194,749
13	<u>Coal Inventory W/68 Day Supply Cap</u>	
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)	47.547
22	= 68 day Coal Inventory	25,150,651
23	Lesser of Imputed or Capped Coal Inventory	25,150,651
24	Imputed Inventory Minus Line 23	23,212,044,098
25	<u>Accumulated Deferred Inventory Return - Unit 1 (Memo Item):</u>	
26	Beginning Balance	136,146,983
27	+ Current Month Return on Beginning Balance	802,769
28	+ Current Month Deferral	0
29	- Current Month Recovery	86,556
30	= Ending Balance **	136,863,196

* 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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**UNIT 1
February, 2013**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</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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**UNIT 1
February, 2013**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
1	500,502-508	Steam Power Generation - Operation	629,772
2	501	Fuel - Operation	9,687,932
3	510-515	Steam Power Generating - Maintenance	590,869
4		Total Steam Power Generation Expenses	10,908,574
5	555-557	Other Power Supply Expenses	(24)
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 - Operation	135,161
16	935	Administrative and General Expenses - Maintenance	9,542
17		Total Administrative & General Exp.	144,703
18		Total Operation & Maintenance Expenses	11,053,252

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

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UNIT 1

February, 2013

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
	1 403	Depreciation Expense	1,665,208
1a	403.1	ARO Depreciation Expense	5,199
	2 404	Amortization of Limited-Term Electric Plant	0
	3 405	Amortization of Other Electric Plant	0
	4 406	Amortization of Electric Plant Acquisition Adjustments	0
	5 407	Amortization of Property Losses, Unrecovered Plant and Regulatory Study Costs	0
	6	Total Depreciation Exp. & Amortization	1,670,407
			=====
	7 411.10	ARO Accretion Expense	28,016
	8	Total Depreciation, Amortization & Accretion Expenses	1,698,423

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

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<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>UNIT</u> <u>February, 2013</u>
BS1			
1	408.1	Taxes Other Than Federal Income Taxes, Utility Operating Income	160,461
2	409.1	State Income Taxes	61,192
3		Total Taxes Other than FIT	----- 221,652 =====

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

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<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>TOTAL</u>	<u>KPCO SHARE</u>	<u>I&M SHARE</u>
1		<u>Unit 1 Schedule 'M' Adjustments*</u>			
2	N/A	Excess ACRS Over Normalization Base Depreciation	(3,500)	(1,050)	(2,450)
3	N/A	Excess Normalization Base Over Book Depreciation	(19,000)	(5,700)	(13,300)
4	N/A	Other Unit 1 Schedule 'M' Adjustments	1,312,358	393,707	918,651
5	***	Total Unit 1 Schedule 'M' Adjustments	1,289,858	386,957	902,901
<hr/>					
6		<u>Unit 1 Deferred Federal Income Tax</u>			
7	410.1	Excess ACRS Over Norm. Base Depr. (Line 2 x FIT Rate * -1)	(416,433)	(124,930)	(291,503)
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' Adj.-Utility	(182,119)	(54,636)	(127,483)
12	***	Total Unit 1 Deferred Federal Income Tax	(601,241)	(180,373)	(420,869)

*** 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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<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
1		<u>ELECTRIC PLANT IN SERVICE</u>	
2	101	Electric Plant In Service	651,752,782
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	928,850
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	652,681,632
12	105	Plant Held For Future Use	0
13		<u>ACCUMULATED DEPRECIATION</u>	
14	108	Accumulated Provision for Depreciation of Electric Utility Plant	430,071,856
15	110	Accumulated Provision for Depreciation and Amort. of Elec. Utility Plant	0
16	111	Accumulated Provision for Amortization of Electric Utility Plant	451,389
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	430,523,245
20		<u>MATERIAL AND SUPPLIES</u>	
21	151	Fuel Stock	27,164,368
22	152	Fuel Stock Expenses - Undistributed	631,706
23	153	Residuals	0
24	154	Plant Materials and Operating Supplies	12,280,957
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)	40,077,031
29	165	Prepayments	37,228
30	186	Other Deferred Debits	0

**AEP GENERATING COMPANY
 ROCKPORT POWER BILL
 OTHER WORKING CAPITAL, UNAMORTIZED DEBT EXPENSE
 AND OTHER DEFERRED CREDITS**

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**UNIT 1
 February, 2013**

<u>Line No.</u>	<u>Account No.</u>	<u>Description *</u>	
1	128	Other Special Funds	0
2	131	Cash	0
3	135	Other Intra Company Adjustments	0
4	143	Accounts Receivable-Miscellaneous	982,673
5	146	Accounts Receivable-Associated Company	18,490,024
6	171	Interest and Dividends Receivable	939
7	174	Miscellaneous Current and Accrued Assets	0
8	232	Accounts Payable-General	(14,292)
9	234	Accounts Payable-Associated Company	(13,264,168)
10	236	Taxes Accrued	(2,817,943)
11	237	Interest Accrued	(249,974)
12	238	Dividends Declared	0
13	241	Tax Collections Payable	0
14	242	Misc Current and Accrued Liabilities	(3,214,240)

15		Total Other Working Capital	(86,980)
			=====
16	181	Unamortized Debt Expense	140,224

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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<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
31		<u>ACCUMULATED DEFERRED INCOME TAXES</u>	
32	190	-Accumulated Deferred Income Taxes	1,884,154
33	281	+Accumulated Deferred Income Taxes - Accelerated Amortization Property	0
34	282	+Accumulated Deferred Income Taxes - Other Property	41,512,395
35	283	+Accumulated Deferred Income Taxes - Other	927,072
36		Total Accumulated Deferred Income Taxes (In-Service Portion)	----- 40,555,313 -----
37	255	+Accumulated Deferred Investment Tax Credits	532
38	186.50	-Accumulated Deferred Investment Tax Credit	0
39		Total Accumulated Deferred Investment Tax Credits	----- 532 -----
40		Total Net In-Service Investment - Unit 1	----- 221,770,045 =====

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

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**UNIT 1
February, 2013**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
		<u>Non-In-Service Investment - CWIP</u>	
1	107	Construction Work In Process	55,993,854
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		<u>ACCUMULATED DEFERRED INCOME TAXES</u>	
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	0
16		Total Accumulated Deferred Income Taxes (CWIP Portion)	----- 0
17		TOTAL NON-IN-SERVICE INVESTMENT - CWIP	----- 55,993,854 =====
		<u>Non-In-Service Investment - Other</u>	
18	105	Plant Held for Future Use	1,034,099
19	186	Other Deferred Debits	877,163
20	151.10	Fuel Inventory Over Allowed Level *	(14,187,467)
21		Total Non-In-Service Investment - Other	----- (12,276,205) =====
		* INCLUDES ROCKPORT 1 AND 2	
		UNIT 1	(14,187,467)
		UNIT 2	0
		TOTAL	----- (14,187,467) =====

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
DETAIL OF NET CAPITALIZATION**

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<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
1		<u>COMMON CAPITAL STOCK</u>	
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		<u>OTHER PAID-IN CAPITAL</u>	
12	207	Premium on Capital Stock	0
13	208	Donations Received from Stockholders	69,478,987
14	211	Miscellaneous Paid-In Capital	0
15	213	Discount on Capital Stock	0
16		Total Other Paid-In Capital	69,478,987
17		<u>RETAINED EARNINGS</u>	
18	215	Appropriated Retained Earnings	0
19	215.1	Appropriated Retained Earnings- Amortization Reserve, Federal	0
20	216	Unappropriated Retained Earnings	4,569,018
21		Total Retained Earnings	4,569,018
22		Total Common Equity	74,431,005
23		<u>PREFERRED CAPITAL STOCK</u>	
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
February, 2013

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
28		<u>LONG-TERM DEBT</u>	
29	221	Bonds	0
30	222	Reacquired Bonds	0
31	223	Advances from Associated Companies	0
32	224	Other Long-Term Debt	65,661,165
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	----- 65,661,165 -----
		<u>SHORT-TERM DEBT</u>	
36a	231.02	Notes Payable (Short-Term Debt)	0
36b	231.03	Unamortized Discount	0
37	233.00	Notes Payable, Assoc Co(Money Pool)	67,884,116
38		Total Short-Term Debt	----- 67,884,116 -----
39		<u>TEMPORARY CASH INVESTMENTS</u>	
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	----- 207,976,286 =====

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

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UNIT 1

February, 2013

Line No.

1	<u>Capitalization Balances (Prior Month Ending) :</u>	
2	Long-Term Debt (Accts 221 thru 226)	65,661,165
3	+ Short-Term Debt (Accts 231 + 233)	67,884,116
4	+ Preferred Stock	0
5	+ Common Equity (Accts 201 thru 216)	74,431,005
6	- Capitalization Offsets	0

7	Total Capitalization Balances	207,976,286
		=====
8	<u>Weighting of Capitalization Balances :</u>	
9	Long-Term Debt (LTD/Total Capital)	31.5715%
10	+ Short-Term Debt (STD/Total Capital)	32.6403%
11	+ Preferred Stock	0.0000%
12	+ Common Equity (Common Equity/Total Capital)	35.7882%
13	- Capitalization Offsets	0.0000%

14	Total Capitalization	100.0000%
		=====
15	<u>Capitalization Cost Rates :</u>	
16	Long-Term Debt (avg LTD int rate)	2.7692%
17	Short-Term Debt (avg money pool STD int rate)	0.3581%
18	Preferred Stock	0.0000%
19	Common Equity (FERC fixed rate)	12.1600%
20	Capitalization Offsets (sum of weighted costs of debt)	1.5435%
21	<u>Rate of Return (Net of Tax) :</u>	
22	Long-Term Debt (LTD % x avg LTD int rate)	0.8743%
23	+ Short-Term Debt (STD % x avg MP STD int rate)	0.1169%
24	+ Preferred Stock	0.0000%
25	+ Common Equity (CE % x FERC fixed rate)	4.3518%
26	- Capitalization Offsets	0.0000%

27	Total Rate of Return (Net of Tax)	5.3430%
		=====
28	Weighted Net Cost of Debt	0.9912%
	(LTD Rate of Return + STD RR - Cap Offsets RR)	
29	+ Pre-Tax Common Equity (Line 25 / 65)	6.6951%
	(Common Equity Rate of Return grossed up for tax)	-----
30	= Rate of Return (Pre-Tax)	7.6863%
		=====

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

500	SUPERVISION AND ENGINEERING	101,305
501	FUEL	9,687,932
502	STEAM EXPENSES	337,057
503	STEAM FROM OTHER SOURCES	0
504	STEAM TRANSFERRED - CR	0
505	ELECTRIC EXPENSES	59,031
506	MISC. STEAM POWER EXPENSES	132,203
507	RENTS	177
508	OPERATION SUPPLIES AND EXPENSES	0
509	CARRYING CHARGES - ALLOWANCES	0

TOTAL OPERATION EXPENSE 10,317,704

510	MAINTENANCE SUPER. AND ENGINEERING	87,086
511	MAINTENANCE OF STRUCTURES	27,364
512	MAINTENANCE OF BOILER PLANT	329,086
513	MAINTENANCE OF ELECTRIC PLANT	88,775
514	MAINTENANCE OF MISC. STEAM PLANT	58,558
515	MAINTENANCE NORMALIZING	0

TOTAL MAINTENANCE EXPENSES 590,869

555	PURCHASED POWER	0
556	SYSTEM CONTROL AND LOAD DISPATCHING	(149)
557	OTHER POWER SUPPLY EXPENSES	125

TOTAL OTHER SUPPLY EXPENSES (24)

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	2013
CURRENT MONTH IS	2
THIS BILLING IS FOR MONTH OF	February, 2013

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	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
	TOTAL SALES EXPENSES	0
920	ADMIN. & GENERAL SALARIES	37,912
921	OFFICE SUPPLIES AND EXPENSES	363
922	ADMINISTRATIVE EXPENSES TRANSF - CR	0
923	OUTSIDE SERVICES	15,042
924	PROPERTY INSURANCE	10,861
925	INJURIES AND DAMAGES	1,387
926	EMPLOYEE PENSIONS AND BENEFITS	65,732
927	FRANCHISE REQUIREMENTS	0
928	REGULATORY COMMISSION	0
929	DUPLICATE CHARGES-CREDIT	0
930	MISCELLANEOUS GENERAL EXPENSES	3,344
931	RENTS	520
933	TRANSPORTATION EXPENSE	0
	TOTAL ADM & GEN EXPENSES OPERATION	135,161
935	MAINTENANCE OF GENERAL PLANT	9,542
	TOTAL ADM & GEN EXPENSES	144,703
	TOTAL AEG OPERATION & MAINTENANCE EXPENSES	11,053,252
	ACCOUNT 40190 TOTAL FOR CROSS FOOT	11,053,252
	-----DIFFERENCE-----	0

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

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**ESTIMATE
07-Mar-13**

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

**UNIT 2
POWER BILL - - February, 2013**

IN ACCORDANCE WITH POWER AGREEMENT DATED OCTOBER 1, 1984 (AS AMENDED)
ENERGY DELIVERED FOR THE MONTH OF February, 2013
KWH FOR THE MONTH 11,569,000

SUMMARY

TOTAL

Current Month Bill:

Return on Common Equity	(109,528)
Return on Other Capital	(27,329)
Total Return	(136,857)
Fuel	446,076
Purchased Power	0
Other Operating Revenues	(6,125)
Other Operation and Maintenance Exp	5,797,960
Depreciation Expense	508,428
Taxes Other Than Federal Income Tax	152,636
Federal Income Tax	(11,999)
TOTAL CURRENT UNIT POWER BILL	6,750,119

Prior Month's Adjustment:

Return on Common Equity & Other Capital	0
Fuel Expense	0
Other Expenses (Includes taxes & interest)	113,177

TOTAL PRIOR MONTH'S ADJUSTMENTS	113,177
--	----------------

TOTAL UNIT POWER BILL	6,863,296
------------------------------	------------------

AMOUNTS WILL BE PAID DIRECT FROM GENERAL FUNDS.

DUE DATE - - March 21, 2013

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**

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

**ESTIMATE
07-Mar-13**

**UNIT 2
POWER BILL - - February, 2013**

IN ACCORDANCE WITH POWER AGREEMENT DATED OCTOBER 1, 1984 (AS AMENDED)
ENERGY DELIVERED FOR THE MONTH OF February, 2013
KWH FOR THE MONTH 4,958,000

SUMMARY

TOTAL

Current Month Bill:

Return on Common Equity	(46,941)
Return on Other Capital	(11,712)
Total Return	(58,653)
Fuel	191,175
Purchased Power	0
Other Operating Revenues	(2,625)
Other Operation and Maintenance Exp	2,484,840
Depreciation Expense	217,898
Taxes Other Than Federal Income Tax	65,416
Federal Income Tax	(5,143)
TOTAL CURRENT UNIT POWER BILL	2,892,908

Prior Month's Adjustment:

Return on Common Equity & Other Capital	0
Fuel Expense	0
Other Expenses (Includes taxes & interest)	48,504

TOTAL PRIOR MONTH'S ADJUSTMENTS **48,504**

TOTAL UNIT POWER BILL **2,941,412**

AMOUNTS WILL BE PAID DIRECT FROM GENERAL FUNDS.

DUE DATE - - March 21, 2013

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
ROCKPORT POWER BILL
SUMMARY OF MONTHLY POWER BILL**

February, 2013 07-Mar-13

	<u>TOTAL UNIT 2 POWER BILL</u>	<u>KPCO SHARE</u>	<u>I&M SHARE</u>
Return on Common Equity	(156,469)	(46,941)	(109,528)
Return on Other Capital	(39,041)	(11,712)	(27,329)
Total Return	(195,510)	(58,653)	(136,857)
+ Fuel	637,251	191,175	446,076
+ Purchased Power	0	0	0
- Other Operating Revenues	(8,750)	(2,625)	(6,125)
+ Other Operation and Maintenance Exp	8,282,800	2,484,840	5,797,960
+ Depreciation Expense	726,326	217,898	508,428
+ Taxes Other Than Federal Income Tax	218,052	65,416	152,636
+ Federal and State Income Tax	(17,142)	(5,143)	(11,999)
= Total Unit 2 Monthly Power Bill	9,643,027	2,892,908	6,750,119
<u>Determination of Federal Income Tax :</u>			
Total Return (Line 3)	(195,510)	(58,653)	(136,857)
+ Unit 2 Schedule M Adjustments	(21,871)	(6,561)	(15,310)
+ Unit 2 Deferred Federal Income Taxes	51,276	15,383	35,893
- Unit 2 Interest Expense Deduction *	(39,041)	(11,712)	(27,329)
= Subtotal	(127,064)	(38,119)	(88,944)
x Gross-Up (FIT Rate / 1-FIT Rate)	0.538462	0.538462	0.538462
= Unit 2 Current Federal Income Tax	(68,419)	(20,526)	(47,893)
+ Unit 2 Def Fed & State Income Taxes	51,276	15,383	35,893
= Total Unit 2 Fed&State Income Taxes	(17,142)	(5,143)	(11,999)
<u>Proof of Federal Income Tax :</u>			
Total Unit 2 Monthly Power Bill	9,643,027	2,892,908	6,750,119
- Operation and Maintenance Expenses	8,920,051	2,676,015	6,244,036
- Depreciation Expense	726,326	217,898	508,428
- Taxes Other Than Federal Income Tax	218,052	65,416	152,636
- Unit 2 Interest Expense Deduction *	(39,041)	(11,712)	(27,329)
- Other Operating Revenues	(8,750)	(2,625)	(6,125)
= Pre-Tax Book Income	(173,611)	(52,084)	(121,527)
+ Unit 2 Schedule M Adjustments	(21,871)	(6,561)	(15,310)
= Unit 2 Taxable Income	(195,482)	(58,645)	(136,837)
x Current Federal Income Tax Rate	35%	35%	35%
= Unit 2 Current Federal Income Tax	(68,419)	(20,526)	(47,893)
+ Unit 2 Def Fed & State Income Taxes	51,276	15,383	35,893
= Total Unit 2 Fed&State Income Taxes	(17,143)	(5,143)	(12,000)

* 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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**UNIT 2
February, 2013**

<u>Line No.</u>		
1	Operating Ratio:	
2	<u>Net In-Service Investment:</u>	
3	Electric Plant In-Service	766,150,838
4	- Accumulated Depreciation	547,557,837
5	+ Materials & Supplies	65,966,596
6	+ Prepayments	74,456
7	+ Plant Held For Future Use (A/C 105) *	0
8	+ Other Deferred Debits (A/C 186) *	0
9	+ Other Working Capital ***	(2,320,233)
10	+ Unamortized Debt Expense (A/C 181)	280,448
11	+ Deferred ASH pond cost (A/C 182.3)	2,977,266
12	- Asset Retirement Obligation (A/C 230)	4,047,907
13	- Other Deferred Credits (A/C 253)	54,872,608
14	- Accumulated Deferred FIT	31,394,293
15	- Accumulated Deferred ITC	19,372,081
16	Total Net In-Service Investment	175,884,644
17	<u>Non-In-Service Investment - CWIP :</u>	
18	Construction Work In Progress	55,993,854
19	+ Materials & Supplies	0
20	- Accumulated Deferred FIT	0
21	Total Non-In-Service Investment - CWIP	55,993,854
22	<u>Non-In-Service Investment - Other :</u>	
23	Plant Held for Future Use (A/C 105) **	0
24	+ Other Deferred Debits (A/C 186) **	877,163
25	+ Fuel Inventory Over Allowed Level ****	(14,187,467)
26	Total Non-In-Service Investment - Other	(13,310,304)
27	Total Investment (Lines 16+21+26)	218,568,194
28	Operating Ratio (Line 16/Line 27)	80.4713%
29	Non-In-Service Investment-CWIP Ratio (Line 21/Line 27)	25.6185%
30	Non-In-Service Investment-Other Ratio (Line 26/Line 27)	-6.0898%
31	Total Investment	100.0000%
	* 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	

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

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**UNIT 2
February, 2013**

<u>Line No.</u>		
1	Net In-Service Investment Ratio:	
2	<u>Unit 2 Net In-Service Investment:</u>	
3	Electric Plant In-Service	113,469,206
4	- Accumulated Depreciation	117,034,592
5	+ Materials & Supplies	25,889,564
6	+ Prepayments	37,228
7	+ Plant Held For Future Use (A/C 105) *	0
8	+ Other Deferred Debits (A/C 186) *	0
9	+ Other Working Capital **	(2,233,253)
10	+ Unamortized Debt Expense (A/C 181)	140,224
11	+ Deferred ASH pond cost (A/C182.3)	1,488,633
12	- Asset Retirement Obligation (A/C 230)	2,023,954
13	- Other Deferred Credits (A/C 253)	54,872,608
14	- Accumulated Deferred FIT	(9,161,019)
15	- Accumulated Deferred ITC	19,371,549
16	Total Unit 2 Net In-Service Investment	(45,350,080)
17	<u>Unit 1 Net In-Service Investment:</u>	
18	Electric Plant In-Service	652,681,632
19	- Accumulated Depreciation	430,523,245
20	+ Materials & Supplies	40,077,031
21	+ Prepayments	37,228
22	+ Plant Held For Future Use (A/C 105) *	0
23	+ Other Deferred Debits (A/C 186) *	0
24	+ Other Working Capital **	(86,980)
25	+ Unamortized Debt Expense (A/C 181)	140,224
26	+ Deferred ASH pond cost (A/C182.3)	1,488,633
27	- Asset Retirement Obligation (A/C 230)	2,023,954
28	- Other Deferred Credits (A/C 253)	0
29	- Accumulated Deferred FIT	40,555,313
30	- Accumulated Deferred ITC	532
31	Total Unit 1 Net In-Service Investment	221,234,725
32	Total Net In-Service Investment	175,884,644
33	<u>Net In-Service Investment Ratio:</u>	
34	Unit 2 (Line 16 / Line 32)	-25.7800%
35	Unit 1 (Line 31 / Line 32)	125.7800%
		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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**UNIT 2
February, 2013**

<u>Line No.</u>		
1	Net Capitalization:	
2	Long-Term Debt	65,661,165
3	+ Short-Term Debt	67,884,116
4	+ Preferred Stock	0
5	+ Common Equity	74,431,005
6	- Temporary Cash Investments	0
7	Net Capitalization	207,976,286 =====
8	40% of Net Capitalization	83,190,514
9	<u>Return on Common Equity:</u>	
10	Lesser of Line 5 or Line 8	74,431,005
11	x Equity Return (Monthly Rate)	1.01333%
12	= Equity Return	754,232
13	x Operating Ratio	80.4713%
14	x Net In-Service Investment Ratio	-25.7800%
15	= Subtotal	(156,469)
16	Excess of Line 5 Over Line 8	0
17	x Weighted Cost of Debt (Monthly Rate)	0.1184%
18	= Return on Equity over 40% of Capitalization	0
19	x Operating Ratio	80.4713%
20	x Net In-Service Investment Ratio	-25.7800%
21	= Subtotal	0
22	Unit 2 Return on Equity (Line 15 + Line 21)	(156,469) =====
23	<u>Return on Other Capital:</u>	
24	Long-Term Debt Interest Expense (A/C 427-429)	139,485
25	+ Short-Term Debt Interest Expense (a/c 430)	48,708
26	+ Other Interest Expense (a/c 431)	0
27	- Temporary Cash Investment Income *	0
28	= Net Interest Expense	188,193
29	+ Preferred Stock Dividends (a/c 437)	0
30	= Net Cost of Other Capital	188,193
31	x Operating Ratio	80.4713%
32	x Net In-Service Investment Ratio	-25.7800%
33	= Unit 2 Return on Other Capital	(39,041) =====

* 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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**UNIT 2
February, 2013**

**Line
No.**

1	Debt Balances (Prior Month Ending) :		
2	Long-Term Debt (Accts 221 thru 226)		65,661,165
3	+ Short-Term Debt (Accts 231 + 233)		67,884,116
4	+ Other Debt (Accts 132 thru 136 + 145)		0
5	Total Debt Balances (Prior Month Ending)		133,545,281
			=====
6	<u>Weighting of Debt Balances :</u>		
7	Long-Term Debt (LTD bal/Total Debt bal)		49.1677%
8	+ Short-Term Debt (STD bal/Total Debt bal)		50.8323%
9	+ Other Debt		0.0000%
10	Total Debt Balances		100.0000%
			=====
11	<u>Debt Cost Rates :</u>		
12	Long-Term Debt (avg LTD int rate)		2.7692%
13	Short-Term Debt (avg Money Pool STD int rate)		0.3581%
14	Other Debt		0.0000%
15	<u>Weighted Cost of Debt :</u>		
16	Long-Term Debt (LTD % x avg LTD int rate)		1.3615%
17	+ Short-Term Debt (STD % x avg MP STD int rate)		0.1820%
18	+ Other Debt		0.0000%
19	Total Weighted Cost of Debt		1.5435%
			=====

**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

<u>Line No.</u>		<u>February, 2013</u>
1	Unit 2 Materials and Supplies:	
2	Fuel Stock - Coal (per Line 23)	10,963,184
3	Fuel Stock Expenses - Undistributed (152)	631,706
4	Fuel Stock - Oil (151)	2,013,717
5	Plant Materials & Operating Supplies	12,280,957
6	Merchandise	0
7	Undistributed Stores Expense	0
8	Total Materials & Supplies	<u>25,889,564</u>
9	<u>Support of Coal Inventory Value:</u>	
10	Actual Coal Inventory (a/c 151.10)	10,963,184
11	+ Equivalent Inventory re: Deferred Return	1,002,235,551
12	= Imputed Coal Inventory	<u>1,013,198,735</u>
13	<u>Coal Inventory W/68 Day Supply Cap</u>	
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)	47.547
22	= 68 day Coal Inventory	<u>24,863,515</u>
23	Lesser of Imputed or Capped Coal Inventory	<u>24,863,515</u>
24	Imputed Inventory Minus Line 23	<u>988,335,220</u>
25	<u>Accumulated Deferred Inventory Return - Unit 2 (Memo Item):</u>	
26	Beginning Balance	5,874,881
27	+ Current Month Return on Beginning Balance	34,640
28	+ Current Month Deferral	85,734
29	- Current Month Recovery	0
30	= Ending Balance **	<u>5,995,255</u>
	* Excludes Forced Outages, Scheduled Outages, and Curtailments	
	** May Not Be Less Than Zero	
	Total Unit 2 Monthly Power Bill with Actual	9,608,574
	Total Unit 2 Monthly Power Bill with 68 Day Capped	9,694,308
	Difference	85,734

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
DETAIL OF OTHER OPERATING REVENUES**

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JUNIT 2

February, 2013

<u>Line No.</u>	<u>Account No.</u>	<u>Description</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	<hr/> (8,750) <hr/>

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

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UNIT 2
February, 2013

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
1	500,502-508	Steam Power Generation - Operation	6,085,781
2	501	Fuel - Operation	637,251
3	510-515	Steam Power Generating - Maintenance	2,051,370
4		Total Steam Power Generation Expenses	8,774,401
5	555-557	Other Power Supply Expenses	(24)
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 Expense - Maintenance	0
11		Total Distribution Expense	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	136,132
16	935	Administrative and General Expenses - Maintenance	9,542
17		Total Administrative & General Exp.	145,674
18		Total Operation & Maintenance Expenses	8,920,051

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

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**UNIT 2
February, 2013**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
1	403	Depreciation Expense *	384,910
1a	403.1	ARO Depreciation Expense	5,199
2	404	Amortization of Limited-Term Electric Plant **	308,201
3	405	Amortization of Other Electric Plant	0
4	406	Amortization of Electric Plant Acquisition Adjustments	0
5	407	Amortization of Property Losses, Unrecovered Plant and Regulatory Study Costs	0
			-
6		Total Depreciation Exp. & Amortization	698,310
			=
7	411.10	ARO Accretion Expense	28,016
8		Total Depreciation, Amortization & Accretion Expenses	726,326

* 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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**UNIT-2
February, 2013**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
1	408.1	Taxes Other Than Federal Income Taxes, Utility Operating Income	156,861
2	409.1	State Income Taxes	61,192
3		Total Taxes Other than Federal Income Taxes	218,052 =====

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

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**UNIT 2
February, 2013**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>TOTAL</u>	<u>KPCO SHARE</u>	<u>I&M SHARE</u>
1		<u>Unit 2 Schedule 'M' Adjustments*</u>			
2	N/A	Excess ACRS Over Normalization Base Depreciation	(3,500)	(1,050)	(2,450)
3	N/A	Excess Normalization Base Over Book Depreciation	126,000	37,800	88,200
4	N/A	Other Unit 2 Schedule 'M' Adjustments	(144,371)	(43,311)	(101,060)
5	***	Total Unit 2 Schedule 'M' Adjustments	(21,871)	(6,561)	(15,310)
			=====	=====	=====
6		<u>Unit 2 Deferred Federal Income Tax</u>			
7	410.1	Excess ACRS Over Norm. Base Depr. (Line 2 x FIT Rate * -1)	(27,153)	(8,146)	(19,007)
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' Adj.-Utility	90,502	27,151	63,351
12	***	Total Unit 2 Deferred Federal Income Tax	51,276	15,383	35,893
			=====	=====	=====

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

Check Figure on Tax Page for Sch M	(21,871)
Check Figure on Tax Page for DFIT	51,276

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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**UNIT 2
February, 2013**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
1		<u>ELECTRIC PLANT IN SERVICE</u>	
2	101	Electric Plant In Service	112,914,139
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	555,067
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	113,469,206
12	105	Plant Held For Future Use	0
13		<u>ACCUMULATED DEPRECIATION</u>	
14	108	Accumulated Provision for Depreciation of Electric Utility Plant	96,246,800
15	110	Accumulated Provision for Depreciation and Amort. of Elec. Utility Plant	0
16	111	Accumulated Provision for Amortization of Electric Utility Plant	20,787,792
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	117,034,592
20		<u>MATERIAL AND SUPPLIES</u>	
21	151	Fuel Stock	12,976,901
22	152	Fuel Stock Expenses - Undistributed	631,706
23	153	Residuals	0
24	154	Plant Materials and Operating Supplies	12,280,957
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)	25,889,564
29	165	Prepayments	37,228
30	186	Other Deferred Debits	0

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
OTHER WORKING CAPITAL, UNAMORTIZED DEBT EXPENSE,
AND OTHER DEFERRED CREDITS**

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**UNIT 2
February, 2013**

<u>Line No.</u>	<u>Account No.</u>	<u>Description *</u>	
1	128	Other Special Funds	0
2	131	Cash	0
3	135	Other Intra Company Adjustments	0
4	143	Accounts Receivable-Miscellaneous	982,673
5	146	Accounts Receivable-Associated Company	18,811,849
6	171	Interest and Dividends Receivable	939
7	174	Miscellaneous Current and Accrued Assets	0
8	232	Accounts Payable-General	(14,292)
9	234	Accounts Payable-Associated Company	(13,204,166)
10	236	Taxes Accrued	(437,519)
11	237	Interest Accrued	(249,974)
12	238	Dividends Declared	0
13	241	Tax Collections Payable	0
14	242	Misc Current and Accrued Liabilities	(8,122,763)
			<hr/>
15		Total Other Working Capital	(2,233,253)
			=====
16	181	Unamortized Debt Expense	140,224
			<hr/>
17	253	Other Deferred Credits	54,872,608
			<hr/>
*		debit <credit>	

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

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**UNIT 2
February, 2013**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
31		ACCUMULATED DEFERRED INCOME TAXES	
32	190	-Accumulated Deferred Income Taxes	22,773,400
33	281	+Accumulated Deferred Income Taxes - Accelerated Amortization Property	0
34	282	+Accumulated Deferred Income Taxes - Other Property	12,563,523
35	283	+Accumulated Deferred Income Taxes - Other	1,048,858
36		Total Accumulated Deferred Income Taxes (In-Service Portion)	(9,161,019)
37	255	+Accumulated Deferred Investment Tax Credits	19,371,549
38	186.50	-Accumulated Deferred Investment Tax Credit	0
39		Total Accumulated Deferred Investment Tax Credits	19,371,549
40		Total Net In-Service Investment - Unit 2	(44,814,760)

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

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<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
		<u>Non-In-Service Investment - CWIP</u>	
1	107	Construction Work In Process	55,993,854
2		<u>MATERIAL AND SUPPLIES</u>	
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		<u>ACCUMULATED DEFERRED INCOME TAXES</u>	
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	0
16		Total Accumulated Deferred Income Taxes (CWIP Portion)	0
17		TOTAL NON-IN-SERVICE INVESTMENT - CWIP	55,993,854
		<u>Non-In-Service Investment - Other</u>	
18	105	Plant Held for Future Use	0
19	186	Other Deferred Debits	877,163
20	151.10	Fuel Inventory Over Allowed Level *	(14,187,467)
21		Total Non-In-Service Investment - Other	(13,310,304)
		* INCLUDES ROCKPORT 1 AND 2	
		UNIT 1	(14,187,467)
		UNIT 2	0
		TOTAL	(14,187,467)

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
DETAIL OF NET CAPITALIZATION**

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<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
1		<u>COMMON CAPITAL STOCK</u>	
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		<u>OTHER PAID-IN CAPITAL</u>	
12	207	Premium on Capital Stock	0
13	208	Donations Received from Stockholders	69,478,987
14	211	Miscellaneous Paid-In Capital	0
15	213	Discount on Capital Stock	0
16		Total Other Paid-In Capital	69,478,987
17		<u>RETAINED EARNINGS</u>	
18	215	Appropriated Retained Earnings	0
19	215.1	Appropriated Retained Earnings- Amortization Reserve, Federal	0
20	216	Unappropriated Retained Earnings	4,569,018
21		Total Retained Earnings	4,569,018
22		Total Common Equity	74,431,005
23		<u>PREFERRED CAPITAL STOCK</u>	
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
February 2013**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
28		<u>LONG-TERM DEBT</u>	
29	221	Bonds	0
30	222	Reacquired Bonds	0
31	223	Advances from Associated Companies	0
32	224	Other Long-Term Debt	65,661,165
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	65,661,165
		<u>SHORT-TERM DEBT</u>	
36a	231.02	Notes Payable (Short-Term Debt)	0
36b	231.03	Unamortized Discount	0
	233.00	Notes Payable, Assoc Co(Money Pool)	67,884,116
38		Total Short-Term Debt	67,884,116
39		<u>TEMPORARY CASH INVESTMENTS</u>	
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	207,976,286

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

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**UNIT 2
February, 2013**

Line No.

1	Capitalization Balances (Prior Month Ending) :	
2	Long-Term Debt (Accts 221 thru 226)	65,661,165
3	+ Short-Term Debt (Accts 231 + 233)	67,884,116
4	+ Preferred Stock	0
5	+ Common Equity (Accts 201 thru 216)	74,431,005
6	- Capitalization Offsets	0
7	Total Capitalization Balances	207,976,286
		=====
8	<u>Weighting of Capitalization Balances :</u>	
9	Long-Term Debt (LTD/Total Capital)	31.5715%
10	+ Short-Term Debt (STD/Total Capital)	32.6403%
11	+ Preferred Stock	0.0000%
12	+ Common Equity (Common Equity/Total Capital)	35.7882%
13	- Capitalization Offsets	0.0000%
14	Total Capitalization	100.0000%
		=====
15	<u>Capitalization Cost Rates :</u>	
16	Long-Term Debt (avg LTD int rate)	2.7692%
17	Short-Term Debt (avg money pool STD int rate)	0.3581%
18	Preferred Stock	0.0000%
19	Common Equity (FERC fixed rate)	12.1600%
20	Capitalization Offsets (sum of weighted costs of debt)	1.5435%
21	<u>Rate of Return (Net of Tax) :</u>	
22	Long-Term Debt (LTD % x avg LTD int rate)	0.8743%
23	+ Short-Term Debt (STD % x avg MP STD int rate)	0.1169%
24	+ Preferred Stock	0.0000%
25	+ Common Equity (CE % x FERC fixed rate)	4.3518%
26	- Capitalization Offsets	0.0000%
27	Total Rate of Return (Net of Tax)	5.3430%
		=====
28	Weighted Net Cost of Debt	0.9912%
	(LTD Rate of Return + STD RR - Cap Offsets RR)	
29	+ Pre-Tax Common Equity (Line 25 / .65)	6.6951%
	(Common Equity Rate of Return grossed up for tax)	
30	= Rate of Return (Pre-Tax)	7.6863%
		=====

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

500	SUPERVISION AND ENGINEERING	96,165
501	FUEL	637,251
502	STEAM EXPENSES	57,848
503	STEAM FROM OTHER SOURCES	0
504	STEAM TRANSFERRED - CR	0
505	ELECTRIC EXPENSES	74,574
506	MISC. STEAM POWER EXPENSES	166,764
507	RENTS	5,690,430
508	OPERATION SUPPLIES AND EXPENSES	0
509	CARRYING CHARGES - ALLOWANCES	0

TOTAL OPERATION EXPENSE 6,723,031

510	MAINTENANCE SUPER. AND ENGINEERING	95,157
511	MAINTENANCE OF STRUCTURES	14,122
512	MAINTENANCE OF BOILER PLANT	1,463,663
513	MAINTENANCE OF ELECTRIC PLANT	434,627
514	MAINTENANCE OF MISC. STEAM PLANT	43,801
515	MAINTENANCE NORMALIZING	0

TOTAL MAINTENANCE EXPENSES 2,051,370

555	PURCHASED POWER	0
556	SYSTEM CONTROL AND LOAD DISPATCHING	(149)
557	OTHER POWER SUPPLY EXPENSES	125

TOTAL OTHER SUPPLY EXPENSES (24)

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	2013
CURRENT MONTH IS	2
THIS BILLING IS FOR MONTH OF	February, 2013

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 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	38,458
921	OFFICE SUPPLIES AND EXPENSES	363
922	ADMINISTRATIVE EXPENSES TRANSF - CR	0
923	OUTSIDE SERVICES	15,467
924	PROPERTY INSURANCE	10,861
925	INJURIES AND DAMAGES	1,387
926	EMPLOYEE PENSIONS AND BENEFITS	65,732
927	FRANCHISE REQUIREMENTS	0
928	REGULATORY COMMISSION	0
929	DUPLICATE CHARGES-CREDIT	0
930	MISCELLANEOUS GENERAL EXPENSES	3,344
931	RENTS	520
933	TRANSPORTATION EXPENSE	0
	TOTAL ADM & GEN EXPENSES OPERATION	136,132
935	MAINTENANCE OF GENERAL PLANT	9,542
	TOTAL ADM & GEN EXPENSES	145,674
	TOTAL AEG OPERATION & MAINTENANCE EXPENSES	8,920,051
	ACCOUNT 40190 TOTAL FOR CROSS FOOT	8,920,051
	-----DIFFERENCE-----	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-13**

**UNIT 1
POWER BILL - - March, 2013**

IN ACCORDANCE WITH POWER AGREEMENT DATED OCTOBER 1, 1984 (AS AMENDED)
ENERGY DELIVERED FOR THE MONTH OF March, 2013
KWH FOR THE MONTH 318,475,000

SUMMARY

TOTAL

Current Month Bill:

Return on Common Equity	587,723
Return on Other Capital	229,699
Total Return	817,422
Fuel	7,917,686
Purchased Power	0
Other Operating Revenues	(6,125)
Other Operation and Maintenance Exp	959,766
Depreciation Expense	1,178,368
Taxes Other Than Federal Income Tax	106,963
Federal Income Tax	431,902
TOTAL UNIT POWER BILL	11,405,981

Prior Month's Adjustment:

Return on Common Equity & Other Capital	0
Fuel	0
Other Expenses (Includes taxes & interest)	266,635

TOTAL PRIOR MONTH'S ADJUSTMENTS 266,635

TOTAL UNIT POWER BILL 11,672,616

AMOUNTS WILL BE PAID DIRECT FROM GENERAL FUNDS.

DUE DATE - - - April 19, 2013

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

**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-13**

**UNIT 1
POWER BILL - - March, 2013**

IN ACCORDANCE WITH POWER AGREEMENT DATED OCTOBER 1, 1984 (AS AMENDED)
 ENERGY DELIVERED FOR THE MONTH OF March, 2013
 KWH FOR THE MONTH 136,489,000

SUMMARY

TOTAL

Current Month Bill:

Return on Common Equity	251,882
Return on Other Capital	98,442
Total Return	----- 350,324
Fuel	3,393,294
Purchased Power	0
Other Operating Revenues	(2,625)
Other Operation and Maintenance Exp	411,328
Depreciation Expense	505,014
Taxes Other Than Federal Income Tax	45,841
Federal Income Tax	185,101
TOTAL CURRENT UNIT POWER BILL	----- 4,888,277 -----

Prior Month's Adjustment:

Return on Common Equity & Other Capital	0
Fuel Expense	0
Other Expenses (Includes taxes & interest)	114,273
TOTAL PRIOR MONTH'S ADJUSTMENTS	----- 114,273 -----

=====

TOTAL UNIT POWER BILL 5,002,550

=====

AMOUNTS WILL BE PAID DIRECT FROM GENERAL FUNDS.

DUE DATE - - - April 19, 2013

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	

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
SUMMARY OF MONTHLY POWER BILL**

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**ESTIMATE
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05-Apr-13

March, 2013

	<u>TOTAL UNIT 1 POWER BILL</u>	<u>KPCO SHARE</u>	<u>I&M SHARE</u>
Return on Common Equity	839,605	251,882	587,723
Return on Other Capital	328,141	98,442	229,699
Total Return	1,167,746	350,324	817,422
+ Fuel	11,310,979	3,393,294	7,917,686
+ Purchased Power	0	0	0
- Other Operating Revenues	(8,750)	(2,625)	(6,125)
+ Other Operation and Maintenance Exp	1,371,094	411,328	959,766
+ Depreciation Expense	1,683,382	505,014	1,178,368
+ Taxes Other Than Federal Income Tax	152,804	45,841	106,963
+ Federal and State Income Tax	617,003	185,101	431,902
= Total Unit 1 Monthly Power Bill	16,294,258	4,888,277	11,405,981
<u>Determination of Federal Income Tax :</u>			
Total Return (Line 3)	1,167,746	350,324	817,422
+ Unit 1 Schedule M Adjustments	(370,858)	(111,257)	(259,601)
+ Unit 1 Deferred Federal Income Taxes	239,092	71,727	167,364
- Unit 1 Interest Expense Deduction *	334,144	100,243	233,901
= Subtotal	701,835	210,551	491,284
x Gross-Up (FIT Rate / 1-FIT Rate)	0.538462	0.538462	0.538462
= Unit 1 Current Federal Income Tax	377,912	113,374	264,538
+ Unit 1 Def Fed & State Income Taxes	239,092	71,727	167,364
= Total Unit 1 Fed&State Income Taxes	617,003	185,101	431,902
<u>Proof of Federal Income Tax :</u>			
Total Unit 1 Monthly Power Bill	16,294,258	4,888,277	11,405,981
- Operation and Maintenance Expenses	12,682,073	3,804,622	8,877,451
- Depreciation Expense	1,683,382	505,014	1,178,368
- Taxes Other Than Federal Income Tax	152,804	45,841	106,963
- Unit 1 Interest Expense Deduction *	334,144	100,243	233,901
- Other Operating Revenues	(8,750)	(2,625)	(6,125)
= Pre-Tax Book Income	1,450,605	435,182	1,015,423
+ Unit 1 Schedule M Adjustments	(370,858)	(111,257)	(259,601)
= Unit 1 Taxable Income	1,079,747	323,925	755,822
x Current Federal Income Tax Rate	35%	35%	35%
= Unit 1 Current Federal Income Tax	377,912	113,374	264,538
+ Unit 1 Def Fed & State Income Taxes	239,091	71,727	167,364
= Total Unit 1 Fed&State Income Taxes	617,003	185,101	431,902

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

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<u>Line No.</u>		<u>UNIT 1</u> <u>March, 2013</u>
1	<u>Operating Ratio:</u>	
2	<u>Net In-Service Investment:</u>	
3	Electric Plant In-Service	765,908,524
4	- Accumulated Depreciation	548,448,364
5	+ Materials & Supplies	70,728,098
6	+ Prepayments	57,921
7	+ Plant Held For Future Use (A/C 105) *	0
8	+ Other Deferred Debits (A/C 186) *	0
9	+ Other Working Capital ***	(20,395,183)
10	+ Unamortized Debt Expense (A/C 181)	268,917
11	+ Deferred ASH pond cost (A/C182.3)	2,941,851
12	- Asset Retirement Obligation (A/C 230)	4,073,582
13	- Other Deferred Credits (A/C 253)	54,872,608
14	- Accumulated Deferred FIT	32,630,696
15	- Accumulated Deferred ITC	19,209,120
16	Total Net In-Service Investment	160,275,759
17	<u>Non-In-Service Investment - CWIP :</u>	
18	Construction Work In Progress	59,874,971
19	+ Materials & Supplies	0
20	- Accumulated Deferred FIT	0
21	Total Non-In-Service Investment - CWIP	59,874,971
22	<u>Non-In-Service Investment - Other :</u>	
23	Plant Held for Future Use (A/C 105) **	1,034,099
24	+ Other Deferred Debits (A/C 186) **	752,993
25	+ Fuel Inventory Over Allowed Level ****	(12,708,239)
26	Total Non-In-Service Investment - Other	(10,921,146)
27	Total Investment (Lines 16+21+26)	209,229,584
28	Operating Ratio (Line 16/Line 27)	76.6028%
29	Non-In-Service Investment-CWIP Ratio (Line 21/Line 27)	28.6169%
30	Non-In-Service Investment-Other Ratio (Line 26/Line 27)	-5.2197%
31	Total Investment	100.0000%
*	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	
****	Includes Rockport 1 and 2	

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

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<u>Line No.</u>		UNIT 1 <u>March, 2013</u>
1	<u>Net In-Service Investment Ratio:</u>	
2	Unit 1 Net In-Service Investment:	
3	Electric Plant In-Service	652,586,150
4	- Accumulated Depreciation	431,479,878
5	+ Materials & Supplies	41,718,169
6	+ Prepayments	28,961
7	+ Plant Held For Future Use (A/C 105) *	0
8	+ Other Deferred Debits (A/C 186) *	0
9	+ Other Working Capital **	(2,969,956)
10	+ Unamortized Debt Expense (A/C 181)	134,458
11	+ Deferred ASH pond cost (A/C182.3)	1,470,925
12	- Asset Retirement Obligation (A/C 230)	2,036,791
13	- Other Deferred Credits (A/C 253)	232,123
14	- Accumulated Deferred FIT	41,637,454
15	- Accumulated Deferred ITC	1,736
16	Total Unit 1 Net In-Service Investment	----- 217,580,725 -----
17	Unit 2 Net In-Service Investment:	
18	Electric Plant In-Service	113,322,374
19	- Accumulated Depreciation	116,968,486
20	+ Materials & Supplies	29,009,930
21	+ Prepayments	28,961
22	+ Plant Held For Future Use (A/C 105) *	0
23	+ Other Deferred Debits (A/C 186) *	0
24	+ Other Working Capital **	(17,425,226)
25	+ Unamortized Debt Expense (A/C 181)	134,458
26	+ Deferred ASH pond cost (A/C182.3)	1,470,925
27	- Asset Retirement Obligation (A/C 230)	2,036,791
28	- Other Deferred Credits (A/C 253)	54,640,485
29	- Accumulated Deferred FIT	(9,006,759)
30	- Accumulated Deferred ITC	19,207,384
31	Total Unit 2 Net In-Service Investment	----- (57,304,966) -----
32	Total Net In-Service Investment	----- 160,275,759 =====
33	<u>Net In-Service Investment Ratio:</u>	
34	Unit 1 (Line 16 / Line 32)	135.7500%
35	Unit 2 (Line 31 / Line 32)	-35.7500%
		----- 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
March, 2013**

1	<u>Net Capitalization:</u>	
2	Long-Term Debt	65,661,165
3	+ Short-Term Debt	49,101,430
4	+ Preferred Stock	0
5	+ Common Equity	83,008,915
6	- Temporary Cash Investments	0
7	Net Capitalization	----- 197,771,510 =====
8	40% of Net Capitalization	79,108,604
9	<u>Return on Common Equity:</u>	
10	Lesser of Line 5 or Line 8	79,108,604
11	x Equity Return (Monthly Rate)	1.01333%
12	= Equity Return	801,631
13	x Operating Ratio	76.6028%
14	x Net In-Service Investment Ratio	135.7500%
15	= Subtotal	833,602
16	Excess of Line 5 Over Line 8	3,900,311
17	x Weighted Cost of Debt (Monthly Rate)	0.1480%
18	= Return on Equity over 40% of Capitalization	5,772
19	x Operating Ratio	76.6028%
20	x Net In-Service Investment Ratio	135.7500%
21	= Subtotal	6,003
22	Unit 1 Return on Equity (Line 15 + Line 21)	----- 839,605 =====
23	<u>Return on Other Capital:</u>	
24	Long-Term Debt Interest Expense (A/C 427-429)	155,072
25	+ Short-Term Debt Interest Expense (a/c 430)	160,484
26	+ Other Interest Expense (a/c 431)	0
27	- Temporary Cash Investment Income *	0
28	= Net Interest Expense	----- 315,556
29	+ Preferred Stock Dividends (a/c 437)	0
30	= Net Cost of Other Capital	----- 315,556
31	x Operating Ratio	76.6028%
32	x Net In-Service Investment Ratio	135.7500%
33	= Unit 1 Return on Other Capital	----- 328,141 =====
	* 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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UNIT 1
March, 2013

Line
No.

1	<u>Debt Balances (Prior Month Ending) :</u>	
2	Long-Term Debt (Accts 221 thru 226)	65,661,165
3	+ Short-Term Debt (Accts 231 + 233)	49,101,430
4	+ Other Debt (Accts 132 thru 136 + 145)	0

5	Total Debt Balances (Prior Month Ending)	114,762,595
		=====
6	<u>Weighting of Debt Balances :</u>	
7	Long-Term Debt (LTD bal/Total Debt bal)	57.2148%
8	+ Short-Term Debt (STD bal/Total Debt bal)	42.7852%
9	+ Other Debt	0.0000%

10	Total Debt Balances	100.0000%
		=====
11	<u>Debt Cost Rates :</u>	
12	Long-Term Debt (avg LTD int rate)	2.7807%
13	Short-Term Debt (avg Money Pool STD int rate)	0.3556%
14	Other Debt	0.0000%
15	<u>Weighted Cost of Debt :</u>	
16	Long-Term Debt (LTD % x avg LTD int rate)	1.5910%
17	+ Short-Term Debt (STD % x avg MP STD int rate)	0.1521%
18	+ Other Debt	0.0000%

19	Total Weighted Cost of Debt	1.7431%
		=====

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

<u>Line No.</u>		<u>March, 2013</u>
1	<u>Unit 1 Materials and Supplies:</u>	
2	Fuel Stock - Coal (per Line 23)	26,794,671
3	Fuel Stock Expenses - Undistributed (152)	856,299
4	Fuel Stock - Oil (151)	1,854,191
5	Plant Materials & Operating Supplies	12,213,008
6	Merchandise	0
7	Undistributed Stores Expense	0
8	Total Materials & Supplies	41,718,169
9	<u>Support of Coal Inventory Value:</u>	
10	Actual Coal Inventory (a/c 151.10)	14,086,432
11	+ Equivalent Inventory re: Deferred Return	18,317,646,852
12	= Imputed Coal Inventory	18,331,733,284
13	<u>Coal Inventory W/68 Day Supply Cap</u>	
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)	50.655
22	= 68 day Coal Inventory	26,794,671
23	Lesser of Imputed or Capped Coal Inventory	26,794,671
24	Imputed Inventory Minus Line 23	18,304,938,613
25	<u>Accumulated Deferred Inventory Return - Unit 1 (Memo Item):</u>	
26	Beginning Balance	136,863,196
27	+ Current Month Return on Beginning Balance	1,030,293
28	+ Current Month Deferral	0
29	- Current Month Recovery	95,887
30	= Ending Balance **	137,797,602

* 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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UNIT 1
March, 2013

<u>Line No.</u>	<u>Account No.</u>	<u>Description</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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**UNIT 1
March, 2013**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
1	500,502-508	Steam Power Generation - Operation	444,481
2	501	Fuel - Operation	11,310,979
3	510-515	Steam Power Generating - Maintenance	783,295
4		Total Steam Power Generation Expenses	12,538,755
5	555-557	Other Power Supply Expenses	2,214
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 - Operation	132,817
16	935	Administrative and General Expenses - Maintenance	8,287
17		Total Administrative & General Exp.	141,104
18		Total Operation & Maintenance Expenses	12,682,073

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

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**UNIT 1
March, 2013**

<u>Line</u> <u>No.</u>	<u>Account</u> <u>No.</u>	<u>Description</u>	
	1 403	Depreciation Expense	1,664,692
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 Acquisition Adjustments	0
	5 407	Amortization of Property Losses, Unrecovered Plant and Regulatory Study Costs	0

	6	Total Depreciation Exp. & Amortization	1,668,035
			=====
	7 411.10	ARO Accretion Expense	15,347
	8	Total Depreciation, Amortization & Accretion Expenses	1,683,382

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

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<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>March, 2013</u>
BS1			
1	408.1	Taxes Other Than Federal Income Taxes, Utility Operating Income	153,535
2	409.1	State Income Taxes	(731)
3		Total Taxes Other than FIT	----- 152,804 =====

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

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<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>TOTAL</u>	<u>KPCO SHARE</u>	<u>I&M SHARE</u>
1		<u>Unit 1 Schedule 'M' Adjustments*</u>			
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	(355,358)	(106,607)	(248,751)
5	***	Total Unit 1 Schedule 'M' Adjustments	(370,858)	(111,257)	(259,601)
6		<u>Unit 1 Deferred Federal Income Tax</u>			
7	410.1	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' Adj.-Utility	(48,216)	(14,465)	(33,751)
12	***	Total Unit 1 Deferred Federal Income Tax	239,092	71,727	167,364

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

:=====

:=====

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

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UNIT 1
March 2013

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
1		<u>ELECTRIC PLANT IN SERVICE</u>	
2	101	Electric Plant In Service	651,462,191
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	1,123,958
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	----- 652,586,150
12	105	Plant Held For Future Use	0
13		<u>ACCUMULATED DEPRECIATION</u>	
14	108	Accumulated Provision for Depreciation of Electric Utility Plant	431,028,489
15	110	Accumulated Provision for Depreciation and Amort. of Elec. Utility Plant	0
16	111	Accumulated Provision for Amortization of Electric Utility Plant	451,389
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	----- 431,479,878
20		<u>MATERIAL AND SUPPLIES</u>	
21	151	Fuel Stock	28,648,862
22	152	Fuel Stock Expenses - Undistributed	856,299
23	153	Residuals	0
24	154	Plant Materials and Operating Supplies	12,213,008
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)	----- 41,718,169
29	165	Prepayments	28,961
30	186	Other Deferred Debits	----- 0

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
OTHER WORKING CAPITAL, UNAMORTIZED DEBT EXPENSE
AND OTHER DEFERRED CREDITS**

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<u>Line No.</u>	<u>Account No.</u>	<u>Description *</u>	<u>UNIT 1 March, 2013</u>
1	128	Other Special Funds	0
2	131	Cash	0
3	135	Other Intra Company Adjustments	0
4	143	Accounts Receivable-Miscellaneous	982,673
5	146	Accounts Receivable-Associated Company	11,994,636
6	171	Interest and Dividends Receivable	939
7	174	Miscellaneous Current and Accrued Assets	0
8	232	Accounts Payable-General	(7,236)
9	234	Accounts Payable-Associated Company	(13,181,214)
10	236	Taxes Accrued	(2,416,428)
11	237	Interest Accrued	(304,597)
12	238	Dividends Declared	0
13	241	Tax Collections Payable	0
14	242	Misc Current and Accrued Liabilities	(38,728)
15		Total Other Working Capital	(2,969,956)
			=====
16	181	Unamortized Debt Expense	134,458
17	253	Other Deferred Credits	232,123

* debit <credit>

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

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UNIT 1
March 2013

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
31		<u>ACCUMULATED DEFERRED INCOME TAXES</u>	
32	190	-Accumulated Deferred Income Taxes	1,920,742
33	281	+Accumulated Deferred Income Taxes - Accelerated Amortization Property	0
34	282	+Accumulated Deferred Income Taxes - Other Property	42,641,287
35	283	+Accumulated Deferred Income Taxes - Other	916,910
36		Total Accumulated Deferred Income Taxes (In-Service Portion)	----- 41,637,454 -----
37	255	+Accumulated Deferred Investment Tax Credits	1,736
38	186.50	-Accumulated Deferred Investment Tax Credit	0
39		Total Accumulated Deferred Investment Tax Credits	----- 1,736 -----
40		Total Net In-Service Investment - Unit 1	----- 218,146,590 =====

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

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**UNIT 1
March, 2013**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
		<u>Non-In-Service Investment - CWIP</u>	
1	107	Construction Work In Process	59,874,971
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		<u>ACCUMULATED DEFERRED INCOME TAXES</u>	
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	0
16		Total Accumulated Deferred Income Taxes (CWIP Portion)	----- 0
17		TOTAL NON-IN-SERVICE INVESTMENT - CWIP	----- 59,874,971 =====
		<u>Non-In-Service Investment - Other</u>	
18	105	Plant Held for Future Use	1,034,099
19	186	Other Deferred Debits	752,993
20	151.10	Fuel Inventory Over Allowed Level *	(12,708,239)
21		Total Non-In-Service Investment - Other	----- (10,921,146) =====
		* INCLUDES ROCKPORT 1 AND 2	
		UNIT 1	(12,708,239)
		UNIT 2	0
		TOTAL	----- (12,708,239) =====

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
DETAIL OF NET CAPITALIZATION**

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UNIT 1
March, 2017

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
1		<u>COMMON CAPITAL STOCK</u>	
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		<u>OTHER PAID-IN CAPITAL</u>	
12	207	Premium on Capital Stock	0
13	208	Donations Received from Stockholders	79,478,987
14	211	Miscellaneous Paid-In Capital	0
15	213	Discount on Capital Stock	0
16		Total Other Paid-In Capital	79,478,987
17		<u>RETAINED EARNINGS</u>	
18	215	Appropriated Retained Earnings	0
19	215.1	Appropriated Retained Earnings- Amortization Reserve, Federal	0
20	216	Unappropriated Retained Earnings	3,146,928
21		Total Retained Earnings	3,146,928
22		Total Common Equity	83,008,915
23		<u>PREFERED CAPITAL STOCK</u>	
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
March, 2013**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
28		<u>LONG-TERM DEBT</u>	
29	221	Bonds	0
30	222	Reacquired Bonds	0
31	223	Advances from Associated Companies	0
32	224	Other Long-Term Debt	65,661,165
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	----- 65,661,165 -----
		<u>SHORT-TERM DEBT</u>	
36a	231.02	Notes Payable (Short-Term Debt)	0
36b	231.03	Unamortized Discount	0
37	233.00	Notes Payable, Assoc Co(Money Pool)	49,101,430
38		Total Short-Term Debt	----- 49,101,430 -----
39		<u>TEMPORARY CASH INVESTMENTS</u>	
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	----- 197,771,510 =====

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

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**UNIT 1
March, 2013**

Line No.

1	<u>Capitalization Balances (Prior Month Ending) :</u>	
2	Long-Term Debt (Accts 221 thru 226)	65,661,165
3	+ Short-Term Debt (Accts 231 + 233)	49,101,430
4	+ Preferred Stock	0
5	+ Common Equity (Accts 201 thru 216)	83,008,915
6	- Capitalization Offsets	0

7	Total Capitalization Balances	197,771,510
		=====
8	<u>Weighting of Capitalization Balances :</u>	
9	Long-Term Debt (LTD/Total Capital)	33.2005%
10	+ Short-Term Debt (STD/Total Capital)	24.8274%
11	+ Preferred Stock	0.0000%
12	+ Common Equity (Common Equity/Total Capital)	41.9721%
13	- Capitalization Offsets	0.0000%

14	Total Capitalization	100.0000%
		=====
15	<u>Capitalization Cost Rates :</u>	
16	Long-Term Debt (avg LTD int rate)	2.7807%
17	Short-Term Debt (avg money pool STD int rate)	0.3556%
18	Preferred Stock	0.0000%
19	Common Equity (FERC fixed rate)	12.1600%
20	Capitalization Offsets (sum of weighted costs of debt)	1.7431%
21	<u>Rate of Return (Net of Tax) :</u>	
22	Long-Term Debt (LTD % x avg LTD int rate)	0.9232%
23	+ Short-Term Debt (STD % x avg MP STD int rate)	0.0883%
24	+ Preferred Stock	0.0000%
25	+ Common Equity (CE % x FERC fixed rate)	5.1038%
26	- Capitalization Offsets	0.0000%

27	Total Rate of Return (Net of Tax)	6.1153%
		=====
28	Weighted Net Cost of Debt	1.0115%
	(LTD Rate of Return + STD RR - Cap Offsets RR)	
29	+ Pre-Tax Common Equity (Line 25 / .65)	7.8520%
	(Common Equity Rate of Return grossed up for tax)	

30	= Rate of Return (Pre-Tax)	8.8635%
		=====

A E P GENERATING COMPANY

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

500	SUPERVISION AND ENGINEERING	115,350
501	FUEL	11,310,979
502	STEAM EXPENSES	302,192
503	STEAM FROM OTHER SOURCES	0
504	STEAM TRANSFERRED - CR	0
505	ELECTRIC EXPENSES	41,600
506	MISC. STEAM POWER EXPENSES	(14,838)
507	RENTS	177
508	OPERATION SUPPLIES AND EXPENSES	0
509	CARRYING CHARGES - ALLOWANCES	0

TOTAL OPERATION EXPENSE 11,755,460

510	MAINTENANCE SUPER. AND ENGINEERING	87,188
511	MAINTENANCE OF STRUCTURES	26,227
512	MAINTENANCE OF BOILER PLANT	547,787
513	MAINTENANCE OF ELECTRIC PLANT	65,562
514	MAINTENANCE OF MISC. STEAM PLANT	56,531
515	MAINTENANCE NORMALIZING	0

TOTAL MAINTENANCE EXPENSES 783,295

555	PURCHASED POWER	0
556	SYSTEM CONTROL AND LOAD DISPATCHING	1,182
557	OTHER POWER SUPPLY EXPENSES	1,032

TOTAL OTHER SUPPLY EXPENSES 2,214

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	3
THIS BILLING IS FOR MONTH OF	March, 2013

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	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
	TOTAL SALES EXPENSES	0
920	ADMIN. & GENERAL SALARIES	49,612
921	OFFICE SUPPLIES AND EXPENSES	9,706
922	ADMINISTRATIVE EXPENSES TRANSF - CR	0
923	OUTSIDE SERVICES	(8,203)
924	PROPERTY INSURANCE	10,863
925	INJURIES AND DAMAGES	(3,197)
926	EMPLOYEE PENSIONS AND BENEFITS	73,212
927	FRANCHISE REQUIREMENTS	0
928	REGULATORY COMMISSION	0
929	DUPLICATE CHARGES-CREDIT	0
930	MISCELLANEOUS GENERAL EXPENSES	308
931	RENTS	515
933	TRANSPORTATION EXPENSE	0
	TOTAL ADM & GEN EXPENSES OPERATION	132,817
935	MAINTENANCE OF GENERAL PLANT	8,287
	TOTAL ADM & GEN EXPENSES	141,104
	TOTAL AEG OPERATION & MAINTENANCE EXPENSES	12,682,073
	ACCOUNT 40190 TOTAL FOR CROSS FOOT	12,682,073
	-----DIFFERENCE-----	0

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

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**ESTIMATE
 05-Apr-13**

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

**UNIT 2
 POWER BILL - - March, 2013**

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

0

<u>SUMMARY</u>	<u>TOTAL</u>
Current Month Bill:	
Return on Common Equity	(155,547)
Return on Other Capital	(60,792)
Total Return	(216,339)
Fuel	90,332
Purchased Power	0
Other Operating Revenues	(6,125)
Other Operation and Maintenance Exp	5,879,028
Depreciation Expense	498,695
Taxes Other Than Federal Income Tax	104,443
Federal Income Tax	(35,100)
TOTAL CURRENT UNIT POWER BILL	6,314,934
Prior Month's Adjustment:	
Return on Common Equity & Other Capital	0
Fuel Expense	0
Other Expenses (Includes taxes & interest)	(143,072)
TOTAL PRIOR MONTH'S ADJUSTMENTS	(143,072)
TOTAL UNIT POWER BILL	6,171,862

AMOUNTS WILL BE PAID DIRECT FROM GENERAL FUNDS.

DUE DATE - - April 19, 2013

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**

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**ESTIMATE
 05-Apr-13**

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

**UNIT 2
POWER BILL - - March, 2013**

IN ACCORDANCE WITH POWER AGREEMENT DATED OCTOBER 1, 1984 (AS AMENDED)
 ENERGY DELIVERED FOR THE MONTH OF March, 2013
 KWH FOR THE MONTH 0

	<u>SUMMARY</u>	<u>TOTAL</u>
Current Month Bill:		
Return on Common Equity		(66,663)
Return on Other Capital		(26,054)
Total Return		(92,717)
Fuel		38,714
Purchased Power		0
Other Operating Revenues		(2,625)
Other Operation and Maintenance Exp		2,519,583
Depreciation Expense		213,726
Taxes Other Than Federal Income Tax		44,761
Federal Income Tax		(15,043)
TOTAL CURRENT UNIT POWER BILL		2,706,399
Prior Month's Adjustment:		
Return on Common Equity & Other Capital		0
Fuel Expense		0
Other Expenses (Includes taxes & interest)		(61,316)
TOTAL PRIOR MONTH'S ADJUSTMENTS		(61,316)
TOTAL UNIT POWER BILL		2,645,083

AMOUNTS WILL BE PAID DIRECT FROM GENERAL FUNDS.

DUE DATE - - April 19, 2013

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
ROCKPORT POWER BILL
SUMMARY OF MONTHLY POWER BILL**

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March, 2013

05-Apr-13

	<u>TOTAL UNIT 2 POWER BILL</u>	<u>KPCO SHARE</u>	<u>I&M SHARE</u>
Return on Common Equity	(222,210)	(66,663)	(155,547)
Return on Other Capital	(86,846)	(26,054)	(60,792)
Total Return	(309,056)	(92,717)	(216,339)
+ Fuel	129,046	38,714	90,332
+ Purchased Power	0	0	0
- Other Operating Revenues	(8,750)	(2,625)	(6,125)
+ Other Operation and Maintenance Exp	8,398,611	2,519,583	5,879,028
+ Depreciation Expense	712,421	213,726	498,695
+ Taxes Other Than Federal Income Tax	149,204	44,761	104,443
+ Federal and State Income Tax	(50,144)	(15,043)	(35,100)
= Total Unit 2 Monthly Power Bill	9,021,332	2,706,399	6,314,934
<u>Determination of Federal Income Tax :</u>			
Total Return (Line 3)	(309,056)	(92,717)	(216,339)
+ Unit 2 Schedule M Adjustments	(159,987)	(47,996)	(111,991)
+ Unit 2 Deferred Federal Income Taxes	100,619	30,186	70,433
- Unit 2 Interest Expense Deduction *	(88,435)	(26,531)	(61,904)
= Subtotal	(279,989)	(83,996)	(195,992)
x Gross-Up (FIT Rate / 1-FIT Rate)	0.538462	0.538462	0.538462
= Unit 2 Current Federal Income Tax	(150,763)	(45,229)	(105,534)
+ Unit 2 Def Fed & State Income Taxes	100,619	30,186	70,433
= Total Unit 2 Fed&State Income Taxes	(50,144)	(15,043)	(35,100)
<u>Proof of Federal Income Tax :</u>			
Total Unit 2 Monthly Power Bill	9,021,332	2,706,399	6,314,934
- Operation and Maintenance Expenses	8,527,658	2,558,297	5,969,361
- Depreciation Expense	712,421	213,726	498,695
- Taxes Other Than Federal Income Tax	149,204	44,761	104,443
- Unit 2 Interest Expense Deduction *	(88,435)	(26,531)	(61,904)
- Other Operating Revenues	(8,750)	(2,625)	(6,125)
= Pre-Tax Book Income	(270,765)	(81,229)	(189,535)
+ Unit 2 Schedule M Adjustments	(159,987)	(47,996)	(111,991)
= Unit 2 Taxable Income	(430,752)	(129,225)	(301,526)
x Current Federal Income Tax Rate	35%	35%	35%
= Unit 2 Current Federal Income Tax	(150,763)	(45,229)	(105,534)
+ Unit 2 Def Fed & State Income Taxes	100,619	30,186	70,433
= Total Unit 2 Fed&State Income Taxes	(50,144)	(15,043)	(35,101)

* 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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**UNIT 2
March, 2013**

<u>Line No.</u>		
1	Operating Ratio:	
2	<u>Net In-Service Investment:</u>	
3	Electric Plant In-Service	765,908,524
4	- Accumulated Depreciation	548,448,364
5	+ Materials & Supplies	70,728,098
6	+ Prepayments	57,921
7	+ Plant Held For Future Use (A/C 105) *	0
8	+ Other Deferred Debits (A/C 186) *	0
9	+ Other Working Capital ***	(20,395,183)
10	+ Unamortized Debt Expense (A/C 181)	268,917
11	+ Deferred ASH pond cost (A/C182.3)	2,941,851
12	- Asset Retirement Obligation (A/C 230)	4,073,582
13	- Other Deferred Credits (A/C 253)	54,872,608
14	- Accumulated Deferred FIT	32,630,696
15	- Accumulated Deferred ITC	19,209,120
16	Total Net In-Service Investment	160,275,759
17	<u>Non-In-Service Investment - CWIP :</u>	
18	Construction Work In Progress	59,874,971
19	+ Materials & Supplies	0
20	- Accumulated Deferred FIT	0
21	Total Non-In-Service Investment - CWIP	59,874,971
22	<u>Non-In-Service Investment - Other :</u>	
23	Plant Held for Future Use (A/C 105) **	0
24	+ Other Deferred Debits (A/C 186) **	752,993
25	+ Fuel Inventory Over Allowed Level ****	(12,708,239)
26	Total Non-In-Service Investment - Other	(11,955,246)
27	Total Investment (Lines 16+21+26)	208,195,484
28	Operating Ratio (Line 16/Line 27)	76.9833%
29	Non-In-Service Investment-CWIP Ratio (Line 21/Line 27)	28.7590%
30	Non-In-Service Investment-Other Ratio (Line 26/Line 27)	-5.7423%
31	Total Investment	100.0000%
	* 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	

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

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**UNIT 2
March, 2013**

<u>Line No.</u>		
1	Net In-Service Investment Ratio:	
2	<u>Unit 2 Net In-Service Investment:</u>	
3	Electric Plant In-Service	113,322,374
4	- Accumulated Depreciation	116,968,486
5	+ Materials & Supplies	29,009,930
6	+ Prepayments	28,961
7	+ Plant Held For Future Use (A/C 105) *	0
8	+ Other Deferred Debits (A/C 186) *	0
9	+ Other Working Capital **	(17,425,226)
10	+ Unamortized Debt Expense (A/C 181)	134,458
11	+ Deferred ASH pond cost (A/C182.3)	1,470,925
12	- Asset Retirement Obligation (A/C 230)	2,036,791
13	- Other Deferred Credits (A/C 253)	54,640,485
14	- Accumulated Deferred FIT	(9,006,759)
15	- Accumulated Deferred ITC	19,207,384
16	Total Unit 2 Net In-Service Investment	(57,304,966)
17	<u>Unit 1 Net In-Service Investment:</u>	
18	Electric Plant In-Service	652,586,150
19	- Accumulated Depreciation	431,479,878
20	+ Materials & Supplies	41,718,169
21	+ Prepayments	28,961
22	+ Plant Held For Future Use (A/C 105) *	0
23	+ Other Deferred Debits (A/C 186) *	0
24	+ Other Working Capital **	(2,969,956)
25	+ Unamortized Debt Expense (A/C 181)	134,458
26	+ Deferred ASH pond cost (A/C182.3)	1,470,925
27	- Asset Retirement Obligation (A/C 230)	2,036,791
28	- Other Deferred Credits (A/C 253)	232,123
29	- Accumulated Deferred FIT	41,637,454
30	- Accumulated Deferred ITC	1,736
31	Total Unit 1 Net In-Service Investment	217,580,725
32	Total Net In-Service Investment	160,275,759
33	<u>Net In-Service Investment Ratio:</u>	
34	Unit 2 (Line 16 / Line 32)	-35.7500%
35	Unit 1 (Line 31 / Line 32)	135.7500%
		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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UNIT 2
March, 2013

<u>Line No.</u>		
1	Net Capitalization:	
2	Long-Term Debt	65,661,165
3	+ Short-Term Debt	49,101,430
4	+ Preferred Stock	0
5	+ Common Equity	83,008,915
6	- Temporary Cash Investments	0
7	Net Capitalization	197,771,510
		=====
8	40% of Net Capitalization	79,108,604
9	<u>Return on Common Equity:</u>	
10	Lesser of Line 5 or Line 8	79,108,604
11	x Equity Return (Monthly Rate)	1.01333%
12	= Equity Return	801,631
13	x Operating Ratio	76.9833%
14	x Net In-Service Investment Ratio	-35.7500%
15	= Subtotal	(220,621)
16	Excess of Line 5 Over Line 8	3,900,311
17	x Weighted Cost of Debt (Monthly Rate)	0.1480%
18	= Return on Equity over 40% of Capitalization	5,772
19	x Operating Ratio	76.9833%
20	x Net In-Service Investment Ratio	-35.7500%
21	= Subtotal	(1,589)
22	Unit 2 Return on Equity (Line 15 + Line 21)	(222,210)
		=====
23	<u>Return on Other Capital:</u>	
24	Long-Term Debt Interest Expense (A/C 427-429)	155,072
25	+ Short-Term Debt Interest Expense (a/c 430)	160,484
26	+ Other Interest Expense (a/c 431)	0
27	- Temporary Cash Investment Income *	0
28	= Net Interest Expense	315,556
29	+ Preferred Stock Dividends (a/c 437)	0
30	= Net Cost of Other Capital	315,556
31	x Operating Ratio	76.9833%
32	x Net In-Service Investment Ratio	-35.7500%
33	= Unit 2 Return on Other Capital	(86,846)
		=====

* 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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**UNIT 2
March, 2013**

**Line
No.**

1	Debt Balances (Prior Month Ending) :	
2	Long-Term Debt (Accts 221 thru 226)	65,661,165
3	+ Short-Term Debt (Accts 231 + 233)	49,101,430
4	+ Other Debt (Accts 132 thru 136 + 145)	0
5	Total Debt Balances (Prior Month Ending)	114,762,595
		=====
6	<u>Weighting of Debt Balances :</u>	
7	Long-Term Debt (LTD bal/Total Debt bal)	57.2148%
8	+ Short-Term Debt (STD bal/Total Debt bal)	42.7852%
9	+ Other Debt	0.0000%
10	Total Debt Balances	100.0000%
		=====
11	<u>Debt Cost Rates :</u>	
12	Long-Term Debt (avg LTD int rate)	2.7807%
13	Short-Term Debt (avg Money Pool STD int rate)	0.3556%
14	Other Debt	0.0000%
15	<u>Weighted Cost of Debt :</u>	
16	Long-Term Debt (LTD % x avg LTD int rate)	1.5910%
17	+ Short-Term Debt (STD % x avg MP STD int rate)	0.1521%
18	+ Other Debt	0.0000%
19	Total Weighted Cost of Debt	1.7431%
		=====

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

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UNIT 2

INCLUDE A/C 431 ON PG 5

<u>Line No.</u>		<u>March, 2013</u>
1	Unit 2 Materials and Supplies:	
2	Fuel Stock - Coal (per Line 23)	14,086,432
3	Fuel Stock Expenses - Undistributed (152)	856,299
4	Fuel Stock - Oil (151)	1,854,191
5	Plant Materials & Operating Supplies	12,213,008
6	Merchandise	0
7	Undistributed Stores Expense	0
8	Total Materials & Supplies	29,009,930
9	<u>Support of Coal Inventory Value:</u>	
10	Actual Coal Inventory (a/c 151.10)	14,086,432
11	+ Equivalent Inventory re: Deferred Return	802,399,528
12	= Imputed Coal Inventory	816,485,960
13	<u>Coal Inventory W/68 Day Supply Cap</u>	
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)	50.655
22	= 68 day Coal Inventory	26,488,766
23	Lesser of Imputed or Capped Coal Inventory	26,488,766
24	Imputed Inventory Minus Line 23	789,997,194
25	<u>Accumulated Deferred Inventory Return - Unit 2 (Memo Item):</u>	
26	Beginning Balance	5,995,255
27	+ Current Month Return on Beginning Balance	45,132
28	+ Current Month Deferral	92,609
29	- Current Month Recovery	0
30	= Ending Balance **	6,132,996
	* Excludes Forced Outages, Scheduled Outages, and Curtailments	
	** May Not Be Less Than Zero	
	Total Unit 2 Monthly Power Bill with Actual	9,078,706
	Total Unit 2 Monthly Power Bill with 68 Day Capped	9,171,315
	Difference	92,609

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
DETAIL OF OTHER OPERATING REVENUES**

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**UNIT 2
March, 2013**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</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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UNIT 2
March, 2013

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
1	500,502-508	Steam Power Generation - Operation	5,960,246
2	501	Fuel - Operation	129,046
3	510-515	Steam Power Generating - Maintenance	2,289,700
4		Total Steam Power Generation Expenses	8,378,992
5	555-557	Other Power Supply Expenses	2,214
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 Expnese	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	138,164
16	935	Administrative and General Expenses - Maintenance	8,287
17		Total Administrative & General Exp.	146,451
18		Total Operation & Maintenance Expenses	8,527,658

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

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**UNIT 2
March, 2013**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
1	403	Depreciation Expense *	384,591
1a	403.1	ARO Depreciation Expense	3,343
2	404	Amortization of Limited-Term Electric Plant **	309,139
3	405	Amortization of Other Electric Plant	0
4	406	Amortization of Electric Plant Acquisition Adjustments	0
5	407	Amortization of Property Losses, Unrecovered Plant and Regulatory Study Costs	0
			-
6		Total Depreciation Exp. & Amortization	697,074 =
7	411.10	ARO Accretion Expense	15,347
8		Total Depreciation, Amortization & Accretion Expenses	712,421

* 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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UNIT 2
March, 2013

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
1	408.1	Taxes Other Than Federal Income Taxes, Utility Operating Income	149,935
2	409.1	State Income Taxes	(731)
3		Total Taxes Other than Federal Income Taxes	<hr/> 149,204 =====

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

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**UNIT 2
March, 2013**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>TOTAL</u>	<u>KPCO SHARE</u>	<u>I&M SHARE</u>
1		<u>Unit 2 Schedule 'M' Adjustments*</u>			
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	(291,487)	(87,446)	(204,041)
5	***	Total Unit 2 Schedule 'M' Adjustments	(159,987)	(47,996)	(111,991)
			=====	=====	=====
6		<u>Unit 2 Deferred Federal Income Tax</u>			
7	410.1	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' Adj.-Utility	141,944	42,583	99,361
12	***	Total Unit 2 Deferred Federal Income Tax	100,619	30,186	70,433
			=====	=====	=====

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

Check Figure on Tax Page for Sch M (159,987)
Check Figure on Tax Page for DFIT 100,619

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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UNIT 2
March 2013

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
1		<u>ELECTRIC PLANT IN SERVICE</u>	
2	101	Electric Plant In Service	112,680,284
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	642,091
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	<u>113,322,374</u>
12	105	Plant Held For Future Use	0
13		<u>ACCUMULATED DEPRECIATION</u>	
14	108	Accumulated Provision for Depreciation of Electric Utility Plant	95,874,590
15	110	Accumulated Provision for Depreciation and Amort. of Elec. Utility Plant	0
16	111	Accumulated Provision for Amortization of Electric Utility Plant	21,093,896
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	<u>116,968,486</u>
20		<u>MATERIAL AND SUPPLIES</u>	
21	151	Fuel Stock	15,940,623
22	152	Fuel Stock Expenses - Undistributed	856,299
23	153	Residuals	0
24	154	Plant Materials and Operating Supplies	12,213,008
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)	<u>29,009,930</u>
29	165	Prepayments	<u>28,961</u>
30	186	Other Deferred Debits	<u>0</u>

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
OTHER WORKING CAPITAL, UNAMORTIZED DEBT EXPENSE,
AND OTHER DEFERRED CREDITS**

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**UNIT 2
March, 2013**

<u>Line No.</u>	<u>Account No.</u>	<u>Description *</u>	
1	128	Other Special Funds	0
2	131	Cash	0
3	135	Other Intra Company Adjustments	0
4	143	Accounts Receivable-Miscellaneous	982,673
5	146	Accounts Receivable-Associated Company	12,316,461
6	171	Interest and Dividends Receivable	939
7	174	Miscellaneous Current and Accrued Assets	0
8	232	Accounts Payable-General	(7,236)
9	234	Accounts Payable-Associated Company	(13,121,213)
10	236	Taxes Accrued	(36,004)
11	237	Interest Accrued	(304,597)
12	238	Dividends Declared	0
13	241	Tax Collections Payable	0
14	242	Misc Current and Accrued Liabilities	(17,256,248)

15		Total Other Working Capital	(17,425,226)
			=====
16	181	Unamortized Debt Expense	134,458

17	253	Other Deferred Credits	54,640,485

*		debit <credit>	

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

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UNIT 2
March 2013

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
31		ACCUMULATED DEFERRED INCOME TAXES	
32	190	-Accumulated Deferred Income Taxes	22,604,457
33	281	+Accumulated Deferred Income Taxes - Accelerated Amortization Property	0
34	282	+Accumulated Deferred Income Taxes - Other Property	12,560,030
35	283	+Accumulated Deferred Income Taxes - Other	1,037,669
36		Total Accumulated Deferred Income Taxes (In-Service Portion)	(9,006,759)
37	255	+Accumulated Deferred Investment Tax Credits	19,207,384
38	186.50	-Accumulated Deferred Investment Tax Credit	0
39		Total Accumulated Deferred Investment Tax Credits	19,207,384
40		Total Net In-Service Investment - Unit 2	(56,739,100)

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

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<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
		<u>Non-In-Service Investment - CWIP</u>	
1	107	Construction Work In Process	59,874,971
2		<u>MATERIAL AND SUPPLIES</u>	
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		<u>ACCUMULATED DEFERRED INCOME TAXES</u>	
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	0
16		Total Accumulated Deferred Income Taxes (CWIP Portion)	0
17		TOTAL NON-IN-SERVICE INVESTMENT - CWIP	59,874,971
		<u>Non-In-Service Investment - Other</u>	
18	105	Plant Held for Future Use	0
19	186	Other Deferred Debits	752,993
20	151.10	Fuel Inventory Over Allowed Level *	(12,708,239)
21		Total Non-In-Service Investment - Other	(11,955,246)
		* INCLUDES ROCKPORT 1 AND 2	
		UNIT 1	(12,708,239)
		UNIT 2	0
		TOTAL	(12,708,239)

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
DETAIL OF NET CAPITALIZATION**

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March, 2013

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
1		<u>COMMON CAPITAL STOCK</u>	
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		<u>OTHER PAID-IN CAPITAL</u>	
12	207	Premium on Capital Stock	0
13	208	Donations Received from Stockholders	79,478,987
14	211	Miscellaneous Paid-In Capital	0
15	213	Discount on Capital Stock	0
16		Total Other Paid-In Capital	79,478,987
17		<u>RETAINED EARNINGS</u>	
18	215	Appropriated Retained Earnings	0
19	215.1	Appropriated Retained Earnings- Amortization Reserve, Federal	0
20	216	Unappropriated Retained Earnings	3,146,928
21		Total Retained Earnings	3,146,928
22		Total Common Equity	83,008,915
23		<u>PREFERRED CAPITAL STOCK</u>	
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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<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
28		<u>LONG-TERM DEBT</u>	
29	221	Bonds	0
30	222	Reacquired Bonds	0
31	223	Advances from Associated Companies	0
32	224	Other Long-Term Debt	65,661,165
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	65,661,165
		<u>SHORT-TERM DEBT</u>	
36a	231.02	Notes Payable (Short-Term Debt)	0
36b	231.03	Unamortized Discount	0
	233.00	Notes Payable, Assoc Co(Money Pool)	49,101,430
38		Total Short-Term Debt	49,101,430
39		<u>TEMPORARY CASH INVESTMENTS</u>	
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	197,771,510

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

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**UNIT 2
March, 2013**

<u>Line No.</u>		
1	Capitalization Balances (Prior Month Ending) :	
2	Long-Term Debt (Accts 221 thru 226)	65,661,165
3	+ Short-Term Debt (Accts 231 + 233)	49,101,430
4	+ Preferred Stock	0
5	+ Common Equity (Accts 201 thru 216)	83,008,915
6	- Capitalization Offsets	0
7	Total Capitalization Balances	197,771,510
		=====
8	<u>Weighting of Capitalization Balances :</u>	
9	Long-Term Debt (LTD/Total Capital)	33.2005%
10	+ Short-Term Debt (STD/Total Capital)	24.8274%
11	+ Preferred Stock	0.0000%
12	+ Common Equity (Common Equity/Total Capital)	41.9721%
13	- Capitalization Offsets	0.0000%
14	Total Capitalization	100.0000%
		=====
15	<u>Capitalization Cost Rates :</u>	
16	Long-Term Debt (avg LTD int rate)	2.7807%
17	Short-Term Debt (avg money pool STD int rate)	0.3556%
18	Preferred Stock	0.0000%
19	Common Equity (FERC fixed rate)	12.1600%
20	Capitalization Offsets (sum of weighted costs of debt)	1.7431%
21	<u>Rate of Return (Net of Tax) :</u>	
22	Long-Term Debt (LTD % x avg LTD int rate)	0.9232%
23	+ Short-Term Debt (STD % x avg MP STD int rate)	0.0883%
24	+ Preferred Stock	0.0000%
25	+ Common Equity (CE % x FERC fixed rate)	5.1038%
26	- Capitalization Offsets	0.0000%
27	Total Rate of Return (Net of Tax)	6.1153%
		=====
28	Weighted Net Cost of Debt	1.0115%
	(LTD Rate of Return + STD RR - Cap Offsets RR)	
29	+ Pre-Tax Common Equity (Line 25 / .65)	7.8520%
	(Common Equity Rate of Return grossed up for tax)	
30	= Rate of Return (Pre-Tax)	8.8635%
		=====

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

500	SUPERVISION AND ENGINEERING	113,948
501	FUEL	129,046
502	STEAM EXPENSES	101,434
503	STEAM FROM OTHER SOURCES	0
504	STEAM TRANSFERRED - CR	0
505	ELECTRIC EXPENSES	38,518
506	MISC. STEAM POWER EXPENSES	15,917
507	RENTS	5,690,430
508	OPERATION SUPPLIES AND EXPENSES	0
509	CARRYING CHARGES - ALLOWANCES	0

TOTAL OPERATION EXPENSE 6,089,292

510	MAINTENANCE SUPER. AND ENGINEERING	102,790
511	MAINTENANCE OF STRUCTURES	35,155
512	MAINTENANCE OF BOILER PLANT	1,576,834
513	MAINTENANCE OF ELECTRIC PLANT	546,771
514	MAINTENANCE OF MISC. STEAM PLANT	28,149
515	MAINTENANCE NORMALIZING	0

TOTAL MAINTENANCE EXPENSES 2,289,700

555	PURCHASED POWER	0
556	SYSTEM CONTROL AND LOAD DISPATCHING	1,182
557	OTHER POWER SUPPLY EXPENSES	1,032

TOTAL OTHER SUPPLY EXPENSES 2,214

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	3
THIS BILLING IS FOR MONTH OF	March, 2013

A E P GENERATING COMPANY

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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 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	54,958
921	OFFICE SUPPLIES AND EXPENSES	9,708
922	ADMINISTRATIVE EXPENSES TRANSF - CR	0
923	OUTSIDE SERVICES	(8,203)
924	PROPERTY INSURANCE	10,863
925	INJURIES AND DAMAGES	(3,197)
926	EMPLOYEE PENSIONS AND BENEFITS	73,212
927	FRANCHISE REQUIREMENTS	0
928	REGULATORY COMMISSION	0
929	DUPLICATE CHARGES-CREDIT	0
930	MISCELLANEOUS GENERAL EXPENSES	308
931	RENTS	515
933	TRANSPORTATION EXPENSE	0
	TOTAL ADM & GEN EXPENSES OPERATION	138,164
935	MAINTENANCE OF GENERAL PLANT	8,287
	TOTAL ADM & GEN EXPENSES	146,451
	TOTAL AEG OPERATION & MAINTENANCE EXPENSES	8,527,658
	ACCOUNT 40190 TOTAL FOR CROSS FOOT	8,527,658
	-----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-May-13

UNIT 1
POWER BILL - - April, 2013

IN ACCORDANCE WITH POWER AGREEMENT DATED OCTOBER 1, 1984 (AS AMENDED)
 ENERGY DELIVERED FOR THE MONTH OF April, 2013
 KWH FOR THE MONTH 123,570,000

SUMMARY

TOTAL

Current Month Bill:

Return on Common Equity	230,611
Return on Other Capital	57,702
Total Return	----- 288,313
Fuel	3,234,692
Purchased Power	0
Other Operating Revenues	(2,625)
Other Operation and Maintenance Exp	421,142
Depreciation Expense	507,860
Taxes Other Than Federal Income Tax	47,861
Federal Income Tax	173,606
TOTAL CURRENT UNIT POWER BILL	----- 4,670,849 -----

Prior Month's Adjustment:

Return on Common Equity & Other Capital	0
Fuel Expense	0
Other Expenses (Includes taxes & interest)	(29,581)
TOTAL PRIOR MONTH'S ADJUSTMENTS	----- (29,581) -----

TOTAL UNIT POWER BILL	=====
	4,641,268
	=====

AMOUNTS WILL BE PAID DIRECT FROM GENERAL FUNDS.

DUE DATE - - - May 20, 2013

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

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-13

UNIT 1
POWER BILL - - April, 2013

IN ACCORDANCE WITH POWER AGREEMENT DATED OCTOBER 1, 1984 (AS AMENDED)
 ENERGY DELIVERED FOR THE MONTH OF April, 2013
 KWH FOR THE MONTH 288,331,000

SUMMARY

TOTAL

Current Month Bill:

Return on Common Equity	538,092
Return on Other Capital	134,639
Total Return	----- 672,731
Fuel	7,547,615
Purchased Power	0
Other Operating Revenues	(6,125)
Other Operation and Maintenance Exp	982,665
Depreciation Expense	1,185,007
Taxes Other Than Federal Income Tax	111,675
Federal Income Tax	405,083
 TOTAL UNIT POWER BILL	 ----- 10,898,650 -----

Prior Month's Adjustment:

Return on Common Equity & Other Capital	0
Fuel	0
Other Expenses (Includes taxes & interest)	(69,024)
 TOTAL PRIOR MONTH'S ADJUSTMENTS	 ----- (69,024) -----

TOTAL UNIT POWER BILL	=====
	10,829,626
	=====

AMOUNTS WILL BE PAID DIRECT FROM GENERAL FUNDS.

DUE DATE - - - May 20, 2013

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

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
SUMMARY OF MONTHLY POWER BILL**

April, 2013

	<u>TOTAL UNIT 1 POWER BILL</u>	<u>KPCO SHARE</u>	<u>I&M SHARE</u>
Return on Common Equity	768,703	230,611	538,092
Return on Other Capital	192,341	57,702	134,639
<hr/>			
Total Return	961,044	288,313	672,731
+ Fuel	10,782,307	3,234,692	7,547,615
+ Purchased Power	0	0	0
- Other Operating Revenues	(8,750)	(2,625)	(6,125)
+ Other Operation and Maintenance Exp	1,403,807	421,142	982,665
+ Depreciation Expense	1,692,867	507,860	1,185,007
+ Taxes Other Than Federal Income Tax	159,536	47,861	111,675
+ Federal and State Income Tax	578,689	173,606	405,083
<hr/>			
= Total Unit 1 Monthly Power Bill	15,569,499	4,670,849	10,898,650
<hr/>			
<u>Determination of Federal Income Tax :</u>			
Total Return (Line 3)	961,044	288,313	672,731
+ Unit 1 Schedule M Adjustments	(420,684)	(126,205)	(294,479)
+ Unit 1 Deferred Federal Income Taxes	256,582	76,974	179,607
- Unit 1 Interest Expense Deduction *	198,740	59,622	139,118
<hr/>			
= Subtotal	598,201	179,460	418,741
x Gross-Up (FIT Rate / 1-FIT Rate)	0.538462	0.538462	0.538462
= Unit 1 Current Federal Income Tax	322,108	96,632	225,476
+ Unit 1 Def Fed & State Income Taxes	256,582	76,974	179,607
<hr/>			
= Total Unit 1 Fed&State Income Taxes	578,689	173,606	405,083
<hr/>			
<u>Proof of Federal Income Tax :</u>			
Total Unit 1 Monthly Power Bill	15,569,499	4,670,849	10,898,650
- Operation and Maintenance Expenses	12,186,114	3,655,834	8,530,280
- Depreciation Expense	1,692,867	507,860	1,185,007
- Taxes Other Than Federal Income Tax	159,536	47,861	111,675
- Unit 1 Interest Expense Deduction *	198,740	59,622	139,118
- Other Operating Revenues	(8,750)	(2,625)	(6,125)
<hr/>			
= Pre-Tax Book Income	1,340,993	402,297	938,696
+ Unit 1 Schedule M Adjustments	(420,684)	(126,205)	(294,479)
<hr/>			
= Unit 1 Taxable Income	920,309	276,092	644,217
x Current Federal Income Tax Rate	35%	35%	35%
= Unit 1 Current Federal Income Tax	322,108	96,632	225,476
+ Unit 1 Def Fed & State Income Taxes	256,581	76,974	179,607
<hr/>			
= Total Unit 1 Fed&State Income Taxes	578,689	173,606	405,083
<hr/>			

* 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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<u>Line No.</u>		<u>UNIT 1 April, 2013</u>
1	<u>Operating Ratio:</u>	
2	<u>Net In-Service Investment:</u>	
3	Electric Plant In-Service	769,723,872
4	- Accumulated Depreciation	550,767,881
5	+ Materials & Supplies	71,116,131
6	+ Prepayments	63,887
7	+ Plant Held For Future Use (A/C 105) *	0
8	+ Other Deferred Debits (A/C 186) *	0
9	+ Other Working Capital ***	(35,022,207)
10	+ Unamortized Debt Expense (A/C 181)	257,386
11	+ Deferred ASH pond cost (A/C182.3)	2,934,027
12	- Asset Retirement Obligation (A/C 230)	4,099,426
13	- Other Deferred Credits (A/C 253)	53,944,116
14	- Accumulated Deferred FIT	32,985,412
15	- Accumulated Deferred ITC	19,046,159
16	Total Net In-Service Investment	----- 148,230,101
17	<u>Non-In-Service Investment - CWIP :</u>	
18	Construction Work In Progress	61,122,305
19	+ Materials & Supplies	0
20	- Accumulated Deferred FIT	0
21	Total Non-In-Service Investment - CWIP	----- 61,122,305
22	<u>Non-In-Service Investment - Other :</u>	
23	Plant Held for Future Use (A/C 105) **	1,034,099
24	+ Other Deferred Debits (A/C 186) **	3,664,493
25	+ Fuel Inventory Over Allowed Level ****	(3,319,933)
26	Total Non-In-Service Investment - Other	----- 1,378,659
27	Total Investment (Lines 16+21+26)	----- 210,731,065 =====
28	Operating Ratio (Line 16/Line 27)	70.3409%
29	Non-In-Service Investment-CWIP Ratio (Line 21/Line 27)	29.0049%
30	Non-In-Service Investment-Other Ratio (Line 26/Line 27)	0.6542%
31	Total Investment	----- 100.0000% =====
*	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	
****	Includes Rockport 1 and 2	

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

<u>Line No.</u>	<u>UNIT 1</u> <u>April, 2013</u>	
1		<u>Net In-Service Investment Ratio:</u>
2		Unit 1 Net In-Service Investment:
3		Electric Plant In-Service 654,493,543
4		- Accumulated Depreciation 433,103,841
5		+ Materials & Supplies 37,218,032
6		+ Prepayments 31,944
7		+ Plant Held For Future Use (A/C 105) * 0
8		+ Other Deferred Debits (A/C 186) * 0
9		+ Other Working Capital ** (16,437,967)
10		+ Unamortized Debt Expense (A/C 181) 128,693
11		+ Deferred ASH pond cost (A/C182.3) 1,467,013
12		- Asset Retirement Obligation (A/C 230) 2,049,713
13		- Other Deferred Credits (A/C 253) 0
14		- Accumulated Deferred FIT 41,881,978
15		- Accumulated Deferred ITC 2,940
16		Total Unit 1 Net In-Service Investment 199,862,787
17		Unit 2 Net In-Service Investment:
18		Electric Plant In-Service 115,230,329
19		- Accumulated Depreciation 117,664,041
20		+ Materials & Supplies 33,898,099
21		+ Prepayments 31,944
22		+ Plant Held For Future Use (A/C 105) * 0
23		+ Other Deferred Debits (A/C 186) * 0
24		+ Other Working Capital ** (18,584,239)
25		+ Unamortized Debt Expense (A/C 181) 128,693
26		+ Deferred ASH pond cost (A/C182.3) 1,467,013
27		- Asset Retirement Obligation (A/C 230) 2,049,713
28		- Other Deferred Credits (A/C 253) 53,944,116
29		- Accumulated Deferred FIT (8,896,565)
30		- Accumulated Deferred ITC 19,043,219
31		Total Unit 2 Net In-Service Investment (51,632,686)
32		Total Net In-Service Investment 148,230,101
33		<u>Net In-Service Investment Ratio:</u>
34		Unit 1 (Line 16 / Line 32) 134.8300%
35		Unit 2 (Line 31 / Line 32) -34.8300%
		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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<u>Line No.</u>		<u>UNIT 1 April, 2013</u>
1	<u>Net Capitalization:</u>	
2	Long-Term Debt	65,661,165
3	+ Short-Term Debt	48,684,829
4	+ Preferred Stock	0
5	+ Common Equity	83,954,266
6	- Temporary Cash Investments	0
7	Net Capitalization	----- 198,300,260 =====
8	40% of Net Capitalization	79,320,104
9	<u>Return on Common Equity:</u>	
10	Lesser of Line 5 or Line 8	79,320,104
11	x Equity Return (Monthly Rate)	1.01333%
12	= Equity Return	803,774
13	x Operating Ratio	70.3409%
14	x Net In-Service Investment Ratio	134.8300%
15	= Subtotal	762,304
16	Excess of Line 5 Over Line 8	4,634,162
17	x Weighted Cost of Debt (Monthly Rate)	0.1456%
18	= Return on Equity over 40% of Capitalization	6,747
19	x Operating Ratio	70.3409%
20	x Net In-Service Investment Ratio	134.8300%
21	= Subtotal	----- 6,399 =====
22	Unit 1 Return on Equity (Line 15 + Line 21)	768,703
23	<u>Return on Other Capital:</u>	
24	Long-Term Debt Interest Expense (A/C 427-429)	152,243
25	+ Short-Term Debt Interest Expense (a/c 430)	50,561
26	+ Other Interest Expense (a/c 431)	0
27	- Temporary Cash Investment Income *	0
28	= Net Interest Expense	----- 202,804
29	+ Preferred Stock Dividends (a/c 437)	0
30	= Net Cost of Other Capital	----- 202,804
31	x Operating Ratio	70.3409%
32	x Net In-Service Investment Ratio	134.8300%
33	= Unit 1 Return on Other Capital	192,341
	* 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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<u>Line No.</u>		UNIT 1 <u>April, 2013</u>
1	<u>Debt Balances (Prior Month Ending) :</u>	
2	Long-Term Debt (Accts 221 thru 226)	65,661,165
3	+ Short-Term Debt (Accts 231 + 233)	48,684,829
4	+ Other Debt (Accts 132 thru 136 + 145)	0

5	Total Debt Balances (Prior Month Ending)	114,345,994
		=====
6	<u>Weighting of Debt Balances :</u>	
7	Long-Term Debt (LTD bal/Total Debt bal)	57.4232%
8	+ Short-Term Debt (STD bal/Total Debt bal)	42.5768%
9	+ Other Debt	0.0000%

10	Total Debt Balances	100.0000%
		=====
11	<u>Debt Cost Rates :</u>	
12	Long-Term Debt (avg LTD int rate)	2.8210%
13	Short-Term Debt (avg Money Pool STD int rate)	0.3552%
14	Other Debt	0.0000%
15	<u>Weighted Cost of Debt :</u>	
16	Long-Term Debt (LTD % x avg LTD int rate)	1.6199%
17	+ Short-Term Debt (STD % x avg MP STD int rate)	0.1512%
18	+ Other Debt	0.0000%

19	Total Weighted Cost of Debt	1.7711%
		=====

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

<u>Line No.</u>		<u>April, 2013</u>
1	<u>Unit 1 Materials and Supplies:</u>	
2	Fuel Stock - Coal (per Line 23)	21,790,672
3	Fuel Stock Expenses - Undistributed (152)	1,099,036
4	Fuel Stock - Oil (151)	2,164,086
5	Plant Materials & Operating Supplies	12,164,238
6	Merchandise	0
7	Undistributed Stores Expense	0
8	Total Materials & Supplies	----- 37,218,032 =====
9	<u>Support of Coal Inventory Value:</u>	
10	Actual Coal Inventory (a/c 151.10)	18,470,739
11	+ Equivalent Inventory re: Deferred Return	18,887,657,705
12	= Imputed Coal Inventory	----- 18,906,128,444 -----
13	<u>Coal Inventory W/68 Day Supply Cap</u>	
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)	41.195
22	= 68 day Coal Inventory	----- 21,790,672 -----
23	Lesser of Imputed or Capped Coal Inventory	----- 21,790,672 -----
24	Imputed Inventory Minus Line 23	----- 18,884,337,772 =====
25	<u>Accumulated Deferred Inventory Return - Unit 1 (Memo Item):</u>	
26	Beginning Balance	137,797,602
27	+ Current Month Return on Beginning Balance	1,012,710
28	+ Current Month Deferral	0
29	- Current Month Recovery	23,267
30	= Ending Balance **	----- 138,787,045 =====

* 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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**UNIT 1
April, 2013**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</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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UNIT 1

April, 2013

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
1	500,502-508	Steam Power Generation - Operation	399,705
2	501	Fuel - Operation	10,782,307
3	510-515	Steam Power Generating - Maintenance	832,472
4		Total Steam Power Generation Expenses	12,014,484
5	555-557	Other Power Supply Expenses	8,269
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 - Operation	162,064
16	935	Administrative and General Expenses - Maintenance	1,297
17		Total Administrative & General Exp.	163,361
18		Total Operation & Maintenance Expenses	12,186,114

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

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**UNIT 1
April, 2013**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
	1 403	Depreciation Expense	1,674,092
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 Acquisition Adjustments	0
	5 407	Amortization of Property Losses, Unrecovered Plant and Regulatory Study Costs	0
	6	Total Depreciation Exp. & Amortization	1,677,435
			=====
	7 411.10	ARO Accretion Expense	15,432
	8	Total Depreciation, Amortization & Accretion Expenses	1,692,867

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

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UNIT 1

April, 2013

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
BS1			
1	408.1	Taxes Other Than Federal Income Taxes, Utility Operating Income	157,738
2	409.1	State Income Taxes	1,798
3		Total Taxes Other than FIT	----- 159,536 =====

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

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>TOTAL</u>	<u>KPCO SHARE</u>	<u>I&M SHARE</u>
1		<u>Unit 1 Schedule `M' Adjustments*</u>			
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	(405,184)	(121,555)	(283,629)
5	***	Total Unit 1 Schedule `M' Adjustments	(420,684)	(126,205)	(294,479)
			=====	=====	=====
6		<u>Unit 1 Deferred Federal Income Tax</u>			
7	410.1	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' Adj.-Utility	(30,726)	(9,218)	(21,508)
			-----	-----	-----
12	***	Total Unit 1 Deferred Federal Income Tax	256,582	76,974	179,607
			=====	=====	=====

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

=====

=====

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

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UNIT 1
April, 2013

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
1		<u>ELECTRIC PLANT IN SERVICE</u>	
2	101	Electric Plant In Service	651,718,211
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	2,775,332
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	654,493,543
12	105	Plant Held For Future Use	0
13		<u>ACCUMULATED DEPRECIATION</u>	
14	108	Accumulated Provision for Depreciation of Electric Utility Plant	432,652,452
15	110	Accumulated Provision for Depreciation and Amort. of Elec. Utility Plant	0
16	111	Accumulated Provision for Amortization of Electric Utility Plant	451,389
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	433,103,841
20		<u>MATERIAL AND SUPPLIES</u>	
21	151	Fuel Stock	23,954,758
22	152	Fuel Stock Expenses - Undistributed	1,099,036
23	153	Residuals	0
24	154	Plant Materials and Operating Supplies	12,164,238
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)	37,218,032
29	165	Prepayments	31,944
30	186	Other Deferred Debits	0

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
OTHER WORKING CAPITAL, UNAMORTIZED DEBT EXPENSE
AND OTHER DEFERRED CREDITS**

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<u>Line No.</u>	<u>Account No.</u>	<u>Description *</u>	<u>UNIT 1 April, 2013</u>
1	128	Other Special Funds	0
2	131	Cash	0
3	135	Other Intra Company Adjustments	0
4	143	Accounts Receivable-Miscellaneous	319,205
5	146	Accounts Receivable-Associated Company	12,948,228
6	171	Interest and Dividends Receivable	967
7	174	Miscellaneous Current and Accrued Assets	0
8	232	Accounts Payable-General	(67,187)
9	234	Accounts Payable-Associated Company	(15,914,553)
10	236	Taxes Accrued	(4,093,509)
11	237	Interest Accrued	(360,485)
12	238	Dividends Declared	0
13	241	Tax Collections Payable	0
14	242	Misc Current and Accrued Liabilities	(9,270,633)

15		Total Other Working Capital	(16,437,967)
			=====
16	181	Unamortized Debt Expense	128,693

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
April, 2013

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
31		<u>ACCUMULATED DEFERRED INCOME TAXES</u>	
32	190	-Accumulated Deferred Income Taxes	1,959,087
33	281	+Accumulated Deferred Income Taxes - Accelerated Amortization Property	0
34	282	+Accumulated Deferred Income Taxes - Other Property	42,929,598
35	283	+Accumulated Deferred Income Taxes - Other	911,466
36		Total Accumulated Deferred Income Taxes (In-Service Portion)	----- 41,881,978 -----
37	255	+Accumulated Deferred Investment Tax Credits	2,940
38	186.50	-Accumulated Deferred Investment Tax Credit	0
39		Total Accumulated Deferred Investment Tax Credits	----- 2,940 -----
40		Total Net In-Service Investment - Unit 1	----- 200,445,486 =====

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

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**UNIT 1
April, 2013**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
		<u>Non-In-Service Investment - CWIP</u>	
1	107	Construction Work In Process	61,122,305
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		<u>ACCUMULATED DEFERRED INCOME TAXES</u>	
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	0
16		Total Accumulated Deferred Income Taxes (CWIP Portion)	----- 0
17		TOTAL NON-IN-SERVICE INVESTMENT - CWIP	----- 61,122,305 =====
		<u>Non-In-Service Investment - Other</u>	
18	105	Plant Held for Future Use	1,034,099
19	186	Other Deferred Debits	3,664,493
20	151.10	Fuel Inventory Over Allowed Level *	(3,319,933)
21		Total Non-In-Service Investment - Other	----- 1,378,659 =====
		* INCLUDES ROCKPORT 1 AND 2	
		UNIT 1	(3,319,933)
		UNIT 2	0
		TOTAL	----- (3,319,933) =====

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
DETAIL OF NET CAPITALIZATION**

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April, 2013

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
1		<u>COMMON CAPITAL STOCK</u>	
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		<u>OTHER PAID-IN CAPITAL</u>	
12	207	Premium on Capital Stock	0
13	208	Donations Received from Stockholders	79,478,987
14	211	Miscellaneous Paid-In Capital	0
15	213	Discount on Capital Stock	0
16		Total Other Paid-In Capital	79,478,987
17		<u>RETAINED EARNINGS</u>	
18	215	Appropriated Retained Earnings	0
19	215.1	Appropriated Retained Earnings- Amortization Reserve, Federal	0
20	216	Unappropriated Retained Earnings	4,092,279
21		Total Retained Earnings	4,092,279
22		Total Common Equity	83,954,266
23		<u>PREFERRED CAPITAL STOCK</u>	
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
April, 2013**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
28		<u>LONG-TERM DEBT</u>	
29	221	Bonds	0
30	222	Reacquired Bonds	0
31	223	Advances from Associated Companies	0
32	224	Other Long-Term Debt	65,661,165
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	65,661,165
		<u>SHORT-TERM DEBT</u>	
36a	231.02	Notes Payable (Short-Term Debt)	0
36b	231.03	Unamortized Discount	0
37	233.00	Notes Payable, Assoc Co(Money Pool)	48,684,829
38		Total Short-Term Debt	48,684,829
39		<u>TEMPORARY CASH INVESTMENTS</u>	
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	198,300,260

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

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**UNIT 1
April, 2013**

Line No.

1	<u>Capitalization Balances (Prior Month Ending) :</u>	
2	Long-Term Debt (Accts 221 thru 226)	65,661,165
3	+ Short-Term Debt (Accts 231 + 233)	48,684,829
4	+ Preferred Stock	0
5	+ Common Equity (Accts 201 thru 216)	83,954,266
6	- Capitalization Offsets	0

7	Total Capitalization Balances	198,300,260
		=====
8	<u>Weighting of Capitalization Balances :</u>	
9	Long-Term Debt (LTD/Total Capital)	33.1120%
10	+ Short-Term Debt (STD/Total Capital)	24.5511%
11	+ Preferred Stock	0.0000%
12	+ Common Equity (Common Equity/Total Capital)	42.3369%
13	- Capitalization Offsets	0.0000%

14	Total Capitalization	100.0000%
		=====
15	<u>Capitalization Cost Rates :</u>	
16	Long-Term Debt (avg LTD int rate)	2.8210%
17	Short-Term Debt (avg money pool STD int rate)	0.3552%
18	Preferred Stock	0.0000%
19	Common Equity (FERC fixed rate)	12.1600%
20	Capitalization Offsets (sum of weighted costs of debt)	1.7711%
21	<u>Rate of Return (Net of Tax) :</u>	
22	Long-Term Debt (LTD % x avg LTD int rate)	0.9341%
23	+ Short-Term Debt (STD % x avg MP STD int rate)	0.0872%
24	+ Preferred Stock	0.0000%
25	+ Common Equity (CE % x FERC fixed rate)	5.1482%
26	- Capitalization Offsets	0.0000%

27	Total Rate of Return (Net of Tax)	6.1695%
		=====
28	Weighted Net Cost of Debt	1.0213%
	(LTD Rate of Return + STD RR - Cap Offsets RR)	
29	+ Pre-Tax Common Equity (Line 25 / .65)	7.9203%
	(Common Equity Rate of Return grossed up for tax)	-----
30	= Rate of Return (Pre-Tax)	8.9416%
		=====

A E P GENERATING COMPANY

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

500	SUPERVISION AND ENGINEERING	91,275
501	FUEL	10,782,307
502	STEAM EXPENSES	110,502
503	STEAM FROM OTHER SOURCES	0
504	STEAM TRANSFERRED - CR	0
505	ELECTRIC EXPENSES	54,122
506	MISC. STEAM POWER EXPENSES	143,629
507	RENTS	177
508	OPERATION SUPPLIES AND EXPENSES	0
509	CARRYING CHARGES - ALLOWANCES	0

TOTAL OPERATION EXPENSE 11,182,012

510	MAINTENANCE SUPER. AND ENGINEERING	87,302
511	MAINTENANCE OF STRUCTURES	54,177
512	MAINTENANCE OF BOILER PLANT	531,816
513	MAINTENANCE OF ELECTRIC PLANT	71,341
514	MAINTENANCE OF MISC. STEAM PLANT	87,837
515	MAINTENANCE NORMALIZING	0

TOTAL MAINTENANCE EXPENSES 832,472

555	PURCHASED POWER	0
556	SYSTEM CONTROL AND LOAD DISPATCHING	979
557	OTHER POWER SUPPLY EXPENSES	7,290

TOTAL OTHER SUPPLY EXPENSES 8,269

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 4
 THIS BILLING IS FOR MONTH OF April, 2013

A E P GENERATING COMPANY

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	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
	TOTAL SALES EXPENSES	0
920	ADMIN. & GENERAL SALARIES	28,523
921	OFFICE SUPPLIES AND EXPENSES	12,458
922	ADMINISTRATIVE EXPENSES TRANSF - CR	0
923	OUTSIDE SERVICES	29,608
924	PROPERTY INSURANCE	10,863
925	INJURIES AND DAMAGES	805
926	EMPLOYEE PENSIONS AND BENEFITS	75,365
927	FRANCHISE REQUIREMENTS	0
928	REGULATORY COMMISSION	0
929	DUPLICATE CHARGES-CREDIT	0
930	MISCELLANEOUS GENERAL EXPENSES	3,937
931	RENTS	507
933	TRANSPORTATION EXPENSE	0
	TOTAL ADM & GEN EXPENSES OPERATION	162,064
935	MAINTENANCE OF GENERAL PLANT	1,297
	TOTAL ADM & GEN EXPENSES	163,361
	TOTAL AEG OPERATION & MAINTENANCE EXPENSES	12,186,114
	ACCOUNT 40190 TOTAL FOR CROSS FOOT	12,186,114
	-----DIFFERENCE-----	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
07-May-13

UNIT 2
POWER BILL - - April, 2013

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

0

SUMMARY

TOTAL

Current Month Bill:

Return on Common Equity	(139,688)
Return on Other Capital	(34,952)
Total Return	----- (174,640)
Fuel	140,546
Purchased Power	0
Other Operating Revenues	(6,125)
Other Operation and Maintenance Exp	5,872,569
Depreciation Expense	499,674
Taxes Other Than Federal Income Tax	109,155
Federal Income Tax	(26,478)
TOTAL CURRENT UNIT POWER BILL	----- 6,414,701 -----

Prior Month's Adjustment:

Return on Common Equity & Other Capital	0
Fuel Expense	0
Other Expenses (Includes taxes & interest)	41,178
TOTAL PRIOR MONTH'S ADJUSTMENTS	----- 41,178 -----

TOTAL UNIT POWER BILL

=====

6,455,879

=====

AMOUNTS WILL BE PAID DIRECT FROM GENERAL FUNDS.

DUE DATE - - May 20, 2013

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

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

ESTIMATE
07-May-13

UNIT 2
POWER BILL - - April, 2013

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

0

<u>SUMMARY</u>	<u>TOTAL</u>
Current Month Bill:	
Return on Common Equity	(59,867)
Return on Other Capital	(14,980)
Total Return	----- (74,847)
Fuel	60,234
Purchased Power	0
Other Operating Revenues	(2,625)
Other Operation and Maintenance Exp	2,516,815
Depreciation Expense	214,146
Taxes Other Than Federal Income Tax	46,781
Federal Income Tax	(11,348)
TOTAL CURRENT UNIT POWER BILL	----- 2,749,156 =====
Prior Month's Adjustment:	
Return on Common Equity & Other Capital	0
Fuel Expense	0
Other Expenses (Includes taxes & interest)	17,648
TOTAL PRIOR MONTH'S ADJUSTMENTS	----- 17,648 -----
TOTAL UNIT POWER BILL	----- 2,766,804 =====

AMOUNTS WILL BE PAID DIRECT FROM GENERAL FUNDS.

DUE DATE - - May 20, 2013

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
ROCKPORT POWER BILL
SUMMARY OF MONTHLY POWER BILL**

	TOTAL UNIT 2 POWER BILL	KPCO SHARE	I&M SHARE
Return on Common Equity	(199,555)	(59,867)	(139,688)
Return on Other Capital	(49,932)	(14,980)	(34,952)
Total Return	(249,487)	(74,847)	(174,640)
+ Fuel	200,780	60,234	140,546
+ Purchased Power	0	0	0
- Other Operating Revenues	(8,750)	(2,625)	(6,125)
+ Other Operation and Maintenance Exp	8,389,384	2,516,815	5,872,569
+ Depreciation Expense	713,820	214,146	499,674
+ Taxes Other Than Federal Income Tax	155,936	46,781	109,155
+ Federal and State Income Tax	(37,827)	(11,348)	(26,478)
= Total Unit 2 Monthly Power Bill	9,163,856	2,749,156	6,414,701
<u>Determination of Federal Income Tax :</u>			
Total Return (Line 3)	(249,487)	(74,847)	(174,640)
+ Unit 2 Schedule M Adjustments	(217,228)	(65,169)	(152,060)
+ Unit 2 Deferred Federal Income Taxes	120,705	36,211	84,493
- Unit 2 Interest Expense Deduction *	(51,593)	(15,478)	(36,115)
= Subtotal	(294,417)	(88,326)	(206,091)
x Gross-Up (FIT Rate / 1-FIT Rate)	0.538462	0.538462	0.538462
= Unit 2 Current Federal Income Tax	(158,532)	(47,560)	(110,972)
+ Unit 2 Def Fed & State Income Taxes	120,705	36,211	84,493
= Total Unit 2 Fed&State Income Taxes	(37,827)	(11,348)	(26,478)
<u>Proof of Federal Income Tax :</u>			
Total Unit 2 Monthly Power Bill	9,163,856	2,749,156	6,414,701
- Operation and Maintenance Expenses	8,590,164	2,577,049	6,013,115
- Depreciation Expense	713,820	214,146	499,674
- Taxes Other Than Federal Income Tax	155,936	46,781	109,155
- Unit 2 Interest Expense Deduction *	(51,593)	(15,478)	(36,115)
- Other Operating Revenues	(8,750)	(2,625)	(6,125)
= Pre-Tax Book Income	(235,721)	(70,717)	(165,003)
+ Unit 2 Schedule M Adjustments	(217,228)	(65,169)	(152,060)
= Unit 2 Taxable Income	(452,949)	(135,886)	(317,063)
x Current Federal Income Tax Rate	35%	35%	35%
= Unit 2 Current Federal Income Tax	(158,532)	(47,560)	(110,972)
+ Unit 2 Def Fed & State Income Taxes	120,705	36,211	84,493
= Total Unit 2 Fed&State Income Taxes	(37,827)	(11,349)	(26,479)

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

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

<u>Line No.</u>		<u>UNIT 2 April, 2013</u>
1	Operating Ratio:	
2	<u>Net In-Service Investment:</u>	
3	Electric Plant In-Service	769,723,872
4	- Accumulated Depreciation	550,767,881
5	+ Materials & Supplies	71,116,131
6	+ Prepayments	63,887
7	+ Plant Held For Future Use (A/C 105) *	0
8	+ Other Deferred Debits (A/C 186) *	0
9	+ Other Working Capital ***	(35,022,207)
10	+ Unamortized Debt Expense (A/C 181)	257,386
11	+ Deferred ASH pond cost (A/C182.3)	2,934,027
12	- Asset Retirement Obligation (A/C 230)	4,099,426
13	- Other Deferred Credits (A/C 253)	53,944,116
14	- Accumulated Deferred FIT	32,985,412
15	- Accumulated Deferred ITC	19,046,159
16	Total Net In-Service Investment	148,230,101
17	<u>Non-In-Service Investment - CWIP :</u>	
18	Construction Work In Progress	61,122,305
19	+ Materials & Supplies	0
20	- Accumulated Deferred FIT	0
21	Total Non-In-Service Investment - CWIP	61,122,305
22	<u>Non-In-Service Investment - Other :</u>	
23	Plant Held for Future Use (A/C 105) **	0
24	+ Other Deferred Debits (A/C 186) **	3,664,493
25	+ Fuel Inventory Over Allowed Level ****	(3,319,933)
26	Total Non-In-Service Investment - Other	344,560
27	Total Investment (Lines 16+21+26)	209,696,966
28	Operating Ratio (Line 16/Line 27)	70.6878%
29	Non-In-Service Investment-CWIP Ratio (Line 21/Line 27)	29.1479%
30	Non-In-Service Investment-Other Ratio (Line 26/Line 27)	0.1643%
31	Total Investment	100.0000%
	* 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	

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

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**Line
No.**

**UNIT 2
April, 2013**

1 Net In-Service Investment Ratio:

2 Unit 2 Net In-Service Investment:

3	Electric Plant In-Service	115,230,329
4	- Accumulated Depreciation	117,664,041
5	+ Materials & Supplies	33,898,099
6	+ Prepayments	31,944
7	+ Plant Held For Future Use (A/C 105) *	0
8	+ Other Deferred Debits (A/C 186) *	0
9	+ Other Working Capital **	(18,584,239)
10	+ Unamortized Debt Expense (A/C 181)	128,693
11	+ Deferred ASH pond cost (A/C182.3)	1,467,013
12	- Asset Retirement Obligation (A/C 230)	2,049,713
13	- Other Deferred Credits (A/C 253)	53,944,116
14	- Accumulated Deferred FIT	(8,896,565)
15	- Accumulated Deferred ITC	19,043,219

16 Total Unit 2 Net In-Service Investment (51,632,686)

17 Unit 1 Net In-Service Investment:

18	Electric Plant In-Service	654,493,543
19	- Accumulated Depreciation	433,103,841
20	+ Materials & Supplies	37,218,032
21	+ Prepayments	31,944
22	+ Plant Held For Future Use (A/C 105) *	0
23	+ Other Deferred Debits (A/C 186) *	0
24	+ Other Working Capital **	(16,437,967)
25	+ Unamortized Debt Expense (A/C 181)	128,693
26	+ Deferred ASH pond cost (A/C182.3)	1,467,013
27	- Asset Retirement Obligation (A/C 230)	2,049,713
28	- Other Deferred Credits (A/C 253)	0
29	- Accumulated Deferred FIT	41,881,978
30	- Accumulated Deferred ITC	2,940

31 Total Unit 1 Net In-Service Investment 199,862,787

32 Total Net In-Service Investment 148,230,101

33 Net In-Service Investment Ratio:

34 Unit 2 (Line 16 / Line 32) -34.8300%

35 Unit 1 (Line 31 / Line 32) 134.8300%

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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<u>Line No.</u>		UNIT 2 April, 2013
1	Net Capitalization:	
2	Long-Term Debt	65,661,165
3	+ Short-Term Debt	48,684,829
4	+ Preferred Stock	0
5	+ Common Equity	83,954,266
6	- Temporary Cash Investments	0

7	Net Capitalization	198,300,260
		=====
8	40% of Net Capitalization	79,320,104
9	<u>Return on Common Equity:</u>	
10	Lesser of Line 5 or Line 8	79,320,104
11	x Equity Return (Monthly Rate)	1.01333%
12	= Equity Return	803,774
13	x Operating Ratio	70.6878%
14	x Net In-Service Investment Ratio	-34.8300%
15	= Subtotal	(197,894)
16	Excess of Line 5 Over Line 8	4,634,162
17	x Weighted Cost of Debt (Monthly Rate)	0.1456%
18	= Return on Equity over 40% of Capitalization	6,747
19	x Operating Ratio	70.6878%
20	x Net In-Service Investment Ratio	-34.8300%
21	= Subtotal	(1,661)

22	Unit 2 Return on Equity (Line 15 + Line 21)	(199,555)
		=====
23	<u>Return on Other Capital:</u>	
24	Long-Term Debt Interest Expense (A/C 427-429)	152,243
25	+ Short-Term Debt Interest Expense (a/c 430)	50,561
26	+ Other Interest Expense (a/c 431)	0
27	- Temporary Cash Investment Income *	0

28	= Net Interest Expense	202,804
29	+ Preferred Stock Dividends (a/c 437)	0

30	= Net Cost of Other Capital	202,804
31	x Operating Ratio	70.6878%
32	x Net In-Service Investment Ratio	-34.8300%
33	= Unit 2 Return on Other Capital	(49,932)
		=====

* 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 2
April, 2013**

1	Debt Balances (Prior Month Ending) :	
2	Long-Term Debt (Accts 221 thru 226)	65,661,165
3	+ Short-Term Debt (Accts 231 + 233)	48,684,829
4	+ Other Debt (Accts 132 thru 136 + 145)	0
5	Total Debt Balances (Prior Month Ending)	----- 114,345,994 =====
6	<u>Weighting of Debt Balances :</u>	
7	Long-Term Debt (LTD bal/Total Debt bal)	57.4232%
8	+ Short-Term Debt (STD bal/Total Debt bal)	42.5768%
9	+ Other Debt	0.0000%
10	Total Debt Balances	----- 100.0000% =====
11	<u>Debt Cost Rates :</u>	
12	Long-Term Debt (avg LTD int rate)	2.8210%
13	Short-Term Debt (avg Money Pool STD int rate)	0.3552%
14	Other Debt	0.0000%
15	<u>Weighted Cost of Debt :</u>	
16	Long-Term Debt (LTD % x avg LTD int rate)	1.6199%
17	+ Short-Term Debt (STD % x avg MP STD int rate)	0.1512%
18	+ Other Debt	0.0000%
19	Total Weighted Cost of Debt	----- 1.7711% =====

**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

<u>Line No.</u>		<u>April, 2013</u>
1	Unit 2 Materials and Supplies:	
2	Fuel Stock - Coal (per Line 23)	18,470,739
3	Fuel Stock Expenses - Undistributed (152)	1,099,036
4	Fuel Stock - Oil (151)	2,164,086
5	Plant Materials & Operating Supplies	12,164,238
6	Merchandise	0
7	Undistributed Stores Expense	0

8	Total Materials & Supplies	33,898,099
		=====
9	<u>Support of Coal Inventory Value:</u>	
10	Actual Coal Inventory (a/c 151.10)	18,470,739
11	+ Equivalent Inventory re: Deferred Return	840,638,208

12	= Imputed Coal Inventory	859,108,947

13	<u>Coal Inventory W/68 Day Supply Cap</u>	
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)	41.195

22	= 68 day Coal Inventory	21,541,895

23	Lesser of Imputed or Capped Coal Inventory	21,541,895

24	Imputed Inventory Minus Line 23	837,567,052
		=====
25	<u>Accumulated Deferred Inventory Return - Unit 2 (Memo Item):</u>	
26	Beginning Balance	6,132,996
27	+ Current Month Return on Beginning Balance	45,073
28	+ Current Month Deferral	21,110
29	- Current Month Recovery	0

30	= Ending Balance **	6,199,179
		=====
	* Excludes Forced Outages, Scheduled Outages, and Curtailments	
	** May Not Be Less Than Zero	
	Total Unit 2 Monthly Power Bill with Actual	9,168,292
	Total Unit 2 Monthly Power Bill with 68 Day Capped	9,189,402
	Difference	21,110

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
DETAIL OF OTHER OPERATING REVENUES**

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**UNIT 2
April, 2013**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</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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**UNIT 2
April, 2013**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
1	500,502-508	Steam Power Generation - Operation	6,075,842
2	501	Fuel - Operation	200,780
3	510-515	Steam Power Generating - Maintenance	2,140,904
4		Total Steam Power Generation Expenses	8,417,526
5	555-557	Other Power Supply Expenses	8,269
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 Expensese	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	163,072
16	935	Administrative and General Expenses - Maintenance	1,297
17		Total Administrative & General Exp.	164,369
18		Total Operation & Maintenance Expenses	8,590,164

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

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**UNIT 2
April, 2013**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
1	403	Depreciation Expense *	386,288
1a	403.1	ARO Depreciation Expense	3,343
2	404	Amortization of Limited-Term Electric Plant **	308,758
3	405	Amortization of Other Electric Plant	0
4	406	Amortization of Electric Plant Acquisition Adjustments	0
5	407	Amortization of Property Losses, Unrecovered Plant and Regulatory Study Costs	0
			-
6		Total Depreciation Exp. & Amortization	698,388
			=
7	411.10	ARO Accretion Expense	15,432
8		Total Depreciation, Amortization & Accretion Expenses	713,820

* 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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UNIT 2

April, 2013

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
1	408.1	Taxes Other Than Federal Income Taxes, Utility Operating Income	154,138
2	409.1	State Income Taxes	1,798
3		Total Taxes Other than Federal Income Taxes	----- 155,936 =====

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

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>TOTAL</u>	<u>KPCO SHARE</u>	<u>I&M SHARE</u>
1		<u>Unit 2 Schedule `M' Adjustments*</u>			
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	(348,728)	(104,619)	(244,110)
5	***	Total Unit 2 Schedule `M' Adjustments	(217,228)	(65,169)	(152,060)
6		<u>Unit 2 Deferred Federal Income Tax</u>			
7	410.1	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' Adj.-Utility	162,030	48,609	113,421
12	***	Total Unit 2 Deferred Federal Income Tax	120,705	36,211	84,493

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

Check Figure on Tax Page for Sch M (217,228)
Check Figure on Tax Page for DFIT 120,705

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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**UNIT 2
April, 2013**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
1		<u>ELECTRIC PLANT IN SERVICE</u>	
2	101	Electric Plant In Service	112,962,767
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	2,267,562
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	115,230,329
12	105	Plant Held For Future Use	0
13		<u>ACCUMULATED DEPRECIATION</u>	
14	108	Accumulated Provision for Depreciation of Electric Utility Plant	96,250,499
15	110	Accumulated Provision for Depreciation and Amort. of Elec. Utility Plant	0
16	111	Accumulated Provision for Amortization of Electric Utility Plant	21,413,542
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	117,664,041
20		<u>MATERIAL AND SUPPLIES</u>	
21	151	Fuel Stock	20,634,825
22	152	Fuel Stock Expenses - Undistributed	1,099,036
23	153	Residuals	0
24	154	Plant Materials and Operating Supplies	12,164,238
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)	33,898,099
29	165	Prepayments	31,944
30	186	Other Deferred Debits	0

**AEP GENERATING COMPANY
 ROCKPORT POWER BILL
 OTHER WORKING CAPITAL, UNAMORTIZED DEBT EXPENSE
 AND OTHER DEFERRED CREDITS**

<u>Line No.</u>	<u>Account No.</u>	<u>Description *</u>	<u>UNIT 2 April, 2013</u>
1	128	Other Special Funds	0
2	131	Cash	0
3	135	Other Intra Company Adjustments	0
4	143	Accounts Receivable-Miscellaneous	319,205
5	146	Accounts Receivable-Associated Company	13,270,053
6	171	Interest and Dividends Receivable	967
7	174	Miscellaneous Current and Accrued Assets	0
8	232	Accounts Payable-General	(67,187)
9	234	Accounts Payable-Associated Company	(15,854,551)
10	236	Taxes Accrued	(1,713,086)
11	237	Interest Accrued	(360,485)
12	238	Dividends Declared	0
13	241	Tax Collections Payable	0
14	242	Misc Current and Accrued Liabilities	(14,179,156)

15		Total Other Working Capital	(18,584,239)
			=====
16	181	Unamortized Debt Expense	128,693

17	253	Other Deferred Credits	53,944,116

*		debit <credit>	

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

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UNIT 2
April, 2013

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
31		ACCUMULATED DEFERRED INCOME TAXES	
32	190	-Accumulated Deferred Income Taxes	22,435,849
33	281	+Accumulated Deferred Income Taxes - Accelerated Amortization Property	0
34	282	+Accumulated Deferred Income Taxes - Other Property	12,508,090
35	283	+Accumulated Deferred Income Taxes - Other	1,031,193
36		Total Accumulated Deferred Income Taxes (In-Service Portion)	----- (8,896,565) -----
37	255	+Accumulated Deferred Investment Tax Credits	19,043,219
38	186.50	-Accumulated Deferred Investment Tax Credit	0
39		Total Accumulated Deferred Investment Tax Credits	----- 19,043,219 -----
40		Total Net In-Service Investment - Unit 2	----- (51,049,986) =====

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

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**UNIT 2
April, 2013**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
		<u>Non-In-Service Investment - CWIP</u>	
1	107	Construction Work In Process	61,122,305
2		<u>MATERIAL AND SUPPLIES</u>	
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		<u>ACCUMULATED DEFERRED INCOME TAXES</u>	
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	0
16		Total Accumulated Deferred Income Taxes (CWIP Portion)	----- 0
17		TOTAL NON-IN-SERVICE INVESTMENT - CWIP	----- 61,122,305 =====
		<u>Non-In-Service Investment - Other</u>	
18	105	Plant Held for Future Use	0
19	186	Other Deferred Debits	3,664,493
20	151.10	Fuel Inventory Over Allowed Level *	(3,319,933)
21		Total Non-In-Service Investment - Other	----- 344,560 =====
		* INCLUDES ROCKPORT 1 AND 2	
		UNIT 1	(3,319,933)
		UNIT 2	0
		TOTAL	----- (3,319,933) =====

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
DETAIL OF NET CAPITALIZATION**

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**UNIT 2
April, 2013**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
1		<u>COMMON CAPITAL STOCK</u>	
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		<u>OTHER PAID-IN CAPITAL</u>	
12	207	Premium on Capital Stock	0
13	208	Donations Received from Stockholders	79,478,987
14	211	Miscellaneous Paid-In Capital	0
15	213	Discount on Capital Stock	0
16		Total Other Paid-In Capital	79,478,987
17		<u>RETAINED EARNINGS</u>	
18	215	Appropriated Retained Earnings	0
19	215.1	Appropriated Retained Earnings- Amortization Reserve, Federal	0
20	216	Unappropriated Retained Earnings	4,092,279
21		Total Retained Earnings	4,092,279
22		Total Common Equity	83,954,266
23		<u>PREFERRED CAPITAL STOCK</u>	
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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**JUNT-2
April, 2013**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
28		<u>LONG-TERM DEBT</u>	
29	221	Bonds	0
30	222	Reacquired Bonds	0
31	223	Advances from Associated Companies	0
32	224	Other Long-Term Debt	65,661,165
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	65,661,165
		<u>SHORT-TERM DEBT</u>	
36a	231.02	Notes Payable (Short-Term Debt)	0
36b	231.03	Unamortized Discount	0
	233.00	Notes Payable, Assoc Co(Money Pool)	48,684,829
38		Total Short-Term Debt	48,684,829
39		<u>TEMPORARY CASH INVESTMENTS</u>	
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	198,300,260

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

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<u>Line No.</u>		UNIT 2 April, 2013
1	Capitalization Balances (Prior Month Ending) :	
2	Long-Term Debt (Accts 221 thru 226)	65,661,165
3	+ Short-Term Debt (Accts 231 + 233)	48,684,829
4	+ Preferred Stock	0
5	+ Common Equity (Accts 201 thru 216)	83,954,266
6	- Capitalization Offsets	0

7	Total Capitalization Balances	198,300,260
		=====
8	<u>Weighting of Capitalization Balances :</u>	
9	Long-Term Debt (LTD/Total Capital)	33.1120%
10	+ Short-Term Debt (STD/Total Capital)	24.5511%
11	+ Preferred Stock	0.0000%
12	+ Common Equity (Common Equity/Total Capital)	42.3369%
13	- Capitalization Offsets	0.0000%

14	Total Capitalization	100.0000%
		=====
15	<u>Capitalization Cost Rates :</u>	
16	Long-Term Debt (avg LTD int rate)	2.8210%
17	Short-Term Debt (avg money pool STD int rate)	0.3552%
18	Preferred Stock	0.0000%
19	Common Equity (FERC fixed rate)	12.1600%
20	Capitalization Offsets (sum of weighted costs of debt)	1.7711%
21	<u>Rate of Return (Net of Tax) :</u>	
22	Long-Term Debt (LTD % x avg LTD int rate)	0.9341%
23	+ Short-Term Debt (STD % x avg MP STD int rate)	0.0872%
24	+ Preferred Stock	0.0000%
25	+ Common Equity (CE % x FERC fixed rate)	5.1482%
26	- Capitalization Offsets	0.0000%

27	Total Rate of Return (Net of Tax)	6.1695%
		=====
28	Weighted Net Cost of Debt	1.0213%
	(LTD Rate of Return + STD RR - Cap Offsets RR)	
29	+ Pre-Tax Common Equity (Line 25 / .65)	7.9203%
	(Common Equity Rate of Return grossed up for tax)	-----
30	= Rate of Return (Pre-Tax)	8.9416%
		=====

A E P GENERATING COMPANY

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

500	SUPERVISION AND ENGINEERING	89,399
501	FUEL	200,780
502	STEAM EXPENSES	64,539
503	STEAM FROM OTHER SOURCES	0
504	STEAM TRANSFERRED - CR	0
505	ELECTRIC EXPENSES	47,943
506	MISC. STEAM POWER EXPENSES	183,532
507	RENTS	5,690,430
508	OPERATION SUPPLIES AND EXPENSES	0
509	CARRYING CHARGES - ALLOWANCES	0
	TOTAL OPERATION EXPENSE	6,276,622
510	MAINTENANCE SUPER. AND ENGINEERING	96,260
511	MAINTENANCE OF STRUCTURES	2,849
512	MAINTENANCE OF BOILER PLANT	1,366,827
513	MAINTENANCE OF ELECTRIC PLANT	635,830
514	MAINTENANCE OF MISC. STEAM PLANT	39,139
515	MAINTENANCE NORMALIZING	0
	TOTAL MAINTENANCE EXPENSES	2,140,904
555	PURCHASED POWER	0
556	SYSTEM CONTROL AND LOAD DISPATCHING	979
557	OTHER POWER SUPPLY EXPENSES	7,290
	TOTAL OTHER SUPPLY EXPENSES	8,269

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	4
THIS BILLING IS FOR MONTH OF	April, 2013

A E P GENERATING COMPANY

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

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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 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	29,526
921	OFFICE SUPPLIES AND EXPENSES	12,462
922	ADMINISTRATIVE EXPENSES TRANSF - CR	0
923	OUTSIDE SERVICES	29,607
924	PROPERTY INSURANCE	10,863
925	INJURIES AND DAMAGES	805
926	EMPLOYEE PENSIONS AND BENEFITS	75,365
927	FRANCHISE REQUIREMENTS	0
928	REGULATORY COMMISSION	0
929	DUPLICATE CHARGES-CREDIT	0
930	MISCELLANEOUS GENERAL EXPENSES	3,937
931	RENTS	507
933	TRANSPORTATION EXPENSE	0
	TOTAL ADM & GEN EXPENSES OPERATION	163,072
935	MAINTENANCE OF GENERAL PLANT	1,297
	TOTAL ADM & GEN EXPENSES	164,369
	TOTAL AEG OPERATION & MAINTENANCE EXPENSES	8,590,164
	ACCOUNT 40190 TOTAL FOR CROSS FOOT	8,590,164
	-----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-Jun-13

UNIT 1
POWER BILL - - May, 2013

IN ACCORDANCE WITH POWER AGREEMENT DATED OCTOBER 1, 1984 (AS AMENDED)
 ENERGY DELIVERED FOR THE MONTH OF May, 2013
 KWH FOR THE MONTH 114,136,000

SUMMARY

TOTAL

Current Month Bill:

Return on Common Equity	233,740
Return on Other Capital	57,245

Total Return	290,985
Fuel	2,864,709
Purchased Power	0
Other Operating Revenues	(2,625)
Other Operation and Maintenance Exp	296,333
Depreciation Expense	508,113
Taxes Other Than Federal Income Tax	49,174
Federal Income Tax	175,907

TOTAL CURRENT UNIT POWER BILL	4,182,596

Prior Month's Adjustment:

Return on Common Equity & Other Capital	0
Fuel Expense	0
Other Expenses (Includes taxes & interest)	(57,885)

 TOTAL PRIOR MONTH'S ADJUSTMENTS (57,885)

=====

TOTAL UNIT POWER BILL 4,124,711

=====

AMOUNTS WILL BE PAID DIRECT FROM GENERAL FUNDS.

DUE DATE - - - June 21, 2013

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

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-Jun-13

UNIT 1
POWER BILL - - May, 2013

IN ACCORDANCE WITH POWER AGREEMENT DATED OCTOBER 1, 1984 (AS AMENDED)
 ENERGY DELIVERED FOR THE MONTH OF May, 2013
 KWH FOR THE MONTH 266,318,000

SUMMARY

TOTAL

Current Month Bill:

Return on Common Equity	545,394
Return on Other Capital	133,572
Total Return	----- 678,966
Fuel	6,684,322
Purchased Power	0
Other Operating Revenues	(6,125)
Other Operation and Maintenance Exp	691,444
Depreciation Expense	1,185,597
Taxes Other Than Federal Income Tax	114,739
Federal Income Tax	410,450
 TOTAL UNIT POWER BILL	 ----- 9,759,393 -----

Prior Month's Adjustment:

Return on Common Equity & Other Capital	0
Fuel	0
Other Expenses (Includes taxes & interest)	(135,066)

 TOTAL PRIOR MONTH'S ADJUSTMENTS (135,066)

=====

TOTAL UNIT POWER BILL 9,624,327

=====

AMOUNTS WILL BE PAID DIRECT FROM GENERAL FUNDS.

DUE DATE - - - June 21, 2013

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

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
SUMMARY OF MONTHLY POWER BILL**

May, 2013

	<u>TOTAL UNIT 1 POWER BILL</u>	<u>KPCO SHARE</u>	<u>I&M SHARE</u>
Return on Common Equity	779,134	233,740	545,394
Return on Other Capital	190,817	57,245	133,572
Total Return	969,951	290,985	678,966
+ Fuel	9,549,031	2,864,709	6,684,322
+ Purchased Power	0	0	0
- Other Operating Revenues	(8,750)	(2,625)	(6,125)
+ Other Operation and Maintenance Exp	987,777	296,333	691,444
+ Depreciation Expense	1,693,710	508,113	1,185,597
+ Taxes Other Than Federal Income Tax	163,913	49,174	114,739
+ Federal and State Income Tax	586,357	175,907	410,450
= Total Unit 1 Monthly Power Bill	13,941,989	4,182,596	9,759,393
<u>Determination of Federal Income Tax :</u>			
Total Return (Line 3)	969,951	290,985	678,966
+ Unit 1 Schedule M Adjustments	(636,403)	(190,921)	(445,482)
+ Unit 1 Deferred Federal Income Taxes	332,353	99,706	232,647
- Unit 1 Interest Expense Deduction *	194,179	58,254	135,925
= Subtotal	471,722	141,516	330,206
x Gross-Up (FIT Rate / 1-FIT Rate)	0.538462	0.538462	0.538462
= Unit 1 Current Federal Income Tax	254,004	76,201	177,803
+ Unit 1 Def Fed & State Income Taxes	332,353	99,706	232,647
= Total Unit 1 Fed&State Income Taxes	586,357	175,907	410,450
<u>Proof of Federal Income Tax :</u>			
Total Unit 1 Monthly Power Bill	13,941,989	4,182,596	9,759,393
- Operation and Maintenance Expenses	10,536,808	3,161,042	7,375,766
- Depreciation Expense	1,693,710	508,113	1,185,597
- Taxes Other Than Federal Income Tax	163,913	49,174	114,739
- Unit 1 Interest Expense Deduction *	194,179	58,254	135,925
- Other Operating Revenues	(8,750)	(2,625)	(6,125)
= Pre-Tax Book Income	1,362,129	408,638	953,491
+ Unit 1 Schedule M Adjustments	(636,403)	(190,921)	(445,482)
= Unit 1 Taxable Income	725,726	217,717	508,009
x Current Federal Income Tax Rate	35%	35%	35%
= Unit 1 Current Federal Income Tax	254,004	76,201	177,803
+ Unit 1 Def Fed & State Income Taxes	332,353	99,706	232,647
= Total Unit 1 Fed&State Income Taxes	586,357	175,907	410,450

* 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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<u>Line No.</u>		<u>UNIT 1 May, 2013</u>
1	<u>Operating Ratio:</u>	
2	<u>Net In-Service Investment:</u>	
3	Electric Plant In-Service	772,313,102
4	- Accumulated Depreciation	552,845,199
5	+ Materials & Supplies	76,291,079
6	+ Prepayments	47,548
7	+ Plant Held For Future Use (A/C 105) *	0
8	+ Other Deferred Debits (A/C 186) *	0
9	+ Other Working Capital ***	(39,046,375)
10	+ Unamortized Debt Expense (A/C 181)	245,855
11	+ Deferred ASH pond cost (A/C182.3)	2,926,203
12	- Asset Retirement Obligation (A/C 230)	4,125,441
13	- Other Deferred Credits (A/C 253)	53,944,116
14	- Accumulated Deferred FIT	33,425,054
15	- Accumulated Deferred ITC	18,883,198
16	Total Net In-Service Investment	----- 149,554,404
17	<u>Non-In-Service Investment - CWIP :</u>	
18	Construction Work In Progress	63,478,086
19	+ Materials & Supplies	0
20	- Accumulated Deferred FIT	0
21	Total Non-In-Service Investment - CWIP	----- 63,478,086
22	<u>Non-In-Service Investment - Other :</u>	
23	Plant Held for Future Use (A/C 105) **	1,034,099
24	+ Other Deferred Debits (A/C 186) **	3,369,573
25	+ Fuel Inventory Over Allowed Level ****	17,088
26	Total Non-In-Service Investment - Other	----- 4,420,760
27	Total Investment (Lines 16+21+26)	----- 217,453,251 =====
28	Operating Ratio (Line 16/Line 27)	68.7754%
29	Non-In-Service Investment-CWIP Ratio (Line 21/Line 27)	29.1916%
30	Non-In-Service Investment-Other Ratio (Line 26/Line 27)	2.0330%
31	Total Investment	----- 100.0000% =====
*	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	
****	Includes Rockport 1 and 2	

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

<u>Line No.</u>	<u>UNIT 1</u> <u>May, 2013</u>	
1	<u>Net In-Service Investment Ratio:</u>	
2	Unit 1 Net In-Service Investment:	
3	Electric Plant In-Service	655,785,231
4	- Accumulated Depreciation	433,278,797
5	+ Materials & Supplies	38,274,451
6	+ Prepayments	23,774
7	+ Plant Held For Future Use (A/C 105) *	0
8	+ Other Deferred Debits (A/C 186) *	0
9	+ Other Working Capital **	(15,372,802)
10	+ Unamortized Debt Expense (A/C 181)	122,927
11	+ Deferred ASH pond cost (A/C182.3)	1,463,101
12	- Asset Retirement Obligation (A/C 230)	2,062,720
13	- Other Deferred Credits (A/C 253)	232,123
14	- Accumulated Deferred FIT	42,166,467
15	- Accumulated Deferred ITC	4,144
16	Total Unit 1 Net In-Service Investment	----- 202,552,433 -----
17	Unit 2 Net In-Service Investment:	
18	Electric Plant In-Service	116,527,871
19	- Accumulated Depreciation	119,566,402
20	+ Materials & Supplies	38,016,628
21	+ Prepayments	23,774
22	+ Plant Held For Future Use (A/C 105) *	0
23	+ Other Deferred Debits (A/C 186) *	0
24	+ Other Working Capital **	(23,673,573)
25	+ Unamortized Debt Expense (A/C 181)	122,927
26	+ Deferred ASH pond cost (A/C182.3)	1,463,101
27	- Asset Retirement Obligation (A/C 230)	2,062,720
28	- Other Deferred Credits (A/C 253)	53,711,993
29	- Accumulated Deferred FIT	(8,741,412)
30	- Accumulated Deferred ITC	18,879,054
31	Total Unit 2 Net In-Service Investment	----- (52,998,029) -----
32	Total Net In-Service Investment	----- 149,554,404 =====
33	<u>Net In-Service Investment Ratio:</u>	
34	Unit 1 (Line 16 / Line 32)	135.4400%
35	Unit 2 (Line 31 / Line 32)	-35.4400%
		----- 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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<u>Line No.</u>		<u>UNIT 1 May, 2013</u>
1	<u>Net Capitalization:</u>	
2	Long-Term Debt	65,247,942
3	+ Short-Term Debt	55,483,924
4	+ Preferred Stock	0
5	+ Common Equity	84,735,616
6	- Temporary Cash Investments	0
7	Net Capitalization	----- 205,467,482 =====
8	40% of Net Capitalization	82,186,993
9	<u>Return on Common Equity:</u>	
10	Lesser of Line 5 or Line 8	82,186,993
11	x Equity Return (Monthly Rate)	1.01333%
12	= Equity Return	832,825
13	x Operating Ratio	68.7754%
14	x Net In-Service Investment Ratio	135.4400%
15	= Subtotal	775,772
16	Excess of Line 5 Over Line 8	2,548,623
17	x Weighted Cost of Debt (Monthly Rate)	0.1416%
18	= Return on Equity over 40% of Capitalization	3,609
19	x Operating Ratio	68.7754%
20	x Net In-Service Investment Ratio	135.4400%
21	= Subtotal	----- 3,362 =====
22	Unit 1 Return on Equity (Line 15 + Line 21)	779,134
23	<u>Return on Other Capital:</u>	
24	Long-Term Debt Interest Expense (A/C 427-429)	154,798
25	+ Short-Term Debt Interest Expense (a/c 430)	50,053
26	+ Other Interest Expense (a/c 431)	0
27	- Temporary Cash Investment Income *	0
28	= Net Interest Expense	----- 204,851
29	+ Preferred Stock Dividends (a/c 437)	0
30	= Net Cost of Other Capital	----- 204,851
31	x Operating Ratio	68.7754%
32	x Net In-Service Investment Ratio	135.4400%
33	= Unit 1 Return on Other Capital	----- 190,817 =====
	* 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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<u>Line No.</u>		<u>UNIT 1 May, 2013</u>
1	<u>Debt Balances (Prior Month Ending) :</u>	
2	Long-Term Debt (Accts 221 thru 226)	65,247,942
3	+ Short-Term Debt (Accts 231 + 233)	55,483,924
4	+ Other Debt (Accts 132 thru 136 + 145)	0

5	Total Debt Balances (Prior Month Ending)	120,731,866
		=====
6	<u>Weighting of Debt Balances :</u>	
7	Long-Term Debt (LTD bal/Total Debt bal)	54.0437%
8	+ Short-Term Debt (STD bal/Total Debt bal)	45.9563%
9	+ Other Debt	0.0000%

10	Total Debt Balances	100.0000%
		=====
11	<u>Debt Cost Rates :</u>	
12	Long-Term Debt (avg LTD int rate)	2.7934%
13	Short-Term Debt (avg Money Pool STD int rate)	0.3438%
14	Other Debt	0.0000%
15	<u>Weighted Cost of Debt :</u>	
16	Long-Term Debt (LTD % x avg LTD int rate)	1.5096%
17	+ Short-Term Debt (STD % x avg MP STD int rate)	0.1580%
18	+ Other Debt	0.0000%

19	Total Weighted Cost of Debt	1.6676%
		=====

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

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UNIT 1

<u>Line No.</u>		<u>May, 2013</u>
1	<u>Unit 1 Materials and Supplies:</u>	
2	Fuel Stock - Coal (per Line 23)	22,583,060
3	Fuel Stock Expenses - Undistributed (152)	1,400,665
4	Fuel Stock - Oil (151)	2,114,403
5	Plant Materials & Operating Supplies	12,176,323
6	Merchandise	0
7	Undistributed Stores Expense	0
8	Total Materials & Supplies	38,274,451
9	<u>Support of Coal Inventory Value:</u>	
10	Actual Coal Inventory (a/c 151.10)	22,600,148
11	+ Equivalent Inventory re: Deferred Return	0
12	= Imputed Coal Inventory	22,600,148
13	<u>Coal Inventory W/68 Day Supply Cap</u>	
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)	42.693
22	= 68 day Coal Inventory	22,583,060
23	Lesser of Imputed or Capped Coal Inventory	22,583,060
24	Imputed Inventory Minus Line 23	17,088
25	<u>Accumulated Deferred Inventory Return - Unit 1 (Memo Item):</u>	
26	Beginning Balance	138,787,045
27	+ Current Month Return on Beginning Balance	1,024,914
28	+ Current Month Deferral	166
29	- Current Month Recovery	0
30	= Ending Balance **	139,812,125

* 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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**UNIT 1
May, 2013**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</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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**UNIT 1
May, 2013**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
1	500,502-508	Steam Power Generation - Operation	349,202
2	501	Fuel - Operation	9,549,031
3	510-515	Steam Power Generating - Maintenance	508,894
4		Total Steam Power Generation Expenses	10,407,127
5	555-557	Other Power Supply Expenses	(20,985)
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 - Operation	152,138
16	935	Administrative and General Expenses - Maintenance	(1,471)
17		Total Administrative & General Exp.	150,667
18		Total Operation & Maintenance Expenses	10,536,808

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

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**UNIT 1
May, 2013**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
	1 403	Depreciation Expense	1,674,849
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 Acquisition Adjustments	0
	5 407	Amortization of Property Losses, Unrecovered Plant and Regulatory Study Costs	0
	6	Total Depreciation Exp. & Amortization	1,678,192
			=====
	7 411.10	ARO Accretion Expense	15,518
	8	Total Depreciation, Amortization & Accretion Expenses	1,693,710

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

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**UNIT 1
May, 2013**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
BS1			
1	408.1	Taxes Other Than Federal Income Taxes, Utility Operating Income	169,362
2	409.1	State Income Taxes	(5,450)
3		Total Taxes Other than FIT	----- 163,913 =====

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

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>TOTAL</u>	<u>KPCO SHARE</u>	<u>I&M SHARE</u>
1		<u>Unit 1 Schedule `M' Adjustments*</u>			
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	(620,903)	(186,271)	(434,632)
5	***	Total Unit 1 Schedule `M' Adjustments	(636,403)	(190,921)	(445,482)
			=====	=====	=====
6		<u>Unit 1 Deferred Federal Income Tax</u>			
7	410.1	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' Adj.-Utility	45,046	13,514	31,532
			-----	-----	-----
12	***	Total Unit 1 Deferred Federal Income Tax	332,353	99,706	232,647
			=====	=====	=====

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

=====

=====

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

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UNIT 1
May, 2013

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
1		<u>ELECTRIC PLANT IN SERVICE</u>	
2	101	Electric Plant In Service	651,919,855
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	3,865,376
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	655,785,231
12	105	Plant Held For Future Use	0
13		<u>ACCUMULATED DEPRECIATION</u>	
14	108	Accumulated Provision for Depreciation of Electric Utility Plant	432,827,408
15	110	Accumulated Provision for Depreciation and Amort. of Elec. Utility Plant	0
16	111	Accumulated Provision for Amortization of Electric Utility Plant	451,389
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	433,278,797
20		<u>MATERIAL AND SUPPLIES</u>	
21	151	Fuel Stock	24,697,463
22	152	Fuel Stock Expenses - Undistributed	1,400,665
23	153	Residuals	0
24	154	Plant Materials and Operating Supplies	12,176,323
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)	38,274,451
29	165	Prepayments	23,774
30	186	Other Deferred Debits	0

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
OTHER WORKING CAPITAL, UNAMORTIZED DEBT EXPENSE
AND OTHER DEFERRED CREDITS**

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<u>Line No.</u>	<u>Account No.</u>	<u>Description *</u>	UNIT 1 May, 2013
1	128	Other Special Funds	0
2	131	Cash	0
3	135	Other Intra Company Adjustments	0
4	143	Accounts Receivable-Miscellaneous	319,205
5	146	Accounts Receivable-Associated Company	12,352,449
6	171	Interest and Dividends Receivable	967
7	174	Miscellaneous Current and Accrued Assets	0
8	232	Accounts Payable-General	(18,571)
9	234	Accounts Payable-Associated Company	(14,895,546)
10	236	Taxes Accrued	(3,770,669)
11	237	Interest Accrued	(87,943)
12	238	Dividends Declared	0
13	241	Tax Collections Payable	0
14	242	Misc Current and Accrued Liabilities	(9,272,693)

15		Total Other Working Capital	(15,372,802)
			=====
16	181	Unamortized Debt Expense	122,927

17	253	Other Deferred Credits	232,123

		* debit <credit>	

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

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**UNIT 1
May, 2013**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
31		<u>ACCUMULATED DEFERRED INCOME TAXES</u>	
32	190	-Accumulated Deferred Income Taxes	1,999,753
33	281	+Accumulated Deferred Income Taxes - Accelerated Amortization Property	0
34	282	+Accumulated Deferred Income Taxes - Other Property	43,260,084
35	283	+Accumulated Deferred Income Taxes - Other	906,136
36		Total Accumulated Deferred Income Taxes (In-Service Portion)	----- 42,166,467 -----
37	255	+Accumulated Deferred Investment Tax Credits	4,144
38	186.50	-Accumulated Deferred Investment Tax Credit	0
39		Total Accumulated Deferred Investment Tax Credits	----- 4,144 -----
40		Total Net In-Service Investment - Unit 1	----- 203,152,052 =====

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

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**UNIT 1
May, 2013**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
		<u>Non-In-Service Investment - CWIP</u>	
1	107	Construction Work In Process	63,478,086
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		<u>ACCUMULATED DEFERRED INCOME TAXES</u>	
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	0
16		Total Accumulated Deferred Income Taxes (CWIP Portion)	----- 0
17		TOTAL NON-IN-SERVICE INVESTMENT - CWIP	----- 63,478,086 =====
		<u>Non-In-Service Investment - Other</u>	
18	105	Plant Held for Future Use	1,034,099
19	186	Other Deferred Debits	3,369,573
20	151.10	Fuel Inventory Over Allowed Level *	17,088
21		Total Non-In-Service Investment - Other	----- 4,420,760 =====
		* INCLUDES ROCKPORT 1 AND 2	
		UNIT 1	17,088
		UNIT 2	0
		TOTAL	----- 17,088 =====

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
DETAIL OF NET CAPITALIZATION**

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**UNIT 1
May, 2013**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
1		<u>COMMON CAPITAL STOCK</u>	
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		<u>OTHER PAID-IN CAPITAL</u>	
12	207	Premium on Capital Stock	0
13	208	Donations Received from Stockholders	79,478,987
14	211	Miscellaneous Paid-In Capital	0
15	213	Discount on Capital Stock	0
16		Total Other Paid-In Capital	79,478,987
17		<u>RETAINED EARNINGS</u>	
18	215	Appropriated Retained Earnings	0
19	215.1	Appropriated Retained Earnings- Amortization Reserve, Federal	0
20	216	Unappropriated Retained Earnings	4,873,629
21		Total Retained Earnings	4,873,629
22		Total Common Equity	84,735,616
23		<u>PREFERRED CAPITAL STOCK</u>	
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
May, 2013**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
28		<u>LONG-TERM DEBT</u>	
29	221	Bonds	0
30	222	Reacquired Bonds	0
31	223	Advances from Associated Companies	0
32	224	Other Long-Term Debt	65,247,942
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	65,247,942
		<u>SHORT-TERM DEBT</u>	
36a	231.02	Notes Payable (Short-Term Debt)	0
36b	231.03	Unamortized Discount	0
37	233.00	Notes Payable, Assoc Co(Money Pool)	55,483,924
38		Total Short-Term Debt	55,483,924
39		<u>TEMPORARY CASH INVESTMENTS</u>	
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	205,467,482

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

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<u>Line No.</u>	<u>UNIT 1</u>	<u>May, 2013</u>
1	<u>Capitalization Balances (Prior Month Ending) :</u>	
2	Long-Term Debt (Accts 221 thru 226)	65,247,942
3	+ Short-Term Debt (Accts 231 + 233)	55,483,924
4	+ Preferred Stock	0
5	+ Common Equity (Accts 201 thru 216)	84,735,616
6	- Capitalization Offsets	0

7	Total Capitalization Balances	205,467,482
		=====
8	<u>Weighting of Capitalization Balances :</u>	
9	Long-Term Debt (LTD/Total Capital)	31.7558%
10	+ Short-Term Debt (STD/Total Capital)	27.0037%
11	+ Preferred Stock	0.0000%
12	+ Common Equity (Common Equity/Total Capital)	41.2404%
13	- Capitalization Offsets	-0.0001%

14	Total Capitalization	100.0000%
		=====
15	<u>Capitalization Cost Rates :</u>	
16	Long-Term Debt (avg LTD int rate)	2.7934%
17	Short-Term Debt (avg money pool STD int rate)	0.3438%
18	Preferred Stock	0.0000%
19	Common Equity (FERC fixed rate)	12.1600%
20	Capitalization Offsets (sum of weighted costs of debt)	1.6676%
21	<u>Rate of Return (Net of Tax) :</u>	
22	Long-Term Debt (LTD % x avg LTD int rate)	0.8871%
23	+ Short-Term Debt (STD % x avg MP STD int rate)	0.0928%
24	+ Preferred Stock	0.0000%
25	+ Common Equity (CE % x FERC fixed rate)	5.0148%
26	- Capitalization Offsets	0.0000%

27	Total Rate of Return (Net of Tax)	5.9947%
		=====
28	Weighted Net Cost of Debt	0.9799%
	(LTD Rate of Return + STD RR - Cap Offsets RR)	
29	+ Pre-Tax Common Equity (Line 25 / .65)	7.7151%
	(Common Equity Rate of Return grossed up for tax)	-----
30	= Rate of Return (Pre-Tax)	8.6950%
		=====

A E P GENERATING COMPANY

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

500	SUPERVISION AND ENGINEERING	104,840
501	FUEL	9,549,031
502	STEAM EXPENSES	117,872
503	STEAM FROM OTHER SOURCES	0
504	STEAM TRANSFERRED - CR	0
505	ELECTRIC EXPENSES	70,794
506	MISC. STEAM POWER EXPENSES	55,518
507	RENTS	177
508	OPERATION SUPPLIES AND EXPENSES	0
509	CARRYING CHARGES - ALLOWANCES	0

TOTAL OPERATION EXPENSE 9,898,233

510	MAINTENANCE SUPER. AND ENGINEERING	83,430
511	MAINTENANCE OF STRUCTURES	46,188
512	MAINTENANCE OF BOILER PLANT	279,280
513	MAINTENANCE OF ELECTRIC PLANT	93,309
514	MAINTENANCE OF MISC. STEAM PLANT	6,687
515	MAINTENANCE NORMALIZING	0

TOTAL MAINTENANCE EXPENSES 508,894

555	PURCHASED POWER	0
556	SYSTEM CONTROL AND LOAD DISPATCHING	(5,202)
557	OTHER POWER SUPPLY EXPENSES	(15,783)

TOTAL OTHER SUPPLY EXPENSES (20,985)

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 5
 THIS BILLING IS FOR MONTH OF May, 2013

A E P GENERATING COMPANY

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	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
	TOTAL SALES EXPENSES	0
920	ADMIN. & GENERAL SALARIES	42,423
921	OFFICE SUPPLIES AND EXPENSES	2,624
922	ADMINISTRATIVE EXPENSES TRANSF - CR	0
923	OUTSIDE SERVICES	11,819
924	PROPERTY INSURANCE	10,863
925	INJURIES AND DAMAGES	538
926	EMPLOYEE PENSIONS AND BENEFITS	83,515
927	FRANCHISE REQUIREMENTS	0
928	REGULATORY COMMISSION	0
929	DUPLICATE CHARGES-CREDIT	0
930	MISCELLANEOUS GENERAL EXPENSES	(190)
931	RENTS	546
933	TRANSPORTATION EXPENSE	0
	TOTAL ADM & GEN EXPENSES OPERATION	152,138
935	MAINTENANCE OF GENERAL PLANT	(1,471)
	TOTAL ADM & GEN EXPENSES	150,667
	TOTAL AEG OPERATION & MAINTENANCE EXPENSES	10,536,808
	ACCOUNT 40190 TOTAL FOR CROSS FOOT	10,536,808
	-----DIFFERENCE-----	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
07-Jun-13

UNIT 2
POWER BILL - - May, 2013

IN ACCORDANCE WITH POWER AGREEMENT DATED OCTOBER 1, 1984 (AS AMENDED)
 ENERGY DELIVERED FOR THE MONTH OF May, 2013
 KWH FOR THE MONTH 81,152,000

<u>SUMMARY</u>	<u>TOTAL</u>
Current Month Bill:	
Return on Common Equity	(143,211)
Return on Other Capital	(35,073)
Total Return	----- (178,284)
Fuel	2,322,943
Purchased Power	0
Other Operating Revenues	(6,125)
Other Operation and Maintenance Exp	4,975,892
Depreciation Expense	504,466
Taxes Other Than Federal Income Tax	112,219
Federal Income Tax	(28,379)
TOTAL CURRENT UNIT POWER BILL	----- 7,702,733 -----
Prior Month's Adjustment:	
Return on Common Equity & Other Capital	0
Fuel Expense	0
Other Expenses (Includes taxes & interest)	87,272
TOTAL PRIOR MONTH'S ADJUSTMENTS	----- 87,272 -----
TOTAL UNIT POWER BILL	=====
	7,790,005 =====

AMOUNTS WILL BE PAID DIRECT FROM GENERAL FUNDS.

DUE DATE - - June 21, 2013

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**

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

**ESTIMATE
07-Jun-13**

**UNIT 2
POWER BILL - - May, 2013**

IN ACCORDANCE WITH POWER AGREEMENT DATED OCTOBER 1, 1984 (AS AMENDED)
ENERGY DELIVERED FOR THE MONTH OF May, 2013
KWH FOR THE MONTH 34,780,000

<u>SUMMARY</u>	<u>TOTAL</u>
Current Month Bill:	
Return on Common Equity	(61,376)
Return on Other Capital	(15,032)
Total Return	----- (76,408)
Fuel	995,547
Purchased Power	0
Other Operating Revenues	(2,625)
Other Operation and Maintenance Exp	2,132,526
Depreciation Expense	216,200
Taxes Other Than Federal Income Tax	48,094
Federal Income Tax	(12,163)
TOTAL CURRENT UNIT POWER BILL	----- 3,301,171 =====
Prior Month's Adjustment:	
Return on Common Equity & Other Capital	0
Fuel Expense	0
Other Expenses (Includes taxes & interest)	37,402
TOTAL PRIOR MONTH'S ADJUSTMENTS	----- 37,402 -----
TOTAL UNIT POWER BILL	----- 3,338,573 =====

AMOUNTS WILL BE PAID DIRECT FROM GENERAL FUNDS.

DUE DATE - - June 21, 2013

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
ROCKPORT POWER BILL
SUMMARY OF MONTHLY POWER BILL**

	TOTAL UNIT 2 POWER BILL	KPCO SHARE	I&M SHARE
Return on Common Equity	(204,587)	(61,376)	(143,211)
Return on Other Capital	(50,105)	(15,032)	(35,073)
Total Return	(254,692)	(76,408)	(178,284)
+ Fuel	3,318,490	995,547	2,322,943
+ Purchased Power	0	0	0
- Other Operating Revenues	(8,750)	(2,625)	(6,125)
+ Other Operation and Maintenance Exp	7,108,418	2,132,526	4,975,892
+ Depreciation Expense	720,666	216,200	504,466
+ Taxes Other Than Federal Income Tax	160,313	48,094	112,219
+ Federal and State Income Tax	(40,542)	(12,163)	(28,379)
= Total Unit 2 Monthly Power Bill	11,003,904	3,301,171	7,702,733
<u>Determination of Federal Income Tax :</u>			
Total Return (Line 3)	(254,692)	(76,408)	(178,284)
+ Unit 2 Schedule M Adjustments	(418,817)	(125,645)	(293,172)
+ Unit 2 Deferred Federal Income Taxes	191,530	57,459	134,071
- Unit 2 Interest Expense Deduction *	(50,988)	(15,296)	(35,692)
= Subtotal	(430,991)	(129,298)	(301,693)
x Gross-Up (FIT Rate / 1-FIT Rate)	0.538462	0.538462	0.538462
= Unit 2 Current Federal Income Tax	(232,072)	(69,622)	(162,450)
+ Unit 2 Def Fed & State Income Taxes	191,530	57,459	134,071
= Total Unit 2 Fed&State Income Taxes	(40,542)	(12,163)	(28,379)
<u>Proof of Federal Income Tax :</u>			
Total Unit 2 Monthly Power Bill	11,003,904	3,301,171	7,702,733
- Operation and Maintenance Expenses	10,426,908	3,128,073	7,298,835
- Depreciation Expense	720,666	216,200	504,466
- Taxes Other Than Federal Income Tax	160,313	48,094	112,219
- Unit 2 Interest Expense Deduction *	(50,988)	(15,296)	(35,692)
- Other Operating Revenues	(8,750)	(2,625)	(6,125)
= Pre-Tax Book Income	(244,246)	(73,275)	(170,971)
+ Unit 2 Schedule M Adjustments	(418,817)	(125,645)	(293,172)
= Unit 2 Taxable Income	(663,063)	(198,920)	(464,143)
x Current Federal Income Tax Rate	35%	35%	35%
= Unit 2 Current Federal Income Tax	(232,072)	(69,622)	(162,450)
+ Unit 2 Def Fed & State Income Taxes	191,530	57,459	134,071
= Total Unit 2 Fed&State Income Taxes	(40,542)	(12,163)	(28,379)

* 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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<u>Line No.</u>		<u>UNIT 2 May, 2013</u>
1	Operating Ratio:	
2	<u>Net In-Service Investment:</u>	
3	Electric Plant In-Service	772,313,102
4	- Accumulated Depreciation	552,845,199
5	+ Materials & Supplies	76,291,079
6	+ Prepayments	47,548
7	+ Plant Held For Future Use (A/C 105) *	0
8	+ Other Deferred Debits (A/C 186) *	0
9	+ Other Working Capital ***	(39,046,375)
10	+ Unamortized Debt Expense (A/C 181)	245,855
11	+ Deferred ASH pond cost (A/C182.3)	2,926,203
12	- Asset Retirement Obligation (A/C 230)	4,125,441
13	- Other Deferred Credits (A/C 253)	53,944,116
14	- Accumulated Deferred FIT	33,425,054
15	- Accumulated Deferred ITC	18,883,198
16	Total Net In-Service Investment	149,554,404
17	<u>Non-In-Service Investment - CWIP :</u>	
18	Construction Work In Progress	63,478,086
19	+ Materials & Supplies	0
20	- Accumulated Deferred FIT	0
21	Total Non-In-Service Investment - CWIP	63,478,086
22	<u>Non-In-Service Investment - Other :</u>	
23	Plant Held for Future Use (A/C 105) **	0
24	+ Other Deferred Debits (A/C 186) **	3,369,573
25	+ Fuel Inventory Over Allowed Level ****	291,999
26	Total Non-In-Service Investment - Other	3,661,572
27	Total Investment (Lines 16+21+26)	216,694,062
28	Operating Ratio (Line 16/Line 27)	69.0164%
29	Non-In-Service Investment-CWIP Ratio (Line 21/Line 27)	29.2939%
30	Non-In-Service Investment-Other Ratio (Line 26/Line 27)	1.6897%
31	Total Investment	100.0000%
	* 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	

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

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**Line
No.**

**UNIT 2
May, 2013**

1 Net In-Service Investment Ratio:

2 Unit 2 Net In-Service Investment:

3	Electric Plant In-Service	116,527,871
4	- Accumulated Depreciation	119,566,402
5	+ Materials & Supplies	38,016,628
6	+ Prepayments	23,774
7	+ Plant Held For Future Use (A/C 105) *	0
8	+ Other Deferred Debits (A/C 186) *	0
9	+ Other Working Capital **	(23,673,573)
10	+ Unamortized Debt Expense (A/C 181)	122,927
11	+ Deferred ASH pond cost (A/C182.3)	1,463,101
12	- Asset Retirement Obligation (A/C 230)	2,062,720
13	- Other Deferred Credits (A/C 253)	53,711,993
14	- Accumulated Deferred FIT	(8,741,412)
15	- Accumulated Deferred ITC	18,879,054

16 Total Unit 2 Net In-Service Investment (52,998,029)

17 Unit 1 Net In-Service Investment:

18	Electric Plant In-Service	655,785,231
19	- Accumulated Depreciation	433,278,797
20	+ Materials & Supplies	38,274,451
21	+ Prepayments	23,774
22	+ Plant Held For Future Use (A/C 105) *	0
23	+ Other Deferred Debits (A/C 186) *	0
24	+ Other Working Capital **	(15,372,802)
25	+ Unamortized Debt Expense (A/C 181)	122,927
26	+ Deferred ASH pond cost (A/C182.3)	1,463,101
27	- Asset Retirement Obligation (A/C 230)	2,062,720
28	- Other Deferred Credits (A/C 253)	232,123
29	- Accumulated Deferred FIT	42,166,467
30	- Accumulated Deferred ITC	4,144

31 Total Unit 1 Net In-Service Investment 202,552,433

32 Total Net In-Service Investment 149,554,404

33 Net In-Service Investment Ratio:

34 Unit 2 (Line 16 / Line 32) -35.4400%

35 Unit 1 (Line 31 / Line 32) 135.4400%

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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<u>Line No.</u>		<u>UNIT 2 May, 2013</u>
1	Net Capitalization:	
2	Long-Term Debt	65,247,942
3	+ Short-Term Debt	55,483,924
4	+ Preferred Stock	0
5	+ Common Equity	84,735,616
6	- Temporary Cash Investments	0

7	Net Capitalization	205,467,482
		=====
8	40% of Net Capitalization	82,186,993
9	<u>Return on Common Equity:</u>	
10	Lesser of Line 5 or Line 8	82,186,993
11	x Equity Return (Monthly Rate)	1.01333%
12	= Equity Return	832,825
13	x Operating Ratio	69.0164%
14	x Net In-Service Investment Ratio	-35.4400%
15	= Subtotal	(203,704)
16	Excess of Line 5 Over Line 8	2,548,623
17	x Weighted Cost of Debt (Monthly Rate)	0.1416%
18	= Return on Equity over 40% of Capitalization	3,609
19	x Operating Ratio	69.0164%
20	x Net In-Service Investment Ratio	-35.4400%
21	= Subtotal	(883)

22	Unit 2 Return on Equity (Line 15 + Line 21)	(204,587)
		=====
23	<u>Return on Other Capital:</u>	
24	Long-Term Debt Interest Expense (A/C 427-429)	154,798
25	+ Short-Term Debt Interest Expense (a/c 430)	50,053
26	+ Other Interest Expense (a/c 431)	0
27	- Temporary Cash Investment Income *	0

28	= Net Interest Expense	204,851
29	+ Preferred Stock Dividends (a/c 437)	0

30	= Net Cost of Other Capital	204,851
31	x Operating Ratio	69.0164%
32	x Net In-Service Investment Ratio	-35.4400%
33	= Unit 2 Return on Other Capital	(50,105)
		=====

* 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 2
May, 2013**

1	Debt Balances (Prior Month Ending) :	
2	Long-Term Debt (Accts 221 thru 226)	65,247,942
3	+ Short-Term Debt (Accts 231 + 233)	55,483,924
4	+ Other Debt (Accts 132 thru 136 + 145)	0
5	Total Debt Balances (Prior Month Ending)	120,731,866
		=====
6	<u>Weighting of Debt Balances :</u>	
7	Long-Term Debt (LTD bal/Total Debt bal)	54.0437%
8	+ Short-Term Debt (STD bal/Total Debt bal)	45.9563%
9	+ Other Debt	0.0000%
10	Total Debt Balances	100.0000%
		=====
11	<u>Debt Cost Rates :</u>	
12	Long-Term Debt (avg LTD int rate)	2.7934%
13	Short-Term Debt (avg Money Pool STD int rate)	0.3438%
14	Other Debt	0.0000%
15	<u>Weighted Cost of Debt :</u>	
16	Long-Term Debt (LTD % x avg LTD int rate)	1.5096%
17	+ Short-Term Debt (STD % x avg MP STD int rate)	0.1580%
18	+ Other Debt	0.0000%
19	Total Weighted Cost of Debt	1.6676%
		=====

**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

<u>Line No.</u>		<u>May, 2013</u>
1	Unit 2 Materials and Supplies:	
2	Fuel Stock - Coal (per Line 23)	22,325,237
3	Fuel Stock Expenses - Undistributed (152)	1,400,665
4	Fuel Stock - Oil (151)	2,114,403
5	Plant Materials & Operating Supplies	12,176,323
6	Merchandise	0
7	Undistributed Stores Expense	0

8	Total Materials & Supplies	38,016,628
		=====
9	<u>Support of Coal Inventory Value:</u>	
10	Actual Coal Inventory (a/c 151.10)	22,600,148
11	+ Equivalent Inventory re: Deferred Return	0

12	= Imputed Coal Inventory	22,600,148

13	<u>Coal Inventory W/68 Day Supply Cap</u>	
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)	42.693

22	= 68 day Coal Inventory	22,325,237

23	Lesser of Imputed or Capped Coal Inventory	22,325,237

24	Imputed Inventory Minus Line 23	274,911
		=====
25	<u>Accumulated Deferred Inventory Return - Unit 2 (Memo Item):</u>	
26	Beginning Balance	6,199,179
27	+ Current Month Return on Beginning Balance	45,780
28	+ Current Month Deferral	0
29	- Current Month Recovery	1,905

30	= Ending Balance **	6,243,054
		=====
	* Excludes Forced Outages, Scheduled Outages, and Curtailments	
	** May Not Be Less Than Zero	
	Total Unit 2 Monthly Power Bill with Actual	11,015,649
	Total Unit 2 Monthly Power Bill with 68 Day Capped	11,013,744
	Difference	(1,905)

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
DETAIL OF OTHER OPERATING REVENUES**

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UNIT 2

May, 2013

<u>Line No.</u>	<u>Account No.</u>	<u>Description</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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UNIT 2

May, 2013

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
1	500,502-508	Steam Power Generation - Operation	6,078,962
2	501	Fuel - Operation	3,318,490
3	510-515	Steam Power Generating - Maintenance	900,434
4		Total Steam Power Generation Expenses	10,297,886
5	555-557	Other Power Supply Expenses	(20,985)
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 Expensese	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	151,479
16	935	Administrative and General Expenses - Maintenance	(1,471)
17		Total Administrative & General Exp.	150,008
18		Total Operation & Maintenance Expenses	10,426,908

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

**UNIT 2
May, 2013**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
1	403	Depreciation Expense *	393,130
1a	403.1	ARO Depreciation Expense	3,343
2	404	Amortization of Limited-Term Electric Plant **	308,676
3	405	Amortization of Other Electric Plant	0
4	406	Amortization of Electric Plant Acquisition Adjustments	0
5	407	Amortization of Property Losses, Unrecovered Plant and Regulatory Study Costs	0
			-
6		Total Depreciation Exp. & Amortization	705,149
			=
7	411.10	ARO Accretion Expense	15,518
8		Total Depreciation, Amortization & Accretion Expenses	720,666

* 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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UNIT 2

May, 2013

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
1	408.1	Taxes Other Than Federal Income Taxes, Utility Operating Income	165,762
2	409.1	State Income Taxes	(5,450)
3		Total Taxes Other than Federal Income Taxes	----- 160,313 =====

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

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>TOTAL</u>	<u>KPCO SHARE</u>	<u>I&M SHARE</u>
1		<u>Unit 2 Schedule `M' Adjustments*</u>			
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	(550,317)	(165,095)	(385,222)
5	***	Total Unit 2 Schedule `M' Adjustments	(418,817)	(125,645)	(293,172)
			=====	=====	=====
6		<u>Unit 2 Deferred Federal Income Tax</u>			
7	410.1	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' Adj.-Utility	232,855	69,857	162,999
			-----	-----	-----
12	***	Total Unit 2 Deferred Federal Income Tax	191,530	57,459	134,071
			=====	=====	=====

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

Check Figure on Tax Page for Sch M (418,817)
Check Figure on Tax Page for DFIT 191,530

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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**UNIT 2
May, 2013**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
1		<u>ELECTRIC PLANT IN SERVICE</u>	
2	101	Electric Plant In Service	113,047,437
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	3,480,434
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	116,527,871
12	105	Plant Held For Future Use	0
13		<u>ACCUMULATED DEPRECIATION</u>	
14	108	Accumulated Provision for Depreciation of Electric Utility Plant	97,836,158
15	110	Accumulated Provision for Depreciation and Amort. of Elec. Utility Plant	0
16	111	Accumulated Provision for Amortization of Electric Utility Plant	21,730,245
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	119,566,402
20		<u>MATERIAL AND SUPPLIES</u>	
21	151	Fuel Stock	24,439,640
22	152	Fuel Stock Expenses - Undistributed	1,400,665
23	153	Residuals	0
24	154	Plant Materials and Operating Supplies	12,176,323
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)	38,016,628
29	165	Prepayments	23,774
30	186	Other Deferred Debits	0

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
OTHER WORKING CAPITAL, UNAMORTIZED DEBT EXPENSE
AND OTHER DEFERRED CREDITS**

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<u>Line No.</u>	<u>Account No.</u>	<u>Description *</u>	<u>UNIT 2 May, 2013</u>
1	128	Other Special Funds	0
2	131	Cash	0
3	135	Other Intra Company Adjustments	0
4	143	Accounts Receivable-Miscellaneous	319,205
5	146	Accounts Receivable-Associated Company	12,674,274
6	171	Interest and Dividends Receivable	967
7	174	Miscellaneous Current and Accrued Assets	0
8	232	Accounts Payable-General	(18,571)
9	234	Accounts Payable-Associated Company	(14,835,545)
10	236	Taxes Accrued	(1,390,245)
11	237	Interest Accrued	(87,943)
12	238	Dividends Declared	0
13	241	Tax Collections Payable	0
14	242	Misc Current and Accrued Liabilities	(20,335,714)

15		Total Other Working Capital	(23,673,573)
			=====
16	181	Unamortized Debt Expense	122,927

17	253	Other Deferred Credits	53,711,993

*		debit <credit>	

**AEP GENERATING COMPANY
ROCKPORT POWER BILL**

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

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**UNIT 2
May, 2013**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
31		ACCUMULATED DEFERRED INCOME TAXES	
32	190	-Accumulated Deferred Income Taxes	22,266,966
33	281	+Accumulated Deferred Income Taxes - Accelerated Amortization Property	0
34	282	+Accumulated Deferred Income Taxes - Other Property	12,500,724
35	283	+Accumulated Deferred Income Taxes - Other	1,024,830
36		Total Accumulated Deferred Income Taxes (In-Service Portion)	----- (8,741,412) -----
37	255	+Accumulated Deferred Investment Tax Credits	18,879,054
38	186.50	-Accumulated Deferred Investment Tax Credit	0
39		Total Accumulated Deferred Investment Tax Credits	----- 18,879,054 -----
40		Total Net In-Service Investment - Unit 2	----- (52,398,410) =====

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

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**UNIT 2
May, 2013**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
		<u>Non-In-Service Investment - CWIP</u>	
1	107	Construction Work In Process	63,478,086
2		<u>MATERIAL AND SUPPLIES</u>	
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		<u>ACCUMULATED DEFERRED INCOME TAXES</u>	
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	0
16		Total Accumulated Deferred Income Taxes (CWIP Portion)	----- 0
17		TOTAL NON-IN-SERVICE INVESTMENT - CWIP	----- 63,478,086 =====
		<u>Non-In-Service Investment - Other</u>	
18	105	Plant Held for Future Use	0
19	186	Other Deferred Debits	3,369,573
20	151.10	Fuel Inventory Over Allowed Level *	291,999
21		Total Non-In-Service Investment - Other	----- 3,661,572 =====
		* INCLUDES ROCKPORT 1 AND 2	
		UNIT 1	17,088
		UNIT 2	274,911
		TOTAL	----- 291,999 =====

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
DETAIL OF NET CAPITALIZATION**

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**UNIT 2
May, 2013**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
1		<u>COMMON CAPITAL STOCK</u>	
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		<u>OTHER PAID-IN CAPITAL</u>	
12	207	Premium on Capital Stock	0
13	208	Donations Received from Stockholders	79,478,987
14	211	Miscellaneous Paid-In Capital	0
15	213	Discount on Capital Stock	0
16		Total Other Paid-In Capital	79,478,987
17		<u>RETAINED EARNINGS</u>	
18	215	Appropriated Retained Earnings	0
19	215.1	Appropriated Retained Earnings- Amortization Reserve, Federal	0
20	216	Unappropriated Retained Earnings	4,873,629
21		Total Retained Earnings	4,873,629
22		Total Common Equity	84,735,616
23		<u>PREFERRED CAPITAL STOCK</u>	
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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**JUNT-2
May, 2013**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
28		<u>LONG-TERM DEBT</u>	
29	221	Bonds	0
30	222	Reacquired Bonds	0
31	223	Advances from Associated Companies	0
32	224	Other Long-Term Debt	65,247,942
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	65,247,942
		<u>SHORT-TERM DEBT</u>	
36a	231.02	Notes Payable (Short-Term Debt)	0
36b	231.03	Unamortized Discount	0
	233.00	Notes Payable, Assoc Co(Money Pool)	55,483,924
38		Total Short-Term Debt	55,483,924
39		<u>TEMPORARY CASH INVESTMENTS</u>	
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	205,467,482

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

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<u>Line No.</u>		UNIT 2 <u>May, 2013</u>
1	Capitalization Balances (Prior Month Ending) :	
2	Long-Term Debt (Accts 221 thru 226)	65,247,942
3	+ Short-Term Debt (Accts 231 + 233)	55,483,924
4	+ Preferred Stock	0
5	+ Common Equity (Accts 201 thru 216)	84,735,616
6	- Capitalization Offsets	0

7	Total Capitalization Balances	205,467,482
		=====
8	<u>Weighting of Capitalization Balances :</u>	
9	Long-Term Debt (LTD/Total Capital)	31.7558%
10	+ Short-Term Debt (STD/Total Capital)	27.0037%
11	+ Preferred Stock	0.0000%
12	+ Common Equity (Common Equity/Total Capital)	41.2404%
13	- Capitalization Offsets	-0.0001%

14	Total Capitalization	100.0000%
		=====
15	<u>Capitalization Cost Rates :</u>	
16	Long-Term Debt (avg LTD int rate)	2.7934%
17	Short-Term Debt (avg money pool STD int rate)	0.3438%
18	Preferred Stock	0.0000%
19	Common Equity (FERC fixed rate)	12.1600%
20	Capitalization Offsets (sum of weighted costs of debt)	1.6676%
21	<u>Rate of Return (Net of Tax) :</u>	
22	Long-Term Debt (LTD % x avg LTD int rate)	0.8871%
23	+ Short-Term Debt (STD % x avg MP STD int rate)	0.0928%
24	+ Preferred Stock	0.0000%
25	+ Common Equity (CE % x FERC fixed rate)	5.0148%
26	- Capitalization Offsets	0.0000%

27	Total Rate of Return (Net of Tax)	5.9947%
		=====
28	Weighted Net Cost of Debt	0.9799%
	(LTD Rate of Return + STD RR - Cap Offsets RR)	
29	+ Pre-Tax Common Equity (Line 25 / .65)	7.7151%
	(Common Equity Rate of Return grossed up for tax)	-----
30	= Rate of Return (Pre-Tax)	8.6950%
		=====

A E P GENERATING COMPANY

**May, 2013
 ESTIMATE**

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

500	SUPERVISION AND ENGINEERING	102,275
501	FUEL	3,318,490
502	STEAM EXPENSES	54,765
503	STEAM FROM OTHER SOURCES	0
504	STEAM TRANSFERRED - CR	0
505	ELECTRIC EXPENSES	107,864
506	MISC. STEAM POWER EXPENSES	123,629
507	RENTS	5,690,430
508	OPERATION SUPPLIES AND EXPENSES	0
509	CARRYING CHARGES - ALLOWANCES	0
	TOTAL OPERATION EXPENSE	9,397,452
510	MAINTENANCE SUPER. AND ENGINEERING	96,096
511	MAINTENANCE OF STRUCTURES	18,958
512	MAINTENANCE OF BOILER PLANT	611,151
513	MAINTENANCE OF ELECTRIC PLANT	154,096
514	MAINTENANCE OF MISC. STEAM PLANT	20,133
515	MAINTENANCE NORMALIZING	0
	TOTAL MAINTENANCE EXPENSES	900,434
555	PURCHASED POWER	0
556	SYSTEM CONTROL AND LOAD DISPATCHING	(5,202)
557	OTHER POWER SUPPLY EXPENSES	(15,783)
	TOTAL OTHER SUPPLY EXPENSES	(20,985)

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	5
THIS BILLING IS FOR MONTH OF	May, 2013

A E P GENERATING COMPANY

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

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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 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	41,762
921	OFFICE SUPPLIES AND EXPENSES	2,626
922	ADMINISTRATIVE EXPENSES TRANSF - CR	0
923	OUTSIDE SERVICES	11,819
924	PROPERTY INSURANCE	10,863
925	INJURIES AND DAMAGES	538
926	EMPLOYEE PENSIONS AND BENEFITS	83,515
927	FRANCHISE REQUIREMENTS	0
928	REGULATORY COMMISSION	0
929	DUPLICATE CHARGES-CREDIT	0
930	MISCELLANEOUS GENERAL EXPENSES	(190)
931	RENTS	546
933	TRANSPORTATION EXPENSE	0
	TOTAL ADM & GEN EXPENSES OPERATION	151,479
935	MAINTENANCE OF GENERAL PLANT	(1,471)
	TOTAL ADM & GEN EXPENSES	150,008
	TOTAL AEG OPERATION & MAINTENANCE EXPENSES	10,426,908
	ACCOUNT 40190 TOTAL FOR CROSS FOOT	10,426,908
	-----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
06-Jul-13

UNIT 1
POWER BILL - - June, 2013

IN ACCORDANCE WITH POWER AGREEMENT DATED OCTOBER 1, 1984 (AS AMENDED)
 ENERGY DELIVERED FOR THE MONTH OF June, 2013
 KWH FOR THE MONTH 64,342,000

SUMMARY

TOTAL

Current Month Bill:

Return on Common Equity	245,956
Return on Other Capital	60,584

Total Return	306,540
Fuel	1,747,964
Purchased Power	0
Other Operating Revenues	(2,625)
Other Operation and Maintenance Exp	454,716
Depreciation Expense	495,657
Taxes Other Than Federal Income Tax	(33,187)
Federal Income Tax	182,466

TOTAL CURRENT UNIT POWER BILL	3,151,531

Prior Month's Adjustment:

Return on Common Equity & Other Capital	0
Fuel Expense	0
Other Expenses (Includes taxes & interest)	42,481

TOTAL PRIOR MONTH'S ADJUSTMENTS	42,481

TOTAL UNIT POWER BILL	3,194,012
	=====

AMOUNTS WILL BE PAID DIRECT FROM GENERAL FUNDS.

DUE DATE - - - July 19, 2013

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	

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-Jul-13

UNIT 1
POWER BILL - - June, 2013

IN ACCORDANCE WITH POWER AGREEMENT DATED OCTOBER 1, 1984 (AS AMENDED)
 ENERGY DELIVERED FOR THE MONTH OF June, 2013
 KWH FOR THE MONTH 150,132,000

SUMMARY

TOTAL

Current Month Bill:

Return on Common Equity	573,898
Return on Other Capital	141,364
Total Return	----- 715,262
Fuel	4,078,582
Purchased Power	0
Other Operating Revenues	(6,125)
Other Operation and Maintenance Exp	1,061,003
Depreciation Expense	1,156,534
Taxes Other Than Federal Income Tax	(77,436)
Federal Income Tax	425,751
 TOTAL UNIT POWER BILL	 ----- 7,353,571 -----

Prior Month's Adjustment:

Return on Common Equity & Other Capital	0
Fuel	0
Other Expenses (Includes taxes & interest)	99,122

 TOTAL PRIOR MONTH'S ADJUSTMENTS 99,122

=====

TOTAL UNIT POWER BILL 7,452,693

=====

AMOUNTS WILL BE PAID DIRECT FROM GENERAL FUNDS.

DUE DATE - - - July 19, 2013

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

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
SUMMARY OF MONTHLY POWER BILL**

June, 2013

	<u>TOTAL UNIT 1 POWER BILL</u>	<u>KPCO SHARE</u>	<u>I&M SHARE</u>
Return on Common Equity	819,854	245,956	573,898
Return on Other Capital	201,948	60,584	141,364
<hr/>			
Total Return	1,021,802	306,540	715,262
+ Fuel	5,826,546	1,747,964	4,078,582
+ Purchased Power	0	0	0
- Other Operating Revenues	(8,750)	(2,625)	(6,125)
+ Other Operation and Maintenance Exp	1,515,719	454,716	1,061,003
+ Depreciation Expense	1,652,191	495,657	1,156,534
+ Taxes Other Than Federal Income Tax	(110,623)	(33,187)	(77,436)
+ Federal and State Income Tax	608,217	182,466	425,751
<hr/>			
= Total Unit 1 Monthly Power Bill	10,505,102	3,151,531	7,353,571
<hr/>			
<u>Determination of Federal Income Tax :</u>			
Total Return (Line 3)	1,021,802	306,540	715,262
+ Unit 1 Schedule M Adjustments	(457,245)	(137,173)	(320,072)
+ Unit 1 Deferred Federal Income Taxes	268,869	80,661	188,208
- Unit 1 Interest Expense Deduction *	203,208	60,962	142,246
<hr/>			
= Subtotal	630,218	189,066	441,152
x Gross-Up (FIT Rate / 1-FIT Rate)	0.538462	0.538462	0.538462
= Unit 1 Current Federal Income Tax	339,348	101,805	237,543
+ Unit 1 Def Fed & State Income Taxes	268,869	80,661	188,208
<hr/>			
= Total Unit 1 Fed&State Income Taxes	608,217	182,466	425,751
<hr/>			
<u>Proof of Federal Income Tax :</u>			
Total Unit 1 Monthly Power Bill	10,505,102	3,151,531	7,353,571
- Operation and Maintenance Expenses	7,342,265	2,202,680	5,139,585
- Depreciation Expense	1,652,191	495,657	1,156,534
- Taxes Other Than Federal Income Tax	(110,623)	(33,187)	(77,436)
- Unit 1 Interest Expense Deduction *	203,208	60,962	142,246
- Other Operating Revenues	(8,750)	(2,625)	(6,125)
<hr/>			
= Pre-Tax Book Income	1,426,811	428,044	998,767
+ Unit 1 Schedule M Adjustments	(457,245)	(137,173)	(320,072)
<hr/>			
= Unit 1 Taxable Income	969,566	290,871	678,695
x Current Federal Income Tax Rate	35%	35%	35%
= Unit 1 Current Federal Income Tax	339,348	101,805	237,543
+ Unit 1 Def Fed & State Income Taxes	268,869	80,661	188,208
<hr/>			
= Total Unit 1 Fed&State Income Taxes	608,217	182,466	425,751
<hr/>			

* 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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<u>Line No.</u>		<u>UNIT 1</u> <u>June, 2013</u>
1	<u>Operating Ratio:</u>	
2	<u>Net In-Service Investment:</u>	
3	Electric Plant In-Service	793,567,867
4	- Accumulated Depreciation	551,185,812
5	+ Materials & Supplies	76,365,141
6	+ Prepayments	32,023
7	+ Plant Held For Future Use (A/C 105) *	0
8	+ Other Deferred Debits (A/C 186) *	0
9	+ Other Working Capital ***	(41,997,211)
10	+ Unamortized Debt Expense (A/C 181)	239,872
11	+ Deferred ASH pond cost (A/C182.3)	2,918,379
12	- Asset Retirement Obligation (A/C 230)	4,151,626
13	- Other Deferred Credits (A/C 253)	53,015,624
14	- Accumulated Deferred FIT	33,979,609
15	- Accumulated Deferred ITC	18,720,237
16	Total Net In-Service Investment	----- 170,073,162 -----
17	<u>Non-In-Service Investment - CWIP :</u>	
18	Construction Work In Progress	45,304,610
19	+ Materials & Supplies	0
20	- Accumulated Deferred FIT	0
21	Total Non-In-Service Investment - CWIP	----- 45,304,610 -----
22	<u>Non-In-Service Investment - Other :</u>	
23	Plant Held for Future Use (A/C 105) **	1,034,099
24	+ Other Deferred Debits (A/C 186) **	3,075,363
25	+ Fuel Inventory Over Allowed Level ****	2,150,654
26	Total Non-In-Service Investment - Other	----- 6,260,116 -----
27	Total Investment (Lines 16+21+26)	----- 221,637,888 =====
28	Operating Ratio (Line 16/Line 27)	76.7347%
29	Non-In-Service Investment-CWIP Ratio (Line 21/Line 27)	20.4408%
30	Non-In-Service Investment-Other Ratio (Line 26/Line 27)	2.8245%
31	Total Investment	----- 100.0000% =====
*	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	
****	Includes Rockport 1 and 2	

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

<u>Line No.</u>	<u>UNIT 1</u> <u>June, 2013</u>	
1		<u>Net In-Service Investment Ratio:</u>
2		Unit 1 Net In-Service Investment:
3		Electric Plant In-Service 655,878,912
4		- Accumulated Depreciation 422,374,545
5		+ Materials & Supplies 38,310,866
6		+ Prepayments 16,012
7		+ Plant Held For Future Use (A/C 105) * 0
8		+ Other Deferred Debits (A/C 186) * 0
9		+ Other Working Capital ** (16,848,220)
10		+ Unamortized Debt Expense (A/C 181) 119,936
11		+ Deferred ASH pond cost (A/C182.3) 1,459,189
12		- Asset Retirement Obligation (A/C 230) 2,075,813
13		- Other Deferred Credits (A/C 253) 0
14		- Accumulated Deferred FIT 42,508,665
15		- Accumulated Deferred ITC 5,348
16		Total Unit 1 Net In-Service Investment ----- 211,972,324
17		Unit 2 Net In-Service Investment:
18		Electric Plant In-Service 137,688,955
19		- Accumulated Depreciation 128,811,267
20		+ Materials & Supplies 38,054,275
21		+ Prepayments 16,012
22		+ Plant Held For Future Use (A/C 105) * 0
23		+ Other Deferred Debits (A/C 186) * 0
24		+ Other Working Capital ** (25,148,991)
25		+ Unamortized Debt Expense (A/C 181) 119,936
26		+ Deferred ASH pond cost (A/C182.3) 1,459,189
27		- Asset Retirement Obligation (A/C 230) 2,075,813
28		- Other Deferred Credits (A/C 253) 53,015,624
29		- Accumulated Deferred FIT (8,529,056)
30		- Accumulated Deferred ITC 18,714,889
31		Total Unit 2 Net In-Service Investment ----- (41,899,161)
32		Total Net In-Service Investment ----- 170,073,162 =====
33		<u>Net In-Service Investment Ratio:</u>
34		Unit 1 (Line 16 / Line 32) 124.6400%
35		Unit 2 (Line 31 / Line 32) -24.6400%
		----- 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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<u>Line No.</u>		<u>UNIT 1 June, 2013</u>
1	<u>Net Capitalization:</u>	
2	Long-Term Debt	65,247,942
3	+ Short-Term Debt	60,482,433
4	+ Preferred Stock	0
5	+ Common Equity	85,428,152
6	- Temporary Cash Investments	0
7	Net Capitalization	----- 211,158,527 =====
8	40% of Net Capitalization	84,463,411
9	<u>Return on Common Equity:</u>	
10	Lesser of Line 5 or Line 8	84,463,411
11	x Equity Return (Monthly Rate)	1.01333%
12	= Equity Return	855,893
13	x Operating Ratio	76.7347%
14	x Net In-Service Investment Ratio	124.6400%
15	= Subtotal	818,594
16	Excess of Line 5 Over Line 8	964,741
17	x Weighted Cost of Debt (Monthly Rate)	0.1366%
18	= Return on Equity over 40% of Capitalization	1,318
19	x Operating Ratio	76.7347%
20	x Net In-Service Investment Ratio	124.6400%
21	= Subtotal	----- 1,260 =====
22	Unit 1 Return on Equity (Line 15 + Line 21)	819,854
23	<u>Return on Other Capital:</u>	
24	Long-Term Debt Interest Expense (A/C 427-429)	155,380
25	+ Short-Term Debt Interest Expense (a/c 430)	55,769
26	+ Other Interest Expense (a/c 431)	0
27	- Temporary Cash Investment Income *	0
28	= Net Interest Expense	----- 211,149
29	+ Preferred Stock Dividends (a/c 437)	0
30	= Net Cost of Other Capital	----- 211,149
31	x Operating Ratio	76.7347%
32	x Net In-Service Investment Ratio	124.6400%
33	= Unit 1 Return on Other Capital	201,948
	* 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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<u>Line No.</u>		<u>UNIT 1 June, 2013</u>
1	<u>Debt Balances (Prior Month Ending) :</u>	
2	Long-Term Debt (Accts 221 thru 226)	65,247,942
3	+ Short-Term Debt (Accts 231 + 233)	60,482,433
4	+ Other Debt (Accts 132 thru 136 + 145)	0

5	Total Debt Balances (Prior Month Ending)	125,730,375
		=====
6	<u>Weighting of Debt Balances :</u>	
7	Long-Term Debt (LTD bal/Total Debt bal)	51.8951%
8	+ Short-Term Debt (STD bal/Total Debt bal)	48.1049%
9	+ Other Debt	0.0000%

10	Total Debt Balances	100.0000%
		=====
11	<u>Debt Cost Rates :</u>	
12	Long-Term Debt (avg LTD int rate)	2.8973%
13	Short-Term Debt (avg Money Pool STD int rate)	0.3285%
14	Other Debt	0.0000%
15	<u>Weighted Cost of Debt :</u>	
16	Long-Term Debt (LTD % x avg LTD int rate)	1.5036%
17	+ Short-Term Debt (STD % x avg MP STD int rate)	0.1580%
18	+ Other Debt	0.0000%

19	Total Weighted Cost of Debt	1.6616%
		=====

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

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UNIT 1

<u>Line No.</u>		<u>June, 2013</u>
1	<u>Unit 1 Materials and Supplies:</u>	
2	Fuel Stock - Coal (per Line 23)	22,475,151
3	Fuel Stock Expenses - Undistributed (152)	1,505,731
4	Fuel Stock - Oil (151)	2,028,577
5	Plant Materials & Operating Supplies	12,298,108
6	Merchandise	0
7	Undistributed Stores Expense	3,299
8	Total Materials & Supplies	38,310,866
9	<u>Support of Coal Inventory Value:</u>	
10	Actual Coal Inventory (a/c 151.10)	24,625,805
11	+ Equivalent Inventory re: Deferred Return	0
12	= Imputed Coal Inventory	24,625,805
13	<u>Coal Inventory W/68 Day Supply Cap</u>	
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)	42.489
22	= 68 day Coal Inventory	22,475,151
23	Lesser of Imputed or Capped Coal Inventory	22,475,151
24	Imputed Inventory Minus Line 23	2,150,654
25	<u>Accumulated Deferred Inventory Return - Unit 1 (Memo Item):</u>	
26	Beginning Balance	139,812,125
27	+ Current Month Return on Beginning Balance	983,435
28	+ Current Month Deferral	14,790
29	- Current Month Recovery	0
30	= Ending Balance **	140,810,350

* 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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**UNIT 1
June, 2013**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</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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**UNIT 1
June, 2013**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
1	500,502-508	Steam Power Generation - Operation	386,979
2	501	Fuel - Operation	5,826,546
3	510-515	Steam Power Generating - Maintenance	930,715
4		Total Steam Power Generation Expenses	7,144,240
5	555-557	Other Power Supply Expenses	171
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 - Operation	197,125
16	935	Administrative and General Expenses - Maintenance	729
17		Total Administrative & General Exp.	197,854
18		Total Operation & Maintenance Expenses	7,342,265

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

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**UNIT 1
June, 2013**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
	1 403	Depreciation Expense	1,633,244
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 Acquisition Adjustments	0
	5 407	Amortization of Property Losses, Unrecovered Plant and Regulatory Study Costs	0
	6	Total Depreciation Exp. & Amortization	1,636,587
			=====
	7 411.10	ARO Accretion Expense	15,604
	8	Total Depreciation, Amortization & Accretion Expenses	1,652,191

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

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UNIT 1

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>June, 2013</u>
BS1			
1	408.1	Taxes Other Than Federal Income Taxes, Utility Operating Income	(113,555)
2	409.1	State Income Taxes	2,932
3		Total Taxes Other than FIT	----- (110,623) =====

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

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>TOTAL</u>	<u>KPCO SHARE</u>	<u>I&M SHARE</u>
1		<u>Unit 1 Schedule `M' Adjustments*</u>			
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	(441,745)	(132,523)	(309,222)
5	***	Total Unit 1 Schedule `M' Adjustments	(457,245)	(137,173)	(320,072)
			=====	=====	=====
6		<u>Unit 1 Deferred Federal Income Tax</u>			
7	410.1	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' Adj.-Utility	(18,438)	(5,531)	(12,907)
			-----	-----	-----
12	***	Total Unit 1 Deferred Federal Income Tax	268,869	80,661	188,208
			=====	=====	=====

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

=====

=====

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

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UNIT 1
June, 2013

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
1		<u>ELECTRIC PLANT IN SERVICE</u>	
2	101	Electric Plant In Service	650,790,814
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	5,088,099
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	655,878,912
12	105	Plant Held For Future Use	0
13		<u>ACCUMULATED DEPRECIATION</u>	
14	108	Accumulated Provision for Depreciation of Electric Utility Plant	421,923,156
15	110	Accumulated Provision for Depreciation and Amort. of Elec. Utility Plant	0
16	111	Accumulated Provision for Amortization of Electric Utility Plant	451,389
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	422,374,545
20		<u>MATERIAL AND SUPPLIES</u>	
21	151	Fuel Stock	24,503,728
22	152	Fuel Stock Expenses - Undistributed	1,505,731
23	153	Residuals	0
24	154	Plant Materials and Operating Supplies	12,298,108
25	155	Merchandise	0
26	156	Other Materials and Supplies	0
27	163	Stores Expense Undistributed	3,299
28		Total Materials and Supplies (In-Service Portion)	38,310,866
29	165	Prepayments	16,012
30	186	Other Deferred Debits	0

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
OTHER WORKING CAPITAL, UNAMORTIZED DEBT EXPENSE
AND OTHER DEFERRED CREDITS**

<u>Line No.</u>	<u>Account No.</u>	<u>Description *</u>	<u>UNIT 1 June, 2013</u>
1	128	Other Special Funds	0
2	131	Cash	0
3	135	Other Intra Company Adjustments	0
4	143	Accounts Receivable-Miscellaneous	319,205
5	146	Accounts Receivable-Associated Company	12,377,474
6	171	Interest and Dividends Receivable	967
7	174	Miscellaneous Current and Accrued Assets	0
8	232	Accounts Payable-General	(28,536)
9	234	Accounts Payable-Associated Company	(13,934,596)
10	236	Taxes Accrued	(3,038,470)
11	237	Interest Accrued	(141,303)
12	238	Dividends Declared	0
13	241	Tax Collections Payable	0
14	242	Misc Current and Accrued Liabilities	(12,402,960)

15		Total Other Working Capital	(16,848,220)
			=====
16	181	Unamortized Debt Expense	119,936

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
June, 2013**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
31		<u>ACCUMULATED DEFERRED INCOME TAXES</u>	
32	190	-Accumulated Deferred Income Taxes	1,941,173
33	281	+Accumulated Deferred Income Taxes - Accelerated Amortization Property	0
34	282	+Accumulated Deferred Income Taxes - Other Property	43,548,921
35	283	+Accumulated Deferred Income Taxes - Other	900,917
36		Total Accumulated Deferred Income Taxes (In-Service Portion)	----- 42,508,665 -----
37	255	+Accumulated Deferred Investment Tax Credits	5,348
38	186.50	-Accumulated Deferred Investment Tax Credit	0
39		Total Accumulated Deferred Investment Tax Credits	----- 5,348 -----
40		Total Net In-Service Investment - Unit 1	----- 212,588,947 =====

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

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**UNIT 1
June, 2013**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
		<u>Non-In-Service Investment - CWIP</u>	
1	107	Construction Work In Process	45,304,610
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		<u>ACCUMULATED DEFERRED INCOME TAXES</u>	
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	0
16		Total Accumulated Deferred Income Taxes (CWIP Portion)	----- 0
17		TOTAL NON-IN-SERVICE INVESTMENT - CWIP	----- 45,304,610 =====
		<u>Non-In-Service Investment - Other</u>	
18	105	Plant Held for Future Use	1,034,099
19	186	Other Deferred Debits	3,075,363
20	151.10	Fuel Inventory Over Allowed Level *	2,150,654
21		Total Non-In-Service Investment - Other	----- 6,260,116 =====
		* INCLUDES ROCKPORT 1 AND 2	
		UNIT 1	2,150,654
		UNIT 2	0
		TOTAL	----- 2,150,654 =====

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
DETAIL OF NET CAPITALIZATION**

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**UNIT 1
June, 2013**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
1		<u>COMMON CAPITAL STOCK</u>	
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		<u>OTHER PAID-IN CAPITAL</u>	
12	207	Premium on Capital Stock	0
13	208	Donations Received from Stockholders	79,478,987
14	211	Miscellaneous Paid-In Capital	0
15	213	Discount on Capital Stock	0
16		Total Other Paid-In Capital	79,478,987
17		<u>RETAINED EARNINGS</u>	
18	215	Appropriated Retained Earnings	0
19	215.1	Appropriated Retained Earnings- Amortization Reserve, Federal	0
20	216	Unappropriated Retained Earnings	5,566,165
21		Total Retained Earnings	5,566,165
22		Total Common Equity	85,428,152
23		<u>PREFERRED CAPITAL STOCK</u>	
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
June, 2013**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
28		<u>LONG-TERM DEBT</u>	
29	221	Bonds	0
30	222	Reacquired Bonds	0
31	223	Advances from Associated Companies	0
32	224	Other Long-Term Debt	65,247,942
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	65,247,942
		<u>SHORT-TERM DEBT</u>	
36a	231.02	Notes Payable (Short-Term Debt)	0
36b	231.03	Unamortized Discount	0
37	233.00	Notes Payable, Assoc Co(Money Pool)	60,482,433
38		Total Short-Term Debt	60,482,433
39		<u>TEMPORARY CASH INVESTMENTS</u>	
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	211,158,527

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

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**UNIT 1
June, 2013**

Line No.

1	<u>Capitalization Balances (Prior Month Ending) :</u>	
2	Long-Term Debt (Accts 221 thru 226)	65,247,942
3	+ Short-Term Debt (Accts 231 + 233)	60,482,433
4	+ Preferred Stock	0
5	+ Common Equity (Accts 201 thru 216)	85,428,152
6	- Capitalization Offsets	0

7	Total Capitalization Balances	211,158,527
		=====
8	<u>Weighting of Capitalization Balances :</u>	
9	Long-Term Debt (LTD/Total Capital)	30.9000%
10	+ Short-Term Debt (STD/Total Capital)	28.6431%
11	+ Preferred Stock	0.0000%
12	+ Common Equity (Common Equity/Total Capital)	40.4569%
13	- Capitalization Offsets	0.0000%

14	Total Capitalization	100.0000%
		=====
15	<u>Capitalization Cost Rates :</u>	
16	Long-Term Debt (avg LTD int rate)	2.8973%
17	Short-Term Debt (avg money pool STD int rate)	0.3285%
18	Preferred Stock	0.0000%
19	Common Equity (FERC fixed rate)	12.1600%
20	Capitalization Offsets (sum of weighted costs of debt)	1.6616%
21	<u>Rate of Return (Net of Tax) :</u>	
22	Long-Term Debt (LTD % x avg LTD int rate)	0.8953%
23	+ Short-Term Debt (STD % x avg MP STD int rate)	0.0941%
24	+ Preferred Stock	0.0000%
25	+ Common Equity (CE % x FERC fixed rate)	4.9196%
26	- Capitalization Offsets	0.0000%

27	Total Rate of Return (Net of Tax)	5.9090%
		=====
28	Weighted Net Cost of Debt	0.9894%
	(LTD Rate of Return + STD RR - Cap Offsets RR)	
29	+ Pre-Tax Common Equity (Line 25 / .65)	7.5686%
	(Common Equity Rate of Return grossed up for tax)	-----
30	= Rate of Return (Pre-Tax)	8.5580%
		=====

A E P GENERATING COMPANY

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

500	SUPERVISION AND ENGINEERING	82,083
501	FUEL	5,826,546
502	STEAM EXPENSES	50,329
503	STEAM FROM OTHER SOURCES	0
504	STEAM TRANSFERRED - CR	0
505	ELECTRIC EXPENSES	74,554
506	MISC. STEAM POWER EXPENSES	179,834
507	RENTS	179
508	OPERATION SUPPLIES AND EXPENSES	0
509	CARRYING CHARGES - ALLOWANCES	0

TOTAL OPERATION EXPENSE 6,213,525

510	MAINTENANCE SUPER. AND ENGINEERING	56,466
511	MAINTENANCE OF STRUCTURES	31,680
512	MAINTENANCE OF BOILER PLANT	667,463
513	MAINTENANCE OF ELECTRIC PLANT	129,634
514	MAINTENANCE OF MISC. STEAM PLANT	45,472
515	MAINTENANCE NORMALIZING	0

TOTAL MAINTENANCE EXPENSES 930,715

555	PURCHASED POWER	0
556	SYSTEM CONTROL AND LOAD DISPATCHING	(303)
557	OTHER POWER SUPPLY EXPENSES	474

TOTAL OTHER SUPPLY EXPENSES 171

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 6
 THIS BILLING IS FOR MONTH OF June, 2013

A E P GENERATING COMPANY

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	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
	TOTAL SALES EXPENSES	0
920	ADMIN. & GENERAL SALARIES	14,042
921	OFFICE SUPPLIES AND EXPENSES	6,970
922	ADMINISTRATIVE EXPENSES TRANSF - CR	0
923	OUTSIDE SERVICES	82,632
924	PROPERTY INSURANCE	10,863
925	INJURIES AND DAMAGES	907
926	EMPLOYEE PENSIONS AND BENEFITS	76,740
927	FRANCHISE REQUIREMENTS	0
928	REGULATORY COMMISSION	0
929	DUPLICATE CHARGES-CREDIT	0
930	MISCELLANEOUS GENERAL EXPENSES	4,429
931	RENTS	541
933	TRANSPORTATION EXPENSE	0
	TOTAL ADM & GEN EXPENSES OPERATION	197,125
935	MAINTENANCE OF GENERAL PLANT	729
	TOTAL ADM & GEN EXPENSES	197,854
	TOTAL AEG OPERATION & MAINTENANCE EXPENSES	7,342,265
	ACCOUNT 40190 TOTAL FOR CROSS FOOT	7,342,265
	-----DIFFERENCE-----	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
06-Jul-13

UNIT 2
POWER BILL - - June, 2013

IN ACCORDANCE WITH POWER AGREEMENT DATED OCTOBER 1, 1984 (AS AMENDED)
 ENERGY DELIVERED FOR THE MONTH OF June, 2013
 KWH FOR THE MONTH 233,586,000

<u>SUMMARY</u>	<u>TOTAL</u>
Current Month Bill:	
Return on Common Equity	(112,755)
Return on Other Capital	(27,774)
Total Return	----- (140,529)
Fuel	6,282,955
Purchased Power	0
Other Operating Revenues	(6,125)
Other Operation and Maintenance Exp	4,474,781
Depreciation Expense	674,076
Taxes Other Than Federal Income Tax	(74,879)
Federal Income Tax	(13,057)
TOTAL CURRENT UNIT POWER BILL	----- 11,197,222 -----
Prior Month's Adjustment:	
Return on Common Equity & Other Capital	0
Fuel Expense	0
Other Expenses (Includes taxes & interest)	(158,616)
TOTAL PRIOR MONTH'S ADJUSTMENTS	----- (158,616) -----
TOTAL UNIT POWER BILL	=====
	11,038,606 =====

AMOUNTS WILL BE PAID DIRECT FROM GENERAL FUNDS.

DUE DATE - - July 19, 2013

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**

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

**ESTIMATE
06-Jul-13**

**UNIT 2
POWER BILL - - June, 2013**

IN ACCORDANCE WITH POWER AGREEMENT DATED OCTOBER 1, 1984 (AS AMENDED)
ENERGY DELIVERED FOR THE MONTH OF June, 2013
KWH FOR THE MONTH 100,108,000

<u>SUMMARY</u>	<u>TOTAL</u>
Current Month Bill:	
Return on Common Equity	(48,324)
Return on Other Capital	(11,903)
Total Return	----- (60,227)
Fuel	2,692,695
Purchased Power	0
Other Operating Revenues	(2,625)
Other Operation and Maintenance Exp	1,917,763
Depreciation Expense	288,890
Taxes Other Than Federal Income Tax	(32,091)
Federal Income Tax	(5,595)
TOTAL CURRENT UNIT POWER BILL	----- 4,798,810 =====
Prior Month's Adjustment:	
Return on Common Equity & Other Capital	0
Fuel Expense	0
Other Expenses (Includes taxes & interest)	(67,977)
TOTAL PRIOR MONTH'S ADJUSTMENTS	----- (67,977) -----
TOTAL UNIT POWER BILL	----- 4,730,833 =====

AMOUNTS WILL BE PAID DIRECT FROM GENERAL FUNDS.

DUE DATE - - July 19, 2013

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
ROCKPORT POWER BILL
SUMMARY OF MONTHLY POWER BILL**

	TOTAL UNIT 2 POWER BILL	KPCO SHARE	I&M SHARE
Return on Common Equity	(161,079)	(48,324)	(112,755)
Return on Other Capital	(39,677)	(11,903)	(27,774)
Total Return	(200,756)	(60,227)	(140,529)
+ Fuel	8,975,650	2,692,695	6,282,955
+ Purchased Power	0	0	0
- Other Operating Revenues	(8,750)	(2,625)	(6,125)
+ Other Operation and Maintenance Exp	6,392,544	1,917,763	4,474,781
+ Depreciation Expense	962,966	288,890	674,076
+ Taxes Other Than Federal Income Tax	(106,970)	(32,091)	(74,879)
+ Federal and State Income Tax	(18,653)	(5,595)	(13,057)
= Total Unit 2 Monthly Power Bill	15,996,031	4,798,810	11,197,222
<u>Determination of Federal Income Tax :</u>			
Total Return (Line 3)	(200,756)	(60,227)	(140,529)
+ Unit 2 Schedule M Adjustments	(225,577)	(67,673)	(157,904)
+ Unit 2 Deferred Federal Income Taxes	123,118	36,935	86,183
- Unit 2 Interest Expense Deduction *	(39,925)	(11,978)	(27,947)
= Subtotal	(263,290)	(78,986)	(184,303)
x Gross-Up (FIT Rate / 1-FIT Rate)	0.538462	0.538462	0.538462
= Unit 2 Current Federal Income Tax	(141,771)	(42,531)	(99,240)
+ Unit 2 Def Fed & State Income Taxes	123,118	36,935	86,183
= Total Unit 2 Fed&State Income Taxes	(18,653)	(5,595)	(13,057)
<u>Proof of Federal Income Tax :</u>			
Total Unit 2 Monthly Power Bill	15,996,031	4,798,810	11,197,222
- Operation and Maintenance Expenses	15,368,194	4,610,458	10,757,736
- Depreciation Expense	962,966	288,890	674,076
- Taxes Other Than Federal Income Tax	(106,970)	(32,091)	(74,879)
- Unit 2 Interest Expense Deduction *	(39,925)	(11,978)	(27,947)
- Other Operating Revenues	(8,750)	(2,625)	(6,125)
= Pre-Tax Book Income	(179,484)	(53,844)	(125,639)
+ Unit 2 Schedule M Adjustments	(225,577)	(67,673)	(157,904)
= Unit 2 Taxable Income	(405,061)	(121,517)	(283,543)
x Current Federal Income Tax Rate	35%	35%	35%
= Unit 2 Current Federal Income Tax	(141,771)	(42,531)	(99,240)
+ Unit 2 Def Fed & State Income Taxes	123,118	36,935	86,183
= Total Unit 2 Fed&State Income Taxes	(18,653)	(5,596)	(13,057)

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

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

<u>Line No.</u>		<u>UNIT 2 June, 2013</u>
1	Operating Ratio:	
2	<u>Net In-Service Investment:</u>	
3	Electric Plant In-Service	793,567,867
4	- Accumulated Depreciation	551,185,812
5	+ Materials & Supplies	76,365,141
6	+ Prepayments	32,023
7	+ Plant Held For Future Use (A/C 105) *	0
8	+ Other Deferred Debits (A/C 186) *	0
9	+ Other Working Capital ***	(41,997,211)
10	+ Unamortized Debt Expense (A/C 181)	239,872
11	+ Deferred ASH pond cost (A/C182.3)	2,918,379
12	- Asset Retirement Obligation (A/C 230)	4,151,626
13	- Other Deferred Credits (A/C 253)	53,015,624
14	- Accumulated Deferred FIT	33,979,609
15	- Accumulated Deferred ITC	18,720,237
16	Total Net In-Service Investment	170,073,162
17	<u>Non-In-Service Investment - CWIP :</u>	
18	Construction Work In Progress	45,304,610
19	+ Materials & Supplies	0
20	- Accumulated Deferred FIT	0
21	Total Non-In-Service Investment - CWIP	45,304,610
22	<u>Non-In-Service Investment - Other :</u>	
23	Plant Held for Future Use (A/C 105) **	0
24	+ Other Deferred Debits (A/C 186) **	3,075,363
25	+ Fuel Inventory Over Allowed Level ****	4,557,899
26	Total Non-In-Service Investment - Other	7,633,262
27	Total Investment (Lines 16+21+26)	223,011,034
28	Operating Ratio (Line 16/Line 27)	76.2622%
29	Non-In-Service Investment-CWIP Ratio (Line 21/Line 27)	20.3150%
30	Non-In-Service Investment-Other Ratio (Line 26/Line 27)	3.4228%
31	Total Investment	100.0000%
	* 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	

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

**Line
No.**

**UNIT 2
June, 2013**

1 Net In-Service Investment Ratio:

2 Unit 2 Net In-Service Investment:

3	Electric Plant In-Service	137,688,955
4	- Accumulated Depreciation	128,811,267
5	+ Materials & Supplies	38,054,275
6	+ Prepayments	16,012
7	+ Plant Held For Future Use (A/C 105) *	0
8	+ Other Deferred Debits (A/C 186) *	0
9	+ Other Working Capital **	(25,148,991)
10	+ Unamortized Debt Expense (A/C 181)	119,936
11	+ Deferred ASH pond cost (A/C182.3)	1,459,189
12	- Asset Retirement Obligation (A/C 230)	2,075,813
13	- Other Deferred Credits (A/C 253)	53,015,624
14	- Accumulated Deferred FIT	(8,529,056)
15	- Accumulated Deferred ITC	18,714,889
16	Total Unit 2 Net In-Service Investment	(41,899,161)

17 Unit 1 Net In-Service Investment:

18	Electric Plant In-Service	655,878,912
19	- Accumulated Depreciation	422,374,545
20	+ Materials & Supplies	38,310,866
21	+ Prepayments	16,012
22	+ Plant Held For Future Use (A/C 105) *	0
23	+ Other Deferred Debits (A/C 186) *	0
24	+ Other Working Capital **	(16,848,220)
25	+ Unamortized Debt Expense (A/C 181)	119,936
26	+ Deferred ASH pond cost (A/C182.3)	1,459,189
27	- Asset Retirement Obligation (A/C 230)	2,075,813
28	- Other Deferred Credits (A/C 253)	0
29	- Accumulated Deferred FIT	42,508,665
30	- Accumulated Deferred ITC	5,348
31	Total Unit 1 Net In-Service Investment	211,972,324

32 Total Net In-Service Investment 170,073,162

33 Net In-Service Investment Ratio:

34 Unit 2 (Line 16 / Line 32) -24.6400%

35 Unit 1 (Line 31 / Line 32) 124.6400%

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**

<u>Line No.</u>		UNIT 2 June, 2013
1	Net Capitalization:	
2	Long-Term Debt	65,247,942
3	+ Short-Term Debt	60,482,433
4	+ Preferred Stock	0
5	+ Common Equity	85,428,152
6	- Temporary Cash Investments	0

7	Net Capitalization	211,158,527
		=====
8	40% of Net Capitalization	84,463,411
9	<u>Return on Common Equity:</u>	
10	Lesser of Line 5 or Line 8	84,463,411
11	x Equity Return (Monthly Rate)	1.01333%
12	= Equity Return	855,893
13	x Operating Ratio	76.2622%
14	x Net In-Service Investment Ratio	-24.6400%
15	= Subtotal	(160,831)
16	Excess of Line 5 Over Line 8	964,741
17	x Weighted Cost of Debt (Monthly Rate)	0.1366%
18	= Return on Equity over 40% of Capitalization	1,318
19	x Operating Ratio	76.2622%
20	x Net In-Service Investment Ratio	-24.6400%
21	= Subtotal	(248)

22	Unit 2 Return on Equity (Line 15 + Line 21)	(161,079)
		=====
23	<u>Return on Other Capital:</u>	
24	Long-Term Debt Interest Expense (A/C 427-429)	155,380
25	+ Short-Term Debt Interest Expense (a/c 430)	55,769
26	+ Other Interest Expense (a/c 431)	0
27	- Temporary Cash Investment Income *	0

28	= Net Interest Expense	211,149
29	+ Preferred Stock Dividends (a/c 437)	0

30	= Net Cost of Other Capital	211,149
31	x Operating Ratio	76.2622%
32	x Net In-Service Investment Ratio	-24.6400%
33	= Unit 2 Return on Other Capital	(39,677)
		=====

* 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 2
June, 2013**

1	Debt Balances (Prior Month Ending) :	
2	Long-Term Debt (Accts 221 thru 226)	65,247,942
3	+ Short-Term Debt (Accts 231 + 233)	60,482,433
4	+ Other Debt (Accts 132 thru 136 + 145)	0
5	Total Debt Balances (Prior Month Ending)	----- 125,730,375 =====
6	<u>Weighting of Debt Balances :</u>	
7	Long-Term Debt (LTD bal/Total Debt bal)	51.8951%
8	+ Short-Term Debt (STD bal/Total Debt bal)	48.1049%
9	+ Other Debt	0.0000%
10	Total Debt Balances	----- 100.0000% =====
11	<u>Debt Cost Rates :</u>	
12	Long-Term Debt (avg LTD int rate)	2.8973%
13	Short-Term Debt (avg Money Pool STD int rate)	0.3285%
14	Other Debt	0.0000%
15	<u>Weighted Cost of Debt :</u>	
16	Long-Term Debt (LTD % x avg LTD int rate)	1.5036%
17	+ Short-Term Debt (STD % x avg MP STD int rate)	0.1580%
18	+ Other Debt	0.0000%
19	Total Weighted Cost of Debt	----- 1.6616% =====

**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

<u>Line No.</u>		<u>June, 2013</u>
1	Unit 2 Materials and Supplies:	
2	Fuel Stock - Coal (per Line 23)	22,218,560
3	Fuel Stock Expenses - Undistributed (152)	1,505,731
4	Fuel Stock - Oil (151)	2,028,577
5	Plant Materials & Operating Supplies	12,298,108
6	Merchandise	0
7	Undistributed Stores Expense	3,299

8	Total Materials & Supplies	38,054,275
		=====
9	<u>Support of Coal Inventory Value:</u>	
10	Actual Coal Inventory (a/c 151.10)	24,625,805
11	+ Equivalent Inventory re: Deferred Return	0

12	= Imputed Coal Inventory	24,625,805

13	<u>Coal Inventory W/68 Day Supply Cap</u>	
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)	42.489

22	= 68 day Coal Inventory	22,218,560

23	Lesser of Imputed or Capped Coal Inventory	22,218,560

24	Imputed Inventory Minus Line 23	2,407,245
		=====
25	<u>Accumulated Deferred Inventory Return - Unit 2 (Memo Item):</u>	
26	Beginning Balance	6,243,054
27	+ Current Month Return on Beginning Balance	43,913
28	+ Current Month Deferral	0
29	- Current Month Recovery	16,514

30	= Ending Balance **	6,270,453
		=====
	* Excludes Forced Outages, Scheduled Outages, and Curtailments	
	** May Not Be Less Than Zero	
	Total Unit 2 Monthly Power Bill with Actual	15,766,515
	Total Unit 2 Monthly Power Bill with 68 Day Capped	15,750,001
	Difference	(16,514)

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
DETAIL OF OTHER OPERATING REVENUES**

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**UNIT 2
June, 2013**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</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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UNIT 2

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>June, 2013</u>
1	500,502-508	Steam Power Generation - Operation	6,022,274
2	501	Fuel - Operation	8,975,650
3	510-515	Steam Power Generating - Maintenance	172,246
4		Total Steam Power Generation Expenses	15,170,169
5	555-557	Other Power Supply Expenses	171
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 Expensese	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	197,125
16	935	Administrative and General Expenses - Maintenance	729
17		Total Administrative & General Exp.	197,854
18		Total Operation & Maintenance Expenses	15,368,194

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

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**UNIT 2
June, 2013**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
1	403	Depreciation Expense *	438,389
1a	403.1	ARO Depreciation Expense	3,343
2	404	Amortization of Limited-Term Electric Plant **	505,630
3	405	Amortization of Other Electric Plant	0
4	406	Amortization of Electric Plant Acquisition Adjustments	0
5	407	Amortization of Property Losses, Unrecovered Plant and Regulatory Study Costs	0
			-
6		Total Depreciation Exp. & Amortization	947,362
			=
7	411.10	ARO Accretion Expense	15,604
8		Total Depreciation, Amortization & Accretion Expenses	962,966

* 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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**UNIT 2
June, 2013**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
1	408.1	Taxes Other Than Federal Income Taxes, Utility Operating Income	(109,901)
2	409.1	State Income Taxes	2,932
3		Total Taxes Other than Federal Income Taxes	----- (106,970) =====

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

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>TOTAL</u>	<u>KPCO SHARE</u>	<u>I&M SHARE</u>
1		<u>Unit 2 Schedule `M' Adjustments*</u>			
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	(357,077)	(107,123)	(249,954)
5	***	Total Unit 2 Schedule `M' Adjustments	(225,577)	(67,673)	(157,904)
			=====	=====	=====
6		<u>Unit 2 Deferred Federal Income Tax</u>			
7	410.1	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' Adj.-Utility	164,443	49,333	115,110
			-----	-----	-----
12	***	Total Unit 2 Deferred Federal Income Tax	123,118	36,935	86,183
			=====	=====	=====

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

Check Figure on Tax Page for Sch M (225,577)
Check Figure on Tax Page for DFIT 123,118

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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**UNIT 2
June, 2013**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
1		<u>ELECTRIC PLANT IN SERVICE</u>	
2	101	Electric Plant In Service	109,967,100
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	27,721,855
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	137,688,955
12	105	Plant Held For Future Use	0
13		<u>ACCUMULATED DEPRECIATION</u>	
14	108	Accumulated Provision for Depreciation of Electric Utility Plant	109,287,457
15	110	Accumulated Provision for Depreciation and Amort. of Elec. Utility Plant	0
16	111	Accumulated Provision for Amortization of Electric Utility Plant	19,523,810
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	128,811,267
20		<u>MATERIAL AND SUPPLIES</u>	
21	151	Fuel Stock	24,247,137
22	152	Fuel Stock Expenses - Undistributed	1,505,731
23	153	Residuals	0
24	154	Plant Materials and Operating Supplies	12,298,108
25	155	Merchandise	0
26	156	Other Materials and Supplies	0
27	163	Stores Expense Undistributed	3,299
28		Total Materials and Supplies (In-Service Portion)	38,054,275
29	165	Prepayments	16,012
30	186	Other Deferred Debits	0

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
OTHER WORKING CAPITAL, UNAMORTIZED DEBT EXPENSE
AND OTHER DEFERRED CREDITS**

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<u>Line No.</u>	<u>Account No.</u>	<u>Description *</u>	<u>UNIT 2 June, 2013</u>
1	128	Other Special Funds	0
2	131	Cash	0
3	135	Other Intra Company Adjustments	0
4	143	Accounts Receivable-Miscellaneous	319,205
5	146	Accounts Receivable-Associated Company	12,699,299
6	171	Interest and Dividends Receivable	967
7	174	Miscellaneous Current and Accrued Assets	0
8	232	Accounts Payable-General	(28,536)
9	234	Accounts Payable-Associated Company	(13,874,595)
10	236	Taxes Accrued	(658,046)
11	237	Interest Accrued	(141,303)
12	238	Dividends Declared	0
13	241	Tax Collections Payable	0
14	242	Misc Current and Accrued Liabilities	(23,465,981)

15		Total Other Working Capital	(25,148,991)
			=====
16	181	Unamortized Debt Expense	119,936

17	253	Other Deferred Credits	53,015,624

*		debit <credit>	

**AEP GENERATING COMPANY
ROCKPORT POWER BILL**

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

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**UNIT 2
June, 2013**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
31		ACCUMULATED DEFERRED INCOME TAXES	
32	190	-Accumulated Deferred Income Taxes	21,996,736
33	281	+Accumulated Deferred Income Taxes - Accelerated Amortization Property	0
34	282	+Accumulated Deferred Income Taxes - Other Property	12,449,099
35	283	+Accumulated Deferred Income Taxes - Other	1,018,582
36		Total Accumulated Deferred Income Taxes (In-Service Portion)	----- (8,529,056) -----
37	255	+Accumulated Deferred Investment Tax Credits	18,714,889
38	186.50	-Accumulated Deferred Investment Tax Credit	0
39		Total Accumulated Deferred Investment Tax Credits	----- 18,714,889 -----
40		Total Net In-Service Investment - Unit 2	----- (41,282,538) =====

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

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**UNIT 2
June, 2013**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
		<u>Non-In-Service Investment - CWIP</u>	
1	107	Construction Work In Process	45,304,610
2		<u>MATERIAL AND SUPPLIES</u>	
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		<u>ACCUMULATED DEFERRED INCOME TAXES</u>	
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	0
16		Total Accumulated Deferred Income Taxes (CWIP Portion)	----- 0
17		TOTAL NON-IN-SERVICE INVESTMENT - CWIP	----- 45,304,610 =====
		<u>Non-In-Service Investment - Other</u>	
18	105	Plant Held for Future Use	0
19	186	Other Deferred Debits	3,075,363
20	151.10	Fuel Inventory Over Allowed Level *	4,557,899
21		Total Non-In-Service Investment - Other	----- 7,633,262 =====
		* INCLUDES ROCKPORT 1 AND 2	
		UNIT 1	2,150,654
		UNIT 2	2,407,245
		TOTAL	----- 4,557,899 =====

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
DETAIL OF NET CAPITALIZATION**

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**UNIT 2
June, 2013**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
1		<u>COMMON CAPITAL STOCK</u>	
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		<u>OTHER PAID-IN CAPITAL</u>	
12	207	Premium on Capital Stock	0
13	208	Donations Received from Stockholders	79,478,987
14	211	Miscellaneous Paid-In Capital	0
15	213	Discount on Capital Stock	0
16		Total Other Paid-In Capital	79,478,987
17		<u>RETAINED EARNINGS</u>	
18	215	Appropriated Retained Earnings	0
19	215.1	Appropriated Retained Earnings- Amortization Reserve, Federal	0
20	216	Unappropriated Retained Earnings	5,566,165
21		Total Retained Earnings	5,566,165
22		Total Common Equity	85,428,152
23		<u>PREFERRED CAPITAL STOCK</u>	
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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**JUNE-2
June, 2013**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
28		<u>LONG-TERM DEBT</u>	
29	221	Bonds	0
30	222	Reacquired Bonds	0
31	223	Advances from Associated Companies	0
32	224	Other Long-Term Debt	65,247,942
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	65,247,942
		<u>SHORT-TERM DEBT</u>	
36a	231.02	Notes Payable (Short-Term Debt)	0
36b	231.03	Unamortized Discount	0
	233.00	Notes Payable, Assoc Co(Money Pool)	60,482,433
38		Total Short-Term Debt	60,482,433
39		<u>TEMPORARY CASH INVESTMENTS</u>	
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	211,158,527

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

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<u>Line No.</u>		UNIT 2 <u>June, 2013</u>
1	Capitalization Balances (Prior Month Ending) :	
2	Long-Term Debt (Accts 221 thru 226)	65,247,942
3	+ Short-Term Debt (Accts 231 + 233)	60,482,433
4	+ Preferred Stock	0
5	+ Common Equity (Accts 201 thru 216)	85,428,152
6	- Capitalization Offsets	0

7	Total Capitalization Balances	211,158,527
		=====
8	<u>Weighting of Capitalization Balances :</u>	
9	Long-Term Debt (LTD/Total Capital)	30.9000%
10	+ Short-Term Debt (STD/Total Capital)	28.6431%
11	+ Preferred Stock	0.0000%
12	+ Common Equity (Common Equity/Total Capital)	40.4569%
13	- Capitalization Offsets	0.0000%

14	Total Capitalization	100.0000%
		=====
15	<u>Capitalization Cost Rates :</u>	
16	Long-Term Debt (avg LTD int rate)	2.8973%
17	Short-Term Debt (avg money pool STD int rate)	0.3285%
18	Preferred Stock	0.0000%
19	Common Equity (FERC fixed rate)	12.1600%
20	Capitalization Offsets (sum of weighted costs of debt)	1.6616%
21	<u>Rate of Return (Net of Tax) :</u>	
22	Long-Term Debt (LTD % x avg LTD int rate)	0.8953%
23	+ Short-Term Debt (STD % x avg MP STD int rate)	0.0941%
24	+ Preferred Stock	0.0000%
25	+ Common Equity (CE % x FERC fixed rate)	4.9196%
26	- Capitalization Offsets	0.0000%

27	Total Rate of Return (Net of Tax)	5.9090%
		=====
28	Weighted Net Cost of Debt	0.9894%
	(LTD Rate of Return + STD RR - Cap Offsets RR)	
29	+ Pre-Tax Common Equity (Line 25 / .65)	7.5686%
	(Common Equity Rate of Return grossed up for tax)	-----
30	= Rate of Return (Pre-Tax)	8.5580%
		=====

A E P GENERATING COMPANY

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

500	SUPERVISION AND ENGINEERING	81,751
501	FUEL	8,975,650
502	STEAM EXPENSES	29,646
503	STEAM FROM OTHER SOURCES	0
504	STEAM TRANSFERRED - CR	0
505	ELECTRIC EXPENSES	64,932
506	MISC. STEAM POWER EXPENSES	155,522
507	RENTS	5,690,423
508	OPERATION SUPPLIES AND EXPENSES	0
509	CARRYING CHARGES - ALLOWANCES	0
	TOTAL OPERATION EXPENSE	14,997,923
510	MAINTENANCE SUPER. AND ENGINEERING	55,194
511	MAINTENANCE OF STRUCTURES	8,623
512	MAINTENANCE OF BOILER PLANT	91,090
513	MAINTENANCE OF ELECTRIC PLANT	(5,794)
514	MAINTENANCE OF MISC. STEAM PLANT	23,133
515	MAINTENANCE NORMALIZING	0
	TOTAL MAINTENANCE EXPENSES	172,246
555	PURCHASED POWER	0
556	SYSTEM CONTROL AND LOAD DISPATCHING	(303)
557	OTHER POWER SUPPLY EXPENSES	474
	TOTAL OTHER SUPPLY EXPENSES	171

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		6
THIS BILLING IS FOR MONTH OF		June, 2013

A E P GENERATING COMPANY

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

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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 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	14,042
921	OFFICE SUPPLIES AND EXPENSES	6,970
922	ADMINISTRATIVE EXPENSES TRANSF - CR	0
923	OUTSIDE SERVICES	82,632
924	PROPERTY INSURANCE	10,863
925	INJURIES AND DAMAGES	907
926	EMPLOYEE PENSIONS AND BENEFITS	76,740
927	FRANCHISE REQUIREMENTS	0
928	REGULATORY COMMISSION	0
929	DUPLICATE CHARGES-CREDIT	0
930	MISCELLANEOUS GENERAL EXPENSES	4,429
931	RENTS	541
933	TRANSPORTATION EXPENSE	0
	TOTAL ADM & GEN EXPENSES OPERATION	197,125
935	MAINTENANCE OF GENERAL PLANT	729
	TOTAL ADM & GEN EXPENSES	197,854
	TOTAL AEG OPERATION & MAINTENANCE EXPENSES	15,368,194
	ACCOUNT 40190 TOTAL FOR CROSS FOOT	15,368,194
	-----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-Aug-13

UNIT 1
POWER BILL - - July, 2013

IN ACCORDANCE WITH POWER AGREEMENT DATED OCTOBER 1, 1984 (AS AMENDED)
 ENERGY DELIVERED FOR THE MONTH OF July, 2013
 KWH FOR THE MONTH 130,672,000

SUMMARY

TOTAL

Current Month Bill:

Return on Common Equity	231,533
Return on Other Capital	56,345
Total Return	----- 287,878
Fuel	3,434,623
Purchased Power	0
Other Operating Revenues	(2,625)
Other Operation and Maintenance Exp	333,327
Depreciation Expense	497,509
Taxes Other Than Federal Income Tax	48,556
Federal Income Tax	175,055
TOTAL CURRENT UNIT POWER BILL	----- 4,774,323 -----

Prior Month's Adjustment:

Return on Common Equity & Other Capital	0
Fuel Expense	0
Other Expenses (Includes taxes & interest)	(61,204)
TOTAL PRIOR MONTH'S ADJUSTMENTS	----- (61,204) -----

TOTAL UNIT POWER BILL	=====
	4,713,119
	=====

AMOUNTS WILL BE PAID DIRECT FROM GENERAL FUNDS.

DUE DATE - - - August 19, 2013

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

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-Aug-13

UNIT 1
POWER BILL - - July, 2013

IN ACCORDANCE WITH POWER AGREEMENT DATED OCTOBER 1, 1984 (AS AMENDED)
 ENERGY DELIVERED FOR THE MONTH OF July, 2013
 KWH FOR THE MONTH 304,902,000

SUMMARY

TOTAL

Current Month Bill:

Return on Common Equity	540,243
Return on Other Capital	131,471
Total Return	----- 671,714
Fuel	8,014,120
Purchased Power	0
Other Operating Revenues	(6,125)
Other Operation and Maintenance Exp	777,764
Depreciation Expense	1,160,853
Taxes Other Than Federal Income Tax	113,299
Federal Income Tax	408,464
TOTAL UNIT POWER BILL	----- 11,140,088 -----

Prior Month's Adjustment:

Return on Common Equity & Other Capital	0
Fuel	0
Other Expenses (Includes taxes & interest)	(142,806)
TOTAL PRIOR MONTH'S ADJUSTMENTS	----- (142,806) -----

TOTAL UNIT POWER BILL	=====
	10,997,282
	=====

AMOUNTS WILL BE PAID DIRECT FROM GENERAL FUNDS.

DUE DATE - - - August 19, 2013

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

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
SUMMARY OF MONTHLY POWER BILL**

July, 2013

	<u>TOTAL UNIT 1 POWER BILL</u>	<u>KPCO SHARE</u>	<u>I&M SHARE</u>
Return on Common Equity	771,776	231,533	540,243
Return on Other Capital	187,816	56,345	131,471
<hr/>			
Total Return	959,592	287,878	671,714
+ Fuel	11,448,743	3,434,623	8,014,120
+ Purchased Power	0	0	0
- Other Operating Revenues	(8,750)	(2,625)	(6,125)
+ Other Operation and Maintenance Exp	1,111,091	333,327	777,764
+ Depreciation Expense	1,658,362	497,509	1,160,853
+ Taxes Other Than Federal Income Tax	161,855	48,556	113,299
+ Federal and State Income Tax	583,519	175,055	408,464
<hr/>			
= Total Unit 1 Monthly Power Bill	15,914,411	4,774,323	11,140,088
<hr/>			
<u>Determination of Federal Income Tax :</u>			
Total Return (Line 3)	959,592	287,878	671,714
+ Unit 1 Schedule M Adjustments	(400,720)	(120,216)	(280,504)
+ Unit 1 Deferred Federal Income Taxes	249,418	74,825	174,593
- Unit 1 Interest Expense Deduction *	187,816	56,345	131,471
<hr/>			
= Subtotal	620,474	186,142	434,332
x Gross-Up (FIT Rate / 1-FIT Rate)	0.538462	0.538462	0.538462
= Unit 1 Current Federal Income Tax	334,101	100,230	233,871
+ Unit 1 Def Fed & State Income Taxes	249,418	74,825	174,593
<hr/>			
= Total Unit 1 Fed&State Income Taxes	583,519	175,055	408,464
<hr/>			
<u>Proof of Federal Income Tax :</u>			
Total Unit 1 Monthly Power Bill	15,914,411	4,774,323	11,140,088
- Operation and Maintenance Expenses	12,559,834	3,767,950	8,791,884
- Depreciation Expense	1,658,362	497,509	1,160,853
- Taxes Other Than Federal Income Tax	161,855	48,556	113,299
- Unit 1 Interest Expense Deduction *	187,816	56,345	131,471
- Other Operating Revenues	(8,750)	(2,625)	(6,125)
<hr/>			
= Pre-Tax Book Income	1,355,295	406,588	948,707
+ Unit 1 Schedule M Adjustments	(400,720)	(120,216)	(280,504)
<hr/>			
= Unit 1 Taxable Income	954,575	286,372	668,203
x Current Federal Income Tax Rate	35%	35%	35%
= Unit 1 Current Federal Income Tax	334,101	100,230	233,871
+ Unit 1 Def Fed & State Income Taxes	249,418	74,825	174,593
<hr/>			
= Total Unit 1 Fed&State Income Taxes	583,519	175,055	408,464
<hr/>			

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

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

<u>Line No.</u>	<u>UNIT 1</u> <u>July, 2013</u>
1	<u>Operating Ratio:</u>
2	<u>Net In-Service Investment:</u>
3	Electric Plant In-Service 794,588,665
4	- Accumulated Depreciation 553,405,615
5	+ Materials & Supplies 75,292,519
6	+ Prepayments 15,594
7	+ Plant Held For Future Use (A/C 105) * 0
8	+ Other Deferred Debits (A/C 186) * 0
9	+ Other Working Capital *** (2,175,248)
10	+ Unamortized Debt Expense (A/C 181) 222,793
11	+ Deferred ASH pond cost (A/C182.3) 2,910,555
12	- Asset Retirement Obligation (A/C 230) 4,177,984
13	- Other Deferred Credits (A/C 253) 52,551,378
14	- Accumulated Deferred FIT 34,347,433
15	- Accumulated Deferred ITC 18,557,276
16	Total Net In-Service Investment 207,815,191
17	<u>Non-In-Service Investment - CWIP :</u>
18	Construction Work In Progress 38,880,971
19	+ Materials & Supplies 0
20	- Accumulated Deferred FIT 0
21	Total Non-In-Service Investment - CWIP 38,880,971
22	<u>Non-In-Service Investment - Other :</u>
23	Plant Held for Future Use (A/C 105) ** 1,034,099
24	+ Other Deferred Debits (A/C 186) ** 2,792,818
25	+ Fuel Inventory Over Allowed Level **** 2,596,020
26	Total Non-In-Service Investment - Other 6,422,937
27	Total Investment (Lines 16+21+26) 253,119,099
28	Operating Ratio (Line 16/Line 27) 82.1017%
29	Non-In-Service Investment-CWIP Ratio (Line 21/Line 27) 15.3607%
30	Non-In-Service Investment-Other Ratio (Line 26/Line 27) 2.5376%
31	Total Investment 100.0000%
*	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
****	Includes Rockport 1 and 2

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

<u>Line No.</u>	<u>UNIT 1</u> <u>July, 2013</u>	
1		<u>Net In-Service Investment Ratio:</u>
2		Unit 1 Net In-Service Investment:
3		Electric Plant In-Service 655,965,587
4		- Accumulated Depreciation 423,996,051
5		+ Materials & Supplies 37,772,731
6		+ Prepayments 7,797
7		+ Plant Held For Future Use (A/C 105) * 0
8		+ Other Deferred Debits (A/C 186) * 0
9		+ Other Working Capital ** (3,091,737)
10		+ Unamortized Debt Expense (A/C 181) 111,396
11		+ Deferred ASH pond cost (A/C182.3) 1,455,277
12		- Asset Retirement Obligation (A/C 230) 2,088,992
13		- Other Deferred Credits (A/C 253) 0
14		- Accumulated Deferred FIT 42,764,414
15		- Accumulated Deferred ITC 6,552
16		Total Unit 1 Net In-Service Investment ----- 223,365,042
17		Unit 2 Net In-Service Investment:
18		Electric Plant In-Service 138,623,078
19		- Accumulated Depreciation 129,409,565
20		+ Materials & Supplies 37,519,788
21		+ Prepayments 7,797
22		+ Plant Held For Future Use (A/C 105) * 0
23		+ Other Deferred Debits (A/C 186) * 0
24		+ Other Working Capital ** 916,490
25		+ Unamortized Debt Expense (A/C 181) 111,396
26		+ Deferred ASH pond cost (A/C182.3) 1,455,277
27		- Asset Retirement Obligation (A/C 230) 2,088,992
28		- Other Deferred Credits (A/C 253) 52,551,378
29		- Accumulated Deferred FIT (8,416,981)
30		- Accumulated Deferred ITC 18,550,724
31		Total Unit 2 Net In-Service Investment ----- (15,549,851)
32		Total Net In-Service Investment ----- 207,815,191 =====
33		<u>Net In-Service Investment Ratio:</u>
34		Unit 1 (Line 16 / Line 32) 107.4800%
35		Unit 2 (Line 31 / Line 32) -7.4800%
		----- 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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<u>Line No.</u>		<u>UNIT 1 July, 2013</u>
1	<u>Net Capitalization:</u>	
2	Long-Term Debt	65,247,942
3	+ Short-Term Debt	100,629,787
4	+ Preferred Stock	0
5	+ Common Equity	86,309,921
6	- Temporary Cash Investments	0
7	Net Capitalization	----- 252,187,650 =====
8	40% of Net Capitalization	100,875,060
9	<u>Return on Common Equity:</u>	
10	Lesser of Line 5 or Line 8	86,309,921
11	x Equity Return (Monthly Rate)	1.01333%
12	= Equity Return	874,604
13	x Operating Ratio	82.1017%
14	x Net In-Service Investment Ratio	107.4800%
15	= Subtotal	771,776
16	Excess of Line 5 Over Line 8	0
17	x Weighted Cost of Debt (Monthly Rate)	0.1070%
18	= Return on Equity over 40% of Capitalization	0
19	x Operating Ratio	82.1017%
20	x Net In-Service Investment Ratio	107.4800%
21	= Subtotal	0
22	Unit 1 Return on Equity (Line 15 + Line 21)	----- 771,776 =====
23	<u>Return on Other Capital:</u>	
24	Long-Term Debt Interest Expense (A/C 427-429)	150,407
25	+ Short-Term Debt Interest Expense (a/c 430)	62,433
26	+ Other Interest Expense (a/c 431)	0
27	- Temporary Cash Investment Income *	0
28	= Net Interest Expense	----- 212,840
29	+ Preferred Stock Dividends (a/c 437)	0
30	= Net Cost of Other Capital	----- 212,840
31	x Operating Ratio	82.1017%
32	x Net In-Service Investment Ratio	107.4800%
33	= Unit 1 Return on Other Capital	187,816
	* 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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<u>Line No.</u>		<u>UNIT 1 July, 2013</u>
1	<u>Debt Balances (Prior Month Ending) :</u>	
2	Long-Term Debt (Accts 221 thru 226)	65,247,942
3	+ Short-Term Debt (Accts 231 + 233)	100,629,787
4	+ Other Debt (Accts 132 thru 136 + 145)	0

5	Total Debt Balances (Prior Month Ending)	165,877,729
		=====
6	<u>Weighting of Debt Balances :</u>	
7	Long-Term Debt (LTD bal/Total Debt bal)	39.3350%
8	+ Short-Term Debt (STD bal/Total Debt bal)	60.6650%
9	+ Other Debt	0.0000%

10	Total Debt Balances	100.0000%
		=====
11	<u>Debt Cost Rates :</u>	
12	Long-Term Debt (avg LTD int rate)	2.7141%
13	Short-Term Debt (avg Money Pool STD int rate)	0.3160%
14	Other Debt	0.0000%
15	<u>Weighted Cost of Debt :</u>	
16	Long-Term Debt (LTD % x avg LTD int rate)	1.0676%
17	+ Short-Term Debt (STD % x avg MP STD int rate)	0.1917%
18	+ Other Debt	0.0000%

19	Total Weighted Cost of Debt	1.2593%
		=====

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

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UNIT 1

<u>Line No.</u>		<u>July, 2013</u>
1	<u>Unit 1 Materials and Supplies:</u>	
2	Fuel Stock - Coal (per Line 23)	22,155,657
3	Fuel Stock Expenses - Undistributed (152)	1,493,664
4	Fuel Stock - Oil (151)	1,606,053
5	Plant Materials & Operating Supplies	12,517,357
6	Merchandise	0
7	Undistributed Stores Expense	0
8	Total Materials & Supplies	37,772,731
9	<u>Support of Coal Inventory Value:</u>	
10	Actual Coal Inventory (a/c 151.10)	24,751,677
11	+ Equivalent Inventory re: Deferred Return	0
12	= Imputed Coal Inventory	24,751,677
13	<u>Coal Inventory W/68 Day Supply Cap</u>	
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)	41.885
22	= 68 day Coal Inventory	22,155,657
23	Lesser of Imputed or Capped Coal Inventory	22,155,657
24	Imputed Inventory Minus Line 23	2,596,020
25	<u>Accumulated Deferred Inventory Return - Unit 1 (Memo Item):</u>	
26	Beginning Balance	140,810,350
27	+ Current Month Return on Beginning Balance	864,760
28	+ Current Month Deferral	15,967
29	- Current Month Recovery	0
30	= Ending Balance **	141,691,077

* 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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**UNIT 1
July, 2013**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</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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**UNIT 1
July, 2013**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
1	500,502-508	Steam Power Generation - Operation	515,630
2	501	Fuel - Operation	11,448,743
3	510-515	Steam Power Generating - Maintenance	478,362
4		Total Steam Power Generation Expenses	12,442,734
5	555-557	Other Power Supply Expenses	7,161
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 - Operation	106,686
16	935	Administrative and General Expenses - Maintenance	3,253
17		Total Administrative & General Exp.	109,938
18		Total Operation & Maintenance Expenses	12,559,834

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

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**UNIT 1
July, 2013**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
	1 403	Depreciation Expense	1,631,465
1a	403.1	ARO Depreciation Expense	3,343
	2 404	Amortization of Limited-Term Electric Plant	7,863
	3 405	Amortization of Other Electric Plant	0
	4 406	Amortization of Electric Plant Acquisition Adjustments	0
	5 407	Amortization of Property Losses, Unrecovered Plant and Regulatory Study Costs	0
	6	Total Depreciation Exp. & Amortization	1,642,671
			=====
	7 411.10	ARO Accretion Expense	15,691
	8	Total Depreciation, Amortization & Accretion Expenses	1,658,362

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

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UNIT 1

July, 2013

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
BS1			
1	408.1	Taxes Other Than Federal Income Taxes, Utility Operating Income	155,855
2	409.1	State Income Taxes	6,000

3		Total Taxes Other than FIT	161,855
			=====

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

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>TOTAL</u>	<u>KPCO SHARE</u>	<u>I&M SHARE</u>
1		<u>Unit 1 Schedule `M' Adjustments*</u>			
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	(385,220)	(115,566)	(269,654)
5	***	Total Unit 1 Schedule `M' Adjustments	(400,720)	(120,216)	(280,504)
			=====	=====	=====
6		<u>Unit 1 Deferred Federal Income Tax</u>			
7	410.1	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' Adj.-Utility	(37,889)	(11,367)	(26,522)
			-----	-----	-----
12	***	Total Unit 1 Deferred Federal Income Tax	249,418	74,825	174,593
			=====	=====	=====

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

=====

=====

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

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UNIT 1
July, 2013

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
1		<u>ELECTRIC PLANT IN SERVICE</u>	
2	101	Electric Plant In Service	652,890,505
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	3,075,082
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	655,965,587
12	105	Plant Held For Future Use	0
13		<u>ACCUMULATED DEPRECIATION</u>	
14	108	Accumulated Provision for Depreciation of Electric Utility Plant	423,544,662
15	110	Accumulated Provision for Depreciation and Amort. of Elec. Utility Plant	0
16	111	Accumulated Provision for Amortization of Electric Utility Plant	451,389
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	423,996,051
20		<u>MATERIAL AND SUPPLIES</u>	
21	151	Fuel Stock	23,761,710
22	152	Fuel Stock Expenses - Undistributed	1,493,664
23	153	Residuals	0
24	154	Plant Materials and Operating Supplies	12,517,357
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)	37,772,731
29	165	Prepayments	7,797
30	186	Other Deferred Debits	0

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
OTHER WORKING CAPITAL, UNAMORTIZED DEBT EXPENSE
AND OTHER DEFERRED CREDITS**

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<u>Line No.</u>	<u>Account No.</u>	<u>Description *</u>	<u>UNIT 1 July, 2013</u>
1	128	Other Special Funds	0
2	131	Cash	0
3	135	Other Intra Company Adjustments	0
4	143	Accounts Receivable-Miscellaneous	319,205
5	146	Accounts Receivable-Associated Company	13,947,643
6	171	Interest and Dividends Receivable	775
7	174	Miscellaneous Current and Accrued Assets	0
8	232	Accounts Payable-General	(20,233)
9	234	Accounts Payable-Associated Company	(11,592,029)
10	236	Taxes Accrued	(2,385,665)
11	237	Interest Accrued	(185,257)
12	238	Dividends Declared	0
13	241	Tax Collections Payable	0
14	242	Misc Current and Accrued Liabilities	(3,176,176)

15		Total Other Working Capital	(3,091,737)
			=====
16	181	Unamortized Debt Expense	111,396

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
July, 2013**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
31		<u>ACCUMULATED DEFERRED INCOME TAXES</u>	
32	190	-Accumulated Deferred Income Taxes	1,969,454
33	281	+Accumulated Deferred Income Taxes - Accelerated Amortization Property	0
34	282	+Accumulated Deferred Income Taxes - Other Property	43,838,282
35	283	+Accumulated Deferred Income Taxes - Other	895,586
36		Total Accumulated Deferred Income Taxes (In-Service Portion)	----- 42,764,414 -----
37	255	+Accumulated Deferred Investment Tax Credits	6,552
38	186.50	-Accumulated Deferred Investment Tax Credit	0
39		Total Accumulated Deferred Investment Tax Credits	----- 6,552 -----
40		Total Net In-Service Investment - Unit 1	----- 223,998,757 =====

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

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**UNIT 1
July, 2013**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
		<u>Non-In-Service Investment - CWIP</u>	
1	107	Construction Work In Process	38,880,971
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		<u>ACCUMULATED DEFERRED INCOME TAXES</u>	
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	0
16		Total Accumulated Deferred Income Taxes (CWIP Portion)	----- 0
17		TOTAL NON-IN-SERVICE INVESTMENT - CWIP	----- 38,880,971 =====
		<u>Non-In-Service Investment - Other</u>	
18	105	Plant Held for Future Use	1,034,099
19	186	Other Deferred Debits	2,792,818
20	151.10	Fuel Inventory Over Allowed Level *	2,596,020
21		Total Non-In-Service Investment - Other	----- 6,422,937 =====
		* INCLUDES ROCKPORT 1 AND 2	
		UNIT 1	2,596,020
		UNIT 2	0
		TOTAL	----- 2,596,020 =====

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
DETAIL OF NET CAPITALIZATION**

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July, 2013

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
1		<u>COMMON CAPITAL STOCK</u>	
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		<u>OTHER PAID-IN CAPITAL</u>	
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		<u>RETAINED EARNINGS</u>	
18	215	Appropriated Retained Earnings	0
19	215.1	Appropriated Retained Earnings- Amortization Reserve, Federal	0
20	216	Unappropriated Retained Earnings	2,447,934
21		Total Retained Earnings	2,447,934
22		Total Common Equity	86,309,921
23		<u>PREFERRED CAPITAL STOCK</u>	
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
July, 2013**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
28		<u>LONG-TERM DEBT</u>	
29	221	Bonds	0
30	222	Reacquired Bonds	0
31	223	Advances from Associated Companies	0
32	224	Other Long-Term Debt	65,247,942
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	65,247,942
		<u>SHORT-TERM DEBT</u>	
36a	231.02	Notes Payable (Short-Term Debt)	0
36b	231.03	Unamortized Discount	0
37	233.00	Notes Payable, Assoc Co(Money Pool)	100,629,787
38		Total Short-Term Debt	100,629,787
39		<u>TEMPORARY CASH INVESTMENTS</u>	
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	252,187,650

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

**UNIT 1
July, 2013**

Line No.

1	<u>Capitalization Balances (Prior Month Ending) :</u>	
2	Long-Term Debt (Accts 221 thru 226)	65,247,942
3	+ Short-Term Debt (Accts 231 + 233)	100,629,787
4	+ Preferred Stock	0
5	+ Common Equity (Accts 201 thru 216)	86,309,921
6	- Capitalization Offsets	0

7	Total Capitalization Balances	252,187,650
		=====
8	<u>Weighting of Capitalization Balances :</u>	
9	Long-Term Debt (LTD/Total Capital)	25.8728%
10	+ Short-Term Debt (STD/Total Capital)	39.9027%
11	+ Preferred Stock	0.0000%
12	+ Common Equity (Common Equity/Total Capital)	34.2245%
13	- Capitalization Offsets	0.0000%

14	Total Capitalization	100.0000%
		=====
15	<u>Capitalization Cost Rates :</u>	
16	Long-Term Debt (avg LTD int rate)	2.7141%
17	Short-Term Debt (avg money pool STD int rate)	0.3160%
18	Preferred Stock	0.0000%
19	Common Equity (FERC fixed rate)	12.1600%
20	Capitalization Offsets (sum of weighted costs of debt)	1.2593%
21	<u>Rate of Return (Net of Tax) :</u>	
22	Long-Term Debt (LTD % x avg LTD int rate)	0.7022%
23	+ Short-Term Debt (STD % x avg MP STD int rate)	0.1261%
24	+ Preferred Stock	0.0000%
25	+ Common Equity (CE % x FERC fixed rate)	4.1617%
26	- Capitalization Offsets	0.0000%

27	Total Rate of Return (Net of Tax)	4.9900%
		=====
28	Weighted Net Cost of Debt	0.8283%
	(LTD Rate of Return + STD RR - Cap Offsets RR)	
29	+ Pre-Tax Common Equity (Line 25 / .65)	6.4026%
	(Common Equity Rate of Return grossed up for tax)	-----
30	= Rate of Return (Pre-Tax)	7.2309%
		=====

A E P GENERATING COMPANY

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

500	SUPERVISION AND ENGINEERING	114,376
501	FUEL	11,448,743
502	STEAM EXPENSES	250,081
503	STEAM FROM OTHER SOURCES	0
504	STEAM TRANSFERRED - CR	0
505	ELECTRIC EXPENSES	63,023
506	MISC. STEAM POWER EXPENSES	87,973
507	RENTS	177
508	OPERATION SUPPLIES AND EXPENSES	0
509	CARRYING CHARGES - ALLOWANCES	0

TOTAL OPERATION EXPENSE 11,964,373

510	MAINTENANCE SUPER. AND ENGINEERING	76,516
511	MAINTENANCE OF STRUCTURES	56,261
512	MAINTENANCE OF BOILER PLANT	215,620
513	MAINTENANCE OF ELECTRIC PLANT	85,367
514	MAINTENANCE OF MISC. STEAM PLANT	44,598
515	MAINTENANCE NORMALIZING	0

TOTAL MAINTENANCE EXPENSES 478,362

555	PURCHASED POWER	0
556	SYSTEM CONTROL AND LOAD DISPATCHING	1,873
557	OTHER POWER SUPPLY EXPENSES	5,288

TOTAL OTHER SUPPLY EXPENSES 7,161

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 7
 THIS BILLING IS FOR MONTH OF July, 2013

A E P GENERATING COMPANY

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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	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
	TOTAL SALES EXPENSES	0
920	ADMIN. & GENERAL SALARIES	29,643
921	OFFICE SUPPLIES AND EXPENSES	9,922
922	ADMINISTRATIVE EXPENSES TRANSF - CR	0
923	OUTSIDE SERVICES	(22,159)
924	PROPERTY INSURANCE	10,680
925	INJURIES AND DAMAGES	1,075
926	EMPLOYEE PENSIONS AND BENEFITS	72,574
927	FRANCHISE REQUIREMENTS	0
928	REGULATORY COMMISSION	0
929	DUPLICATE CHARGES-CREDIT	0
930	MISCELLANEOUS GENERAL EXPENSES	4,220
931	RENTS	730
933	TRANSPORTATION EXPENSE	0
	TOTAL ADM & GEN EXPENSES OPERATION	106,686
935	MAINTENANCE OF GENERAL PLANT	3,253
	TOTAL ADM & GEN EXPENSES	109,938
	TOTAL AEG OPERATION & MAINTENANCE EXPENSES	12,559,834
	ACCOUNT 40190 TOTAL FOR CROSS FOOT	12,559,834
	-----DIFFERENCE-----	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
07-Aug-13

UNIT 2
POWER BILL - - July, 2013

IN ACCORDANCE WITH POWER AGREEMENT DATED OCTOBER 1, 1984 (AS AMENDED)
 ENERGY DELIVERED FOR THE MONTH OF July, 2013
 KWH FOR THE MONTH 284,162,000

<u>SUMMARY</u>	<u>TOTAL</u>
Current Month Bill:	
Return on Common Equity	(37,330)
Return on Other Capital	(9,085)
Total Return	----- (46,415)
Fuel	7,419,589
Purchased Power	0
Other Operating Revenues	(6,125)
Other Operation and Maintenance Exp	4,611,833
Depreciation Expense	688,384
Taxes Other Than Federal Income Tax	110,779
Federal Income Tax	27,820
TOTAL CURRENT UNIT POWER BILL	----- 12,805,864 -----
Prior Month's Adjustment:	
Return on Common Equity & Other Capital	0
Fuel Expense	0
Other Expenses (Includes taxes & interest)	54,089
TOTAL PRIOR MONTH'S ADJUSTMENTS	----- 54,089 -----
TOTAL UNIT POWER BILL	=====
	12,859,953 =====

AMOUNTS WILL BE PAID DIRECT FROM GENERAL FUNDS.

DUE DATE - - August 19, 2013

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**

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

**ESTIMATE
07-Aug-13**

**UNIT 2
POWER BILL - - July, 2013**

IN ACCORDANCE WITH POWER AGREEMENT DATED OCTOBER 1, 1984 (AS AMENDED)
ENERGY DELIVERED FOR THE MONTH OF July, 2013
KWH FOR THE MONTH 121,784,000

	<u>SUMMARY</u>	<u>TOTAL</u>
Current Month Bill:		
Return on Common Equity		(15,999)
Return on Other Capital		(3,893)
Total Return		----- (19,892)
Fuel		3,179,824
Purchased Power		0
Other Operating Revenues		(2,625)
Other Operation and Maintenance Exp		1,976,500
Depreciation Expense		295,021
Taxes Other Than Federal Income Tax		47,476
Federal Income Tax		11,923
TOTAL CURRENT UNIT POWER BILL		----- 5,488,227 =====
Prior Month's Adjustment:		
Return on Common Equity & Other Capital		0
Fuel Expense		0
Other Expenses (Includes taxes & interest)		23,180
TOTAL PRIOR MONTH'S ADJUSTMENTS		----- 23,180 -----
TOTAL UNIT POWER BILL		=====
		5,511,407 =====

AMOUNTS WILL BE PAID DIRECT FROM GENERAL FUNDS.

DUE DATE - - August 19, 2013

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
ROCKPORT POWER BILL
SUMMARY OF MONTHLY POWER BILL**

	TOTAL UNIT 2 POWER BILL	KPCO SHARE	I&M SHARE
Return on Common Equity	(53,329)	(15,999)	(37,330)
Return on Other Capital	(12,978)	(3,893)	(9,085)
Total Return	(66,307)	(19,892)	(46,415)
+ Fuel	10,599,412	3,179,824	7,419,589
+ Purchased Power	0	0	0
- Other Operating Revenues	(8,750)	(2,625)	(6,125)
+ Other Operation and Maintenance Exp	6,588,333	1,976,500	4,611,833
+ Depreciation Expense	983,405	295,021	688,384
+ Taxes Other Than Federal Income Tax	158,255	47,476	110,779
+ Federal and State Income Tax	39,744	11,923	27,820
= Total Unit 2 Monthly Power Bill	18,294,092	5,488,227	12,805,864
<u>Determination of Federal Income Tax :</u>			
Total Return (Line 3)	(66,307)	(19,892)	(46,415)
+ Unit 2 Schedule M Adjustments	(161,191)	(48,357)	(112,834)
+ Unit 2 Deferred Federal Income Taxes	100,915	30,275	70,641
- Unit 2 Interest Expense Deduction *	(12,978)	(3,893)	(9,085)
= Subtotal	(113,604)	(34,081)	(79,523)
x Gross-Up (FIT Rate / 1-FIT Rate)	0.538462	0.538462	0.538462
= Unit 2 Current Federal Income Tax	(61,171)	(18,351)	(42,820)
+ Unit 2 Def Fed & State Income Taxes	100,915	30,275	70,641
= Total Unit 2 Fed&State Income Taxes	39,744	11,923	27,820
<u>Proof of Federal Income Tax :</u>			
Total Unit 2 Monthly Power Bill	18,294,092	5,488,227	12,805,864
- Operation and Maintenance Expenses	17,187,746	5,156,324	12,031,422
- Depreciation Expense	983,405	295,021	688,384
- Taxes Other Than Federal Income Tax	158,255	47,476	110,779
- Unit 2 Interest Expense Deduction *	(12,978)	(3,893)	(9,085)
- Other Operating Revenues	(8,750)	(2,625)	(6,125)
= Pre-Tax Book Income	(13,585)	(4,076)	(9,510)
+ Unit 2 Schedule M Adjustments	(161,191)	(48,357)	(112,834)
= Unit 2 Taxable Income	(174,776)	(52,433)	(122,344)
x Current Federal Income Tax Rate	35%	35%	35%
= Unit 2 Current Federal Income Tax	(61,172)	(18,352)	(42,820)
+ Unit 2 Def Fed & State Income Taxes	100,915	30,275	70,641
= Total Unit 2 Fed&State Income Taxes	39,743	11,923	27,821

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

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

<u>Line No.</u>		<u>UNIT 2 July, 2013</u>
1	Operating Ratio:	
2	<u>Net In-Service Investment:</u>	
3	Electric Plant In-Service	794,588,665
4	- Accumulated Depreciation	553,405,615
5	+ Materials & Supplies	75,292,519
6	+ Prepayments	15,594
7	+ Plant Held For Future Use (A/C 105) *	0
8	+ Other Deferred Debits (A/C 186) *	0
9	+ Other Working Capital ***	(2,175,248)
10	+ Unamortized Debt Expense (A/C 181)	222,793
11	+ Deferred ASH pond cost (A/C182.3)	2,910,555
12	- Asset Retirement Obligation (A/C 230)	4,177,984
13	- Other Deferred Credits (A/C 253)	52,551,378
14	- Accumulated Deferred FIT	34,347,433
15	- Accumulated Deferred ITC	18,557,276
16	Total Net In-Service Investment	207,815,191
17	<u>Non-In-Service Investment - CWIP :</u>	
18	Construction Work In Progress	38,880,971
19	+ Materials & Supplies	0
20	- Accumulated Deferred FIT	0
21	Total Non-In-Service Investment - CWIP	38,880,971
22	<u>Non-In-Service Investment - Other :</u>	
23	Plant Held for Future Use (A/C 105) **	0
24	+ Other Deferred Debits (A/C 186) **	2,792,818
25	+ Fuel Inventory Over Allowed Level ****	5,444,983
26	Total Non-In-Service Investment - Other	8,237,801
27	Total Investment (Lines 16+21+26)	254,933,963
28	Operating Ratio (Line 16/Line 27)	81.5173%
29	Non-In-Service Investment-CWIP Ratio (Line 21/Line 27)	15.2514%
30	Non-In-Service Investment-Other Ratio (Line 26/Line 27)	3.2313%
31	Total Investment	100.0000%
	* 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	

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

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**Line
No.**

**UNIT 2
July, 2013**

1 Net In-Service Investment Ratio:

2 Unit 2 Net In-Service Investment:

3	Electric Plant In-Service	138,623,078
4	- Accumulated Depreciation	129,409,565
5	+ Materials & Supplies	37,519,788
6	+ Prepayments	7,797
7	+ Plant Held For Future Use (A/C 105) *	0
8	+ Other Deferred Debits (A/C 186) *	0
9	+ Other Working Capital **	916,490
10	+ Unamortized Debt Expense (A/C 181)	111,396
11	+ Deferred ASH pond cost (A/C182.3)	1,455,277
12	- Asset Retirement Obligation (A/C 230)	2,088,992
13	- Other Deferred Credits (A/C 253)	52,551,378
14	- Accumulated Deferred FIT	(8,416,981)
15	- Accumulated Deferred ITC	18,550,724
16	Total Unit 2 Net In-Service Investment	(15,549,851)

17 Unit 1 Net In-Service Investment:

18	Electric Plant In-Service	655,965,587
19	- Accumulated Depreciation	423,996,051
20	+ Materials & Supplies	37,772,731
21	+ Prepayments	7,797
22	+ Plant Held For Future Use (A/C 105) *	0
23	+ Other Deferred Debits (A/C 186) *	0
24	+ Other Working Capital **	(3,091,737)
25	+ Unamortized Debt Expense (A/C 181)	111,396
26	+ Deferred ASH pond cost (A/C182.3)	1,455,277
27	- Asset Retirement Obligation (A/C 230)	2,088,992
28	- Other Deferred Credits (A/C 253)	0
29	- Accumulated Deferred FIT	42,764,414
30	- Accumulated Deferred ITC	6,552
31	Total Unit 1 Net In-Service Investment	223,365,042

32 Total Net In-Service Investment 207,815,191

33 Net In-Service Investment Ratio:

34 Unit 2 (Line 16 / Line 32) -7.4800%

35 Unit 1 (Line 31 / Line 32) 107.4800%

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**

<u>Line No.</u>		<u>UNIT 2 July, 2013</u>
1	Net Capitalization:	
2	Long-Term Debt	65,247,942
3	+ Short-Term Debt	100,629,787
4	+ Preferred Stock	0
5	+ Common Equity	86,309,921
6	- Temporary Cash Investments	0

7	Net Capitalization	252,187,650
		=====
8	40% of Net Capitalization	100,875,060
9	<u>Return on Common Equity:</u>	
10	Lesser of Line 5 or Line 8	86,309,921
11	x Equity Return (Monthly Rate)	1.01333%
12	= Equity Return	874,604
13	x Operating Ratio	81.5173%
14	x Net In-Service Investment Ratio	-7.4800%
15	= Subtotal	(53,329)
16	Excess of Line 5 Over Line 8	0
17	x Weighted Cost of Debt (Monthly Rate)	0.1070%
18	= Return on Equity over 40% of Capitalization	0
19	x Operating Ratio	81.5173%
20	x Net In-Service Investment Ratio	-7.4800%
21	= Subtotal	0

22	Unit 2 Return on Equity (Line 15 + Line 21)	(53,329)
		=====
23	<u>Return on Other Capital:</u>	
24	Long-Term Debt Interest Expense (A/C 427-429)	150,407
25	+ Short-Term Debt Interest Expense (a/c 430)	62,433
26	+ Other Interest Expense (a/c 431)	0
27	- Temporary Cash Investment Income *	0

28	= Net Interest Expense	212,840
29	+ Preferred Stock Dividends (a/c 437)	0

30	= Net Cost of Other Capital	212,840
31	x Operating Ratio	81.5173%
32	x Net In-Service Investment Ratio	-7.4800%
33	= Unit 2 Return on Other Capital	(12,978)
		=====

* 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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<u>Line No.</u>		<u>UNIT 2 July, 2013</u>
1	Debt Balances (Prior Month Ending) :	
2	Long-Term Debt (Accts 221 thru 226)	65,247,942
3	+ Short-Term Debt (Accts 231 + 233)	100,629,787
4	+ Other Debt (Accts 132 thru 136 + 145)	0
5	Total Debt Balances (Prior Month Ending)	----- 165,877,729 =====
6	<u>Weighting of Debt Balances :</u>	
7	Long-Term Debt (LTD bal/Total Debt bal)	39.3350%
8	+ Short-Term Debt (STD bal/Total Debt bal)	60.6650%
9	+ Other Debt	0.0000%
10	Total Debt Balances	----- 100.0000% =====
11	<u>Debt Cost Rates :</u>	
12	Long-Term Debt (avg LTD int rate)	2.7141%
13	Short-Term Debt (avg Money Pool STD int rate)	0.3160%
14	Other Debt	0.0000%
15	<u>Weighted Cost of Debt :</u>	
16	Long-Term Debt (LTD % x avg LTD int rate)	1.0676%
17	+ Short-Term Debt (STD % x avg MP STD int rate)	0.1917%
18	+ Other Debt	0.0000%
19	Total Weighted Cost of Debt	----- 1.2593% =====

**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

<u>Line No.</u>		<u>July, 2013</u>
1	Unit 2 Materials and Supplies:	
2	Fuel Stock - Coal (per Line 23)	21,902,714
3	Fuel Stock Expenses - Undistributed (152)	1,493,664
4	Fuel Stock - Oil (151)	1,606,053
5	Plant Materials & Operating Supplies	12,517,357
6	Merchandise	0
7	Undistributed Stores Expense	0

8	Total Materials & Supplies	37,519,788
		=====
9	<u>Support of Coal Inventory Value:</u>	
10	Actual Coal Inventory (a/c 151.10)	24,751,677
11	+ Equivalent Inventory re: Deferred Return	0

12	= Imputed Coal Inventory	24,751,677

13	<u>Coal Inventory W/68 Day Supply Cap</u>	
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)	41.885

22	= 68 day Coal Inventory	21,902,714

23	Lesser of Imputed or Capped Coal Inventory	21,902,714

24	Imputed Inventory Minus Line 23	2,848,963
		=====
25	<u>Accumulated Deferred Inventory Return - Unit 2 (Memo Item):</u>	
26	Beginning Balance	6,270,453
27	+ Current Month Return on Beginning Balance	38,509
28	+ Current Month Deferral	0
29	- Current Month Recovery	17,371

30	= Ending Balance **	6,291,591
		=====
	* Excludes Forced Outages, Scheduled Outages, and Curtailments	
	** May Not Be Less Than Zero	
	Total Unit 2 Monthly Power Bill with Actual	18,314,950
	Total Unit 2 Monthly Power Bill with 68 Day Capped	18,297,579
	Difference	(17,371)

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
DETAIL OF OTHER OPERATING REVENUES**

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UNIT 2

July, 2013

<u>Line No.</u>	<u>Account No.</u>	<u>Description</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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**UNIT 2
July, 2013**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>July, 2013</u>
1	500,502-508	Steam Power Generation - Operation	6,021,174
2	501	Fuel - Operation	10,599,412
3	510-515	Steam Power Generating - Maintenance	450,060
4		Total Steam Power Generation Expenses	17,070,646
5	555-557	Other Power Supply Expenses	7,161
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 Expensese	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	106,686
16	935	Administrative and General Expenses - Maintenance	3,253
17		Total Administrative & General Exp.	109,938
18		Total Operation & Maintenance Expenses	17,187,746

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

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**UNIT 2
July, 2013**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
1	403	Depreciation Expense *	440,596
1a	403.1	ARO Depreciation Expense	3,343
2	404	Amortization of Limited-Term Electric Plant **	523,775
3	405	Amortization of Other Electric Plant	0
4	406	Amortization of Electric Plant Acquisition Adjustments	0
5	407	Amortization of Property Losses, Unrecovered Plant and Regulatory Study Costs	0
			-
6		Total Depreciation Exp. & Amortization	967,714
			=
7	411.10	ARO Accretion Expense	15,691
8		Total Depreciation, Amortization & Accretion Expenses	983,405

* 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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**UNIT 2
July, 2013**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
1	408.1	Taxes Other Than Federal Income Taxes, Utility Operating Income	152,255
2	409.1	State Income Taxes	6,000
3		Total Taxes Other than Federal Income Taxes	----- 158,255 =====

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

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>TOTAL</u>	<u>KPCO SHARE</u>	<u>I&M SHARE</u>
1		<u>Unit 2 Schedule `M' Adjustments*</u>			
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	(292,691)	(87,807)	(204,884)
5	***	Total Unit 2 Schedule `M' Adjustments	(161,191)	(48,357)	(112,834)
			=====	=====	=====
6		<u>Unit 2 Deferred Federal Income Tax</u>			
7	410.1	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' Adj.-Utility	142,241	42,672	99,569
			-----	-----	-----
12	***	Total Unit 2 Deferred Federal Income Tax	100,915	30,275	70,641
			=====	=====	=====

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

Check Figure on Tax Page for Sch M (161,191)
Check Figure on Tax Page for DFIT 100,915

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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**UNIT 2
July, 2013**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
1		<u>ELECTRIC PLANT IN SERVICE</u>	
2	101	Electric Plant In Service	111,567,093
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	27,055,985
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	138,623,078
12	105	Plant Held For Future Use	0
13		<u>ACCUMULATED DEPRECIATION</u>	
14	108	Accumulated Provision for Depreciation of Electric Utility Plant	109,843,354
15	110	Accumulated Provision for Depreciation and Amort. of Elec. Utility Plant	0
16	111	Accumulated Provision for Amortization of Electric Utility Plant	19,566,211
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	129,409,565
20		<u>MATERIAL AND SUPPLIES</u>	
21	151	Fuel Stock	23,508,767
22	152	Fuel Stock Expenses - Undistributed	1,493,664
23	153	Residuals	0
24	154	Plant Materials and Operating Supplies	12,517,357
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)	37,519,788
29	165	Prepayments	7,797
30	186	Other Deferred Debits	0

**AEP GENERATING COMPANY
 ROCKPORT POWER BILL
 OTHER WORKING CAPITAL, UNAMORTIZED DEBT EXPENSE
 AND OTHER DEFERRED CREDITS**

<u>Line No.</u>	<u>Account No.</u>	<u>Description *</u>	<u>UNIT 2 July, 2013</u>
1	128	Other Special Funds	0
2	131	Cash	0
3	135	Other Intra Company Adjustments	0
4	143	Accounts Receivable-Miscellaneous	319,205
5	146	Accounts Receivable-Associated Company	14,269,468
6	171	Interest and Dividends Receivable	775
7	174	Miscellaneous Current and Accrued Assets	0
8	232	Accounts Payable-General	(20,233)
9	234	Accounts Payable-Associated Company	(11,532,027)
10	236	Taxes Accrued	(5,241)
11	237	Interest Accrued	(185,257)
12	238	Dividends Declared	0
13	241	Tax Collections Payable	0
14	242	Misc Current and Accrued Liabilities	(1,930,199)

15		Total Other Working Capital	916,490
			=====
16	181	Unamortized Debt Expense	111,396

17	253	Other Deferred Credits	52,551,378

*		debit <credit>	

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

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**UNIT 2
July, 2013**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
31		ACCUMULATED DEFERRED INCOME TAXES	
32	190	-Accumulated Deferred Income Taxes	21,825,342
33	281	+Accumulated Deferred Income Taxes - Accelerated Amortization Property	0
34	282	+Accumulated Deferred Income Taxes - Other Property	12,396,141
35	283	+Accumulated Deferred Income Taxes - Other	1,012,219
36		Total Accumulated Deferred Income Taxes (In-Service Portion)	----- (8,416,981) -----
37	255	+Accumulated Deferred Investment Tax Credits	18,550,724
38	186.50	-Accumulated Deferred Investment Tax Credit	0
39		Total Accumulated Deferred Investment Tax Credits	----- 18,550,724 -----
40		Total Net In-Service Investment - Unit 2	----- (14,916,136) =====

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

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**UNIT 2
July, 2013**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
		<u>Non-In-Service Investment - CWIP</u>	
1	107	Construction Work In Process	38,880,971
2		<u>MATERIAL AND SUPPLIES</u>	
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		<u>ACCUMULATED DEFERRED INCOME TAXES</u>	
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	0
16		Total Accumulated Deferred Income Taxes (CWIP Portion)	----- 0
17		TOTAL NON-IN-SERVICE INVESTMENT - CWIP	----- 38,880,971 =====
		<u>Non-In-Service Investment - Other</u>	
18	105	Plant Held for Future Use	0
19	186	Other Deferred Debits	2,792,818
20	151.10	Fuel Inventory Over Allowed Level *	5,444,983
21		Total Non-In-Service Investment - Other	----- 8,237,801 =====
		* INCLUDES ROCKPORT 1 AND 2	
		UNIT 1	2,596,020
		UNIT 2	2,848,963
		TOTAL	----- 5,444,983 =====

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
DETAIL OF NET CAPITALIZATION**

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**UNIT 2
July, 2013**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
1		<u>COMMON CAPITAL STOCK</u>	
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		<u>OTHER PAID-IN CAPITAL</u>	
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		<u>RETAINED EARNINGS</u>	
18	215	Appropriated Retained Earnings	0
19	215.1	Appropriated Retained Earnings- Amortization Reserve, Federal	0
20	216	Unappropriated Retained Earnings	2,447,934
21		Total Retained Earnings	2,447,934
22		Total Common Equity	86,309,921
23		<u>PREFERRED CAPITAL STOCK</u>	
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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**JMT-2
July, 2013**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
28		<u>LONG-TERM DEBT</u>	
29	221	Bonds	0
30	222	Reacquired Bonds	0
31	223	Advances from Associated Companies	0
32	224	Other Long-Term Debt	65,247,942
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	65,247,942
		<u>SHORT-TERM DEBT</u>	
36a	231.02	Notes Payable (Short-Term Debt)	0
36b	231.03	Unamortized Discount	0
	233.00	Notes Payable, Assoc Co(Money Pool)	100,629,787
38		Total Short-Term Debt	100,629,787
39		<u>TEMPORARY CASH INVESTMENTS</u>	
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	252,187,650

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

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<u>Line No.</u>	<u>UNIT 2</u>	<u>July, 2013</u>
1	Capitalization Balances (Prior Month Ending) :	
2	Long-Term Debt (Accts 221 thru 226)	65,247,942
3	+ Short-Term Debt (Accts 231 + 233)	100,629,787
4	+ Preferred Stock	0
5	+ Common Equity (Accts 201 thru 216)	86,309,921
6	- Capitalization Offsets	0

7	Total Capitalization Balances	252,187,650
		=====
8	<u>Weighting of Capitalization Balances :</u>	
9	Long-Term Debt (LTD/Total Capital)	25.8728%
10	+ Short-Term Debt (STD/Total Capital)	39.9027%
11	+ Preferred Stock	0.0000%
12	+ Common Equity (Common Equity/Total Capital)	34.2245%
13	- Capitalization Offsets	0.0000%

14	Total Capitalization	100.0000%
		=====
15	<u>Capitalization Cost Rates :</u>	
16	Long-Term Debt (avg LTD int rate)	2.7141%
17	Short-Term Debt (avg money pool STD int rate)	0.3160%
18	Preferred Stock	0.0000%
19	Common Equity (FERC fixed rate)	12.1600%
20	Capitalization Offsets (sum of weighted costs of debt)	1.2593%
21	<u>Rate of Return (Net of Tax) :</u>	
22	Long-Term Debt (LTD % x avg LTD int rate)	0.7022%
23	+ Short-Term Debt (STD % x avg MP STD int rate)	0.1261%
24	+ Preferred Stock	0.0000%
25	+ Common Equity (CE % x FERC fixed rate)	4.1617%
26	- Capitalization Offsets	0.0000%

27	Total Rate of Return (Net of Tax)	4.9900%
		=====
28	Weighted Net Cost of Debt	0.8283%
	(LTD Rate of Return + STD RR - Cap Offsets RR)	
29	+ Pre-Tax Common Equity (Line 25 / .65)	6.4026%
	(Common Equity Rate of Return grossed up for tax)	-----
30	= Rate of Return (Pre-Tax)	7.2309%
		=====

A E P GENERATING COMPANY

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

500	SUPERVISION AND ENGINEERING	115,849
501	FUEL	10,599,412
502	STEAM EXPENSES	69,729
503	STEAM FROM OTHER SOURCES	0
504	STEAM TRANSFERRED - CR	0
505	ELECTRIC EXPENSES	57,193
506	MISC. STEAM POWER EXPENSES	87,973
507	RENTS	5,690,430
508	OPERATION SUPPLIES AND EXPENSES	0
509	CARRYING CHARGES - ALLOWANCES	0
	TOTAL OPERATION EXPENSE	16,620,587
510	MAINTENANCE SUPER. AND ENGINEERING	77,126
511	MAINTENANCE OF STRUCTURES	13,069
512	MAINTENANCE OF BOILER PLANT	186,875
513	MAINTENANCE OF ELECTRIC PLANT	144,809
514	MAINTENANCE OF MISC. STEAM PLANT	28,180
515	MAINTENANCE NORMALIZING	0
	TOTAL MAINTENANCE EXPENSES	450,060
555	PURCHASED POWER	0
556	SYSTEM CONTROL AND LOAD DISPATCHING	1,873
557	OTHER POWER SUPPLY EXPENSES	5,288
	TOTAL OTHER SUPPLY EXPENSES	7,161

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	7
THIS BILLING IS FOR MONTH OF	July, 2013

A E P GENERATING COMPANY

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

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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 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	29,643
921	OFFICE SUPPLIES AND EXPENSES	9,922
922	ADMINISTRATIVE EXPENSES TRANSF - CR	0
923	OUTSIDE SERVICES	(22,159)
924	PROPERTY INSURANCE	10,680
925	INJURIES AND DAMAGES	1,075
926	EMPLOYEE PENSIONS AND BENEFITS	72,574
927	FRANCHISE REQUIREMENTS	0
928	REGULATORY COMMISSION	0
929	DUPLICATE CHARGES-CREDIT	0
930	MISCELLANEOUS GENERAL EXPENSES	4,220
931	RENTS	730
933	TRANSPORTATION EXPENSE	0
	TOTAL ADM & GEN EXPENSES OPERATION	106,686
935	MAINTENANCE OF GENERAL PLANT	3,253
	TOTAL ADM & GEN EXPENSES	109,938
	TOTAL AEG OPERATION & MAINTENANCE EXPENSES	17,187,746
	ACCOUNT 40190 TOTAL FOR CROSS FOOT	17,187,746
	-----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
09-Sep-13

UNIT 1
POWER BILL - - August, 2013

IN ACCORDANCE WITH POWER AGREEMENT DATED OCTOBER 1, 1984 (AS AMENDED)
 ENERGY DELIVERED FOR THE MONTH OF August, 2013
 KWH FOR THE MONTH 123,480,000

SUMMARY

TOTAL

Current Month Bill:

Return on Common Equity	238,677
Return on Other Capital	87,624
Total Return	----- 326,301
Fuel	3,228,769
Purchased Power	0
Other Operating Revenues	(2,625)
Other Operation and Maintenance Exp	320,302
Depreciation Expense	497,548
Taxes Other Than Federal Income Tax	61,341
Federal Income Tax	178,912
TOTAL CURRENT UNIT POWER BILL	----- 4,610,548 -----

Prior Month's Adjustment:

Return on Common Equity & Other Capital	0
Fuel Expense	0
Other Expenses (Includes taxes & interest)	(55,711)
TOTAL PRIOR MONTH'S ADJUSTMENTS	----- (55,711) -----

=====

TOTAL UNIT POWER BILL 4,554,837

=====

AMOUNTS WILL BE PAID DIRECT FROM GENERAL FUNDS.

DUE DATE - - - September 23, 2013

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

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
09-Sep-13

UNIT 1
POWER BILL - - August, 2013

IN ACCORDANCE WITH POWER AGREEMENT DATED OCTOBER 1, 1984 (AS AMENDED)
 ENERGY DELIVERED FOR THE MONTH OF August, 2013
 KWH FOR THE MONTH 288,119,000

SUMMARY

TOTAL

Current Month Bill:

Return on Common Equity	556,914
Return on Other Capital	204,455
Total Return	----- 761,369
Fuel	7,533,794
Purchased Power	0
Other Operating Revenues	(6,125)
Other Operation and Maintenance Exp	747,372
Depreciation Expense	1,160,947
Taxes Other Than Federal Income Tax	143,130
Federal Income Tax	417,461
TOTAL UNIT POWER BILL	----- 10,757,948 -----

Prior Month's Adjustment:

Return on Common Equity & Other Capital	0
Fuel	0
Other Expenses (Includes taxes & interest)	(129,997)
TOTAL PRIOR MONTH'S ADJUSTMENTS	----- (129,997) -----

TOTAL UNIT POWER BILL	=====
	10,627,951
	=====

AMOUNTS WILL BE PAID DIRECT FROM GENERAL FUNDS.

DUE DATE - - - September 23, 2013
 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

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
SUMMARY OF MONTHLY POWER BILL**

August, 2013

	<u>TOTAL UNIT 1 POWER BILL</u>	<u>KPCO SHARE</u>	<u>I&M SHARE</u>
Return on Common Equity	795,591	238,677	556,914
Return on Other Capital	292,079	87,624	204,455
<hr/>			
Total Return	1,087,670	326,301	761,369
+ Fuel	10,762,563	3,228,769	7,533,794
+ Purchased Power	0	0	0
- Other Operating Revenues	(8,750)	(2,625)	(6,125)
+ Other Operation and Maintenance Exp	1,067,674	320,302	747,372
+ Depreciation Expense	1,658,495	497,548	1,160,947
+ Taxes Other Than Federal Income Tax	204,471	61,341	143,130
+ Federal and State Income Tax	596,373	178,912	417,461
<hr/>			
= Total Unit 1 Monthly Power Bill	15,368,496	4,610,548	10,757,948
<hr/>			
<u>Determination of Federal Income Tax :</u>			
Total Return (Line 3)	1,087,670	326,301	761,369
+ Unit 1 Schedule M Adjustments	(400,412)	(120,123)	(280,289)
+ Unit 1 Deferred Federal Income Taxes	249,331	74,799	174,531
- Unit 1 Interest Expense Deduction *	292,079	87,624	204,455
<hr/>			
= Subtotal	644,510	193,353	451,156
x Gross-Up (FIT Rate / 1-FIT Rate)	0.538462	0.538462	0.538462
= Unit 1 Current Federal Income Tax	347,043	104,113	242,930
+ Unit 1 Def Fed & State Income Taxes	249,331	74,799	174,531
<hr/>			
= Total Unit 1 Fed&State Income Taxes	596,373	178,912	417,461
<hr/>			
<u>Proof of Federal Income Tax :</u>			
Total Unit 1 Monthly Power Bill	15,368,496	4,610,548	10,757,948
- Operation and Maintenance Expenses	11,830,237	3,549,071	8,281,166
- Depreciation Expense	1,658,495	497,548	1,160,947
- Taxes Other Than Federal Income Tax	204,471	61,341	143,130
- Unit 1 Interest Expense Deduction *	292,079	87,624	204,455
- Other Operating Revenues	(8,750)	(2,625)	(6,125)
<hr/>			
= Pre-Tax Book Income	1,391,964	417,589	974,375
+ Unit 1 Schedule M Adjustments	(400,412)	(120,123)	(280,289)
<hr/>			
= Unit 1 Taxable Income	991,552	297,466	694,086
x Current Federal Income Tax Rate	35%	35%	35%
= Unit 1 Current Federal Income Tax	347,043	104,113	242,930
+ Unit 1 Def Fed & State Income Taxes	249,330	74,799	174,531
<hr/>			
= Total Unit 1 Fed&State Income Taxes	596,373	178,912	417,461
<hr/>			

* 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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<u>Line No.</u>	<u>UNIT 1 August, 2013</u>
1	<u>Operating Ratio:</u>
2	<u>Net In-Service Investment:</u>
3	Electric Plant In-Service 794,791,708
4	- Accumulated Depreciation 555,979,277
5	+ Materials & Supplies 74,931,383
6	+ Prepayments 169,608
7	+ Plant Held For Future Use (A/C 105) * 0
8	+ Other Deferred Debits (A/C 186) * 0
9	+ Other Working Capital *** (766,541)
10	+ Unamortized Debt Expense (A/C 181) 211,262
11	+ Deferred ASH pond cost (A/C182.3) 2,902,730
12	- Asset Retirement Obligation (A/C 230) 4,204,515
13	- Other Deferred Credits (A/C 253) 52,087,132
14	- Accumulated Deferred FIT 34,709,690
15	- Accumulated Deferred ITC 18,394,315
16	Total Net In-Service Investment 206,865,220
17	<u>Non-In-Service Investment - CWIP :</u>
18	Construction Work In Progress 41,057,233
19	+ Materials & Supplies 0
20	- Accumulated Deferred FIT 0
21	Total Non-In-Service Investment - CWIP 41,057,233
22	<u>Non-In-Service Investment - Other :</u>
23	Plant Held for Future Use (A/C 105) ** 1,034,099
24	+ Other Deferred Debits (A/C 186) ** 2,507,923
25	+ Fuel Inventory Over Allowed Level **** (869,181)
26	Total Non-In-Service Investment - Other 2,672,842
27	Total Investment (Lines 16+21+26) 250,595,294
28	Operating Ratio (Line 16/Line 27) 82.5495%
29	Non-In-Service Investment-CWIP Ratio (Line 21/Line 27) 16.3839%
30	Non-In-Service Investment-Other Ratio (Line 26/Line 27) 1.0666%
31	Total Investment 100.0000%
*	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
****	Includes Rockport 1 and 2

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

<u>Line No.</u>	<u>UNIT 1</u> <u>August, 2013</u>	
1	<u>Net In-Service Investment Ratio:</u>	
2	Unit 1 Net In-Service Investment:	
3	Electric Plant In-Service	656,016,278
4	- Accumulated Depreciation	425,473,140
5	+ Materials & Supplies	37,900,282
6	+ Prepayments	84,804
7	+ Plant Held For Future Use (A/C 105) *	0
8	+ Other Deferred Debits (A/C 186) *	0
9	+ Other Working Capital **	689,866
10	+ Unamortized Debt Expense (A/C 181)	105,631
11	+ Deferred ASH pond cost (A/C182.3)	1,451,365
12	- Asset Retirement Obligation (A/C 230)	2,102,258
13	- Other Deferred Credits (A/C 253)	0
14	- Accumulated Deferred FIT	43,018,912
15	- Accumulated Deferred ITC	7,756
16	Total Unit 1 Net In-Service Investment	----- 225,646,160 -----
17	Unit 2 Net In-Service Investment:	
18	Electric Plant In-Service	138,775,431
19	- Accumulated Depreciation	130,506,138
20	+ Materials & Supplies	37,031,101
21	+ Prepayments	84,804
22	+ Plant Held For Future Use (A/C 105) *	0
23	+ Other Deferred Debits (A/C 186) *	0
24	+ Other Working Capital **	(1,456,407)
25	+ Unamortized Debt Expense (A/C 181)	105,631
26	+ Deferred ASH pond cost (A/C182.3)	1,451,365
27	- Asset Retirement Obligation (A/C 230)	2,102,258
28	- Other Deferred Credits (A/C 253)	52,087,132
29	- Accumulated Deferred FIT	(8,309,222)
30	- Accumulated Deferred ITC	18,386,559
31	Total Unit 2 Net In-Service Investment	----- (18,780,939) -----
32	Total Net In-Service Investment	----- 206,865,220 =====
33	<u>Net In-Service Investment Ratio:</u>	
34	Unit 1 (Line 16 / Line 32)	109.0800%
35	Unit 2 (Line 31 / Line 32)	-9.0800%
		----- 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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<u>Line No.</u>		<u>UNIT 1 August, 2013</u>
1	<u>Net Capitalization:</u>	
2	Long-Term Debt	65,247,942
3	+ Short-Term Debt	94,590,708
4	+ Preferred Stock	0
5	+ Common Equity	87,192,480
6	- Temporary Cash Investments	0
7	Net Capitalization	----- 247,031,130 =====
8	40% of Net Capitalization	98,812,452
9	<u>Return on Common Equity:</u>	
10	Lesser of Line 5 or Line 8	87,192,480
11	x Equity Return (Monthly Rate)	1.01333%
12	= Equity Return	883,548
13	x Operating Ratio	82.5495%
14	x Net In-Service Investment Ratio	109.0800%
15	= Subtotal	795,591
16	Excess of Line 5 Over Line 8	0
17	x Weighted Cost of Debt (Monthly Rate)	0.1134%
18	= Return on Equity over 40% of Capitalization	0
19	x Operating Ratio	82.5495%
20	x Net In-Service Investment Ratio	109.0800%
21	= Subtotal	----- 0 =====
22	Unit 1 Return on Equity (Line 15 + Line 21)	795,591
23	<u>Return on Other Capital:</u>	
24	Long-Term Debt Interest Expense (A/C 427-429)	157,881
25	+ Short-Term Debt Interest Expense (a/c 430)	166,489
26	+ Other Interest Expense (a/c 431)	0
27	- Temporary Cash Investment Income *	0
28	= Net Interest Expense	----- 324,370
29	+ Preferred Stock Dividends (a/c 437)	0
30	= Net Cost of Other Capital	----- 324,370
31	x Operating Ratio	82.5495%
32	x Net In-Service Investment Ratio	109.0800%
33	= Unit 1 Return on Other Capital	292,079
	* Line 6 x Line 19 from Pg 6 of 18	----- =====

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

<u>Line No.</u>	<u>UNIT 1 August, 2013</u>	
1	<u>Debt Balances (Prior Month Ending) :</u>	
2	Long-Term Debt (Accts 221 thru 226)	65,247,942
3	+ Short-Term Debt (Accts 231 + 233)	94,590,708
4	+ Other Debt (Accts 132 thru 136 + 145)	0

5	Total Debt Balances (Prior Month Ending)	159,838,650
		=====
6	<u>Weighting of Debt Balances :</u>	
7	Long-Term Debt (LTD bal/Total Debt bal)	40.8211%
8	+ Short-Term Debt (STD bal/Total Debt bal)	59.1789%
9	+ Other Debt	0.0000%

10	Total Debt Balances	100.0000%
		=====
11	<u>Debt Cost Rates :</u>	
12	Long-Term Debt (avg LTD int rate)	2.8490%
13	Short-Term Debt (avg Money Pool STD int rate)	0.2906%
14	Other Debt	0.0000%
15	<u>Weighted Cost of Debt :</u>	
16	Long-Term Debt (LTD % x avg LTD int rate)	1.1630%
17	+ Short-Term Debt (STD % x avg MP STD int rate)	0.1720%
18	+ Other Debt	0.0000%

19	Total Weighted Cost of Debt	1.3350%
		=====

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

<u>Line No.</u>		<u>August, 2013</u>
1	<u>Unit 1 Materials and Supplies:</u>	
2	Fuel Stock - Coal (per Line 23)	22,492,607
3	Fuel Stock Expenses - Undistributed (152)	1,304,748
4	Fuel Stock - Oil (151)	1,626,626
5	Plant Materials & Operating Supplies	12,476,301
6	Merchandise	0
7	Undistributed Stores Expense	0
8	Total Materials & Supplies	37,900,282
9	<u>Support of Coal Inventory Value:</u>	
10	Actual Coal Inventory (a/c 151.10)	21,623,426
11	+ Equivalent Inventory re: Deferred Return	22,484,271,863
12	= Imputed Coal Inventory	22,505,895,289
13	<u>Coal Inventory W/68 Day Supply Cap</u>	
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)	42.522
22	= 68 day Coal Inventory	22,492,607
23	Lesser of Imputed or Capped Coal Inventory	22,492,607
24	Imputed Inventory Minus Line 23	22,483,402,682
25	<u>Accumulated Deferred Inventory Return - Unit 1 (Memo Item):</u>	
26	Beginning Balance	141,691,077
27	+ Current Month Return on Beginning Balance	898,569
28	+ Current Month Deferral	0
29	- Current Month Recovery	5,799
30	= Ending Balance **	142,583,847

* 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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**UNIT 1
August, 2013**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</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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UNIT 1

August, 2013

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
1	500,502-508	Steam Power Generation - Operation	467,118
2	501	Fuel - Operation	10,762,563
3	510-515	Steam Power Generating - Maintenance	411,330
4		Total Steam Power Generation Expenses	11,641,011
5	555-557	Other Power Supply Expenses	5,827
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 - Operation	181,314
16	935	Administrative and General Expenses - Maintenance	2,085
17		Total Administrative & General Exp.	183,399
18		Total Operation & Maintenance Expenses	11,830,237

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

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**UNIT 1
August, 2013**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
	1 403	Depreciation Expense	1,631,511
1a	403.1	ARO Depreciation Expense	3,343
	2 404	Amortization of Limited-Term Electric Plant	7,863
	3 405	Amortization of Other Electric Plant	0
	4 406	Amortization of Electric Plant Acquisition Adjustments	0
	5 407	Amortization of Property Losses, Unrecovered Plant and Regulatory Study Costs	0
	6	Total Depreciation Exp. & Amortization	1,642,716
			=====
	7 411.10	ARO Accretion Expense	15,778
	8	Total Depreciation, Amortization & Accretion Expenses	1,658,495

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

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UNIT 1

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>August, 2013</u>
BS1			
1	408.1	Taxes Other Than Federal Income Taxes, Utility Operating Income	154,471
2	409.1	State Income Taxes	50,000
3		Total Taxes Other than FIT	----- 204,471 =====

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

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<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>TOTAL</u>	<u>KPCO SHARE</u>	<u>I&M SHARE</u>
1		<u>Unit 1 Schedule `M' Adjustments*</u>			
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	(384,912)	(115,473)	(269,439)
5	***	Total Unit 1 Schedule `M' Adjustments	(400,412)	(120,123)	(280,289)
			=====	=====	=====
6		<u>Unit 1 Deferred Federal Income Tax</u>			
7	410.1	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' Adj.-Utility	(37,977)	(11,393)	(26,584)
			-----	-----	-----
12	***	Total Unit 1 Deferred Federal Income Tax	249,331	74,799	174,531
			=====	=====	=====

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

=====

=====

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

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**UNIT 1
August, 2013**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
1		<u>ELECTRIC PLANT IN SERVICE</u>	
2	101	Electric Plant In Service	652,894,902
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	3,121,376
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	656,016,278
12	105	Plant Held For Future Use	0
13		<u>ACCUMULATED DEPRECIATION</u>	
14	108	Accumulated Provision for Depreciation of Electric Utility Plant	425,013,888
15	110	Accumulated Provision for Depreciation and Amort. of Elec. Utility Plant	0
16	111	Accumulated Provision for Amortization of Electric Utility Plant	459,252
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	425,473,140
20		<u>MATERIAL AND SUPPLIES</u>	
21	151	Fuel Stock	24,119,233
22	152	Fuel Stock Expenses - Undistributed	1,304,748
23	153	Residuals	0
24	154	Plant Materials and Operating Supplies	12,476,301
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)	37,900,282
29	165	Prepayments	84,804
30	186	Other Deferred Debits	0

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
OTHER WORKING CAPITAL, UNAMORTIZED DEBT EXPENSE
AND OTHER DEFERRED CREDITS**

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<u>Line No.</u>	<u>Account No.</u>	<u>Description *</u>	<u>UNIT 1 August, 2013</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	20,570,330
6	171	Interest and Dividends Receivable	775
7	174	Miscellaneous Current and Accrued Assets	0
8	232	Accounts Payable-General	(15,109)
9	234	Accounts Payable-Associated Company	(14,057,475)
10	236	Taxes Accrued	(2,450,444)
11	237	Interest Accrued	(238,359)
12	238	Dividends Declared	0
13	241	Tax Collections Payable	0
14	242	Misc Current and Accrued Liabilities	(3,119,853)

15		Total Other Working Capital	689,866
			=====
16	181	Unamortized Debt Expense	105,631

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
August, 2013**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
31		<u>ACCUMULATED DEFERRED INCOME TAXES</u>	
32	190	-Accumulated Deferred Income Taxes	1,997,586
33	281	+Accumulated Deferred Income Taxes - Accelerated Amortization Property	0
34	282	+Accumulated Deferred Income Taxes - Other Property	44,126,244
35	283	+Accumulated Deferred Income Taxes - Other	890,254
36		Total Accumulated Deferred Income Taxes (In-Service Portion)	----- 43,018,912 -----
37	255	+Accumulated Deferred Investment Tax Credits	7,756
38	186.50	-Accumulated Deferred Investment Tax Credit	0
39		Total Accumulated Deferred Investment Tax Credits	----- 7,756 -----
40		Total Net In-Service Investment - Unit 1	----- 226,297,052 =====

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

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**UNIT 1
August, 2013**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
		<u>Non-In-Service Investment - CWIP</u>	
1	107	Construction Work In Process	41,057,233
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		<u>ACCUMULATED DEFERRED INCOME TAXES</u>	
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	0
16		Total Accumulated Deferred Income Taxes (CWIP Portion)	----- 0
17		TOTAL NON-IN-SERVICE INVESTMENT - CWIP	41,057,233 =====
		<u>Non-In-Service Investment - Other</u>	
18	105	Plant Held for Future Use	1,034,099
19	186	Other Deferred Debits	2,507,923
20	151.10	Fuel Inventory Over Allowed Level *	(869,181)
21		Total Non-In-Service Investment - Other	----- 2,672,842 =====
		* INCLUDES ROCKPORT 1 AND 2	
		UNIT 1	(869,181)
		UNIT 2	0
		TOTAL	----- (869,181) =====

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
DETAIL OF NET CAPITALIZATION**

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**UNIT 1
August, 2013**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
1		<u>COMMON CAPITAL STOCK</u>	
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		<u>OTHER PAID-IN CAPITAL</u>	
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		<u>RETAINED EARNINGS</u>	
18	215	Appropriated Retained Earnings	0
19	215.1	Appropriated Retained Earnings- Amortization Reserve, Federal	0
20	216	Unappropriated Retained Earnings	3,330,493
21		Total Retained Earnings	3,330,493
22		Total Common Equity	87,192,480
23		<u>PREFERRED CAPITAL STOCK</u>	
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
August, 2013**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
28		<u>LONG-TERM DEBT</u>	
29	221	Bonds	0
30	222	Reacquired Bonds	0
31	223	Advances from Associated Companies	0
32	224	Other Long-Term Debt	65,247,942
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	65,247,942
		<u>SHORT-TERM DEBT</u>	
36a	231.02	Notes Payable (Short-Term Debt)	0
36b	231.03	Unamortized Discount	0
37	233.00	Notes Payable, Assoc Co(Money Pool)	94,590,708
38		Total Short-Term Debt	94,590,708
39		<u>TEMPORARY CASH INVESTMENTS</u>	
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	247,031,130

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

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**UNIT 1
August, 2013**

Line No.

1	<u>Capitalization Balances (Prior Month Ending) :</u>	
2	Long-Term Debt (Accts 221 thru 226)	65,247,942
3	+ Short-Term Debt (Accts 231 + 233)	94,590,708
4	+ Preferred Stock	0
5	+ Common Equity (Accts 201 thru 216)	87,192,480
6	- Capitalization Offsets	0

7	Total Capitalization Balances	247,031,130
		=====
8	<u>Weighting of Capitalization Balances :</u>	
9	Long-Term Debt (LTD/Total Capital)	26.4128%
10	+ Short-Term Debt (STD/Total Capital)	38.2910%
11	+ Preferred Stock	0.0000%
12	+ Common Equity (Common Equity/Total Capital)	35.2962%
13	- Capitalization Offsets	0.0000%

14	Total Capitalization	100.0000%
		=====
15	<u>Capitalization Cost Rates :</u>	
16	Long-Term Debt (avg LTD int rate)	2.8490%
17	Short-Term Debt (avg money pool STD int rate)	0.2906%
18	Preferred Stock	0.0000%
19	Common Equity (FERC fixed rate)	12.1600%
20	Capitalization Offsets (sum of weighted costs of debt)	1.3350%
21	<u>Rate of Return (Net of Tax) :</u>	
22	Long-Term Debt (LTD % x avg LTD int rate)	0.7525%
23	+ Short-Term Debt (STD % x avg MP STD int rate)	0.1113%
24	+ Preferred Stock	0.0000%
25	+ Common Equity (CE % x FERC fixed rate)	4.2920%
26	- Capitalization Offsets	0.0000%

27	Total Rate of Return (Net of Tax)	5.1558%
		=====
28	Weighted Net Cost of Debt	0.8638%
	(LTD Rate of Return + STD RR - Cap Offsets RR)	
29	+ Pre-Tax Common Equity (Line 25 / .65)	6.6031%
	(Common Equity Rate of Return grossed up for tax)	-----
30	= Rate of Return (Pre-Tax)	7.4669%
		=====

A E P GENERATING COMPANY

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

500	SUPERVISION AND ENGINEERING	129,734
501	FUEL	10,762,563
502	STEAM EXPENSES	195,130
503	STEAM FROM OTHER SOURCES	0
504	STEAM TRANSFERRED - CR	0
505	ELECTRIC EXPENSES	53,542
506	MISC. STEAM POWER EXPENSES	88,536
507	RENTS	177
508	OPERATION SUPPLIES AND EXPENSES	0
509	CARRYING CHARGES - ALLOWANCES	0

TOTAL OPERATION EXPENSE 11,229,681

510	MAINTENANCE SUPER. AND ENGINEERING	87,853
511	MAINTENANCE OF STRUCTURES	56,996
512	MAINTENANCE OF BOILER PLANT	173,602
513	MAINTENANCE OF ELECTRIC PLANT	58,097
514	MAINTENANCE OF MISC. STEAM PLANT	34,782
515	MAINTENANCE NORMALIZING	0

TOTAL MAINTENANCE EXPENSES 411,330

555	PURCHASED POWER	0
556	SYSTEM CONTROL AND LOAD DISPATCHING	1,804
557	OTHER POWER SUPPLY EXPENSES	4,022

TOTAL OTHER SUPPLY EXPENSES 5,827

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 8
 THIS BILLING IS FOR MONTH OF August, 2013

A E P GENERATING COMPANY

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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	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
	TOTAL SALES EXPENSES	0
920	ADMIN. & GENERAL SALARIES	33,419
921	OFFICE SUPPLIES AND EXPENSES	4,759
922	ADMINISTRATIVE EXPENSES TRANSF - CR	0
923	OUTSIDE SERVICES	57,452
924	PROPERTY INSURANCE	10,802
925	INJURIES AND DAMAGES	1,082
926	EMPLOYEE PENSIONS AND BENEFITS	72,034
927	FRANCHISE REQUIREMENTS	0
928	REGULATORY COMMISSION	0
929	DUPLICATE CHARGES-CREDIT	0
930	MISCELLANEOUS GENERAL EXPENSES	936
931	RENTS	830
933	TRANSPORTATION EXPENSE	0
	TOTAL ADM & GEN EXPENSES OPERATION	181,314
935	MAINTENANCE OF GENERAL PLANT	2,085
	TOTAL ADM & GEN EXPENSES	183,399
	TOTAL AEG OPERATION & MAINTENANCE EXPENSES	11,830,237
	ACCOUNT 40190 TOTAL FOR CROSS FOOT	11,830,237
	-----DIFFERENCE-----	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
09-Sep-13**

**UNIT 2
POWER BILL - - August, 2013**

IN ACCORDANCE WITH POWER AGREEMENT DATED OCTOBER 1, 1984 (AS AMENDED)
ENERGY DELIVERED FOR THE MONTH OF August, 2013
KWH FOR THE MONTH 228,846,000

<u>SUMMARY</u>	<u>TOTAL</u>
Current Month Bill:	
Return on Common Equity	(46,551)
Return on Other Capital	(17,090)
Total Return	----- (63,641)
Fuel	6,070,533
Purchased Power	0
Other Operating Revenues	(6,125)
Other Operation and Maintenance Exp	4,710,506
Depreciation Expense	689,387
Taxes Other Than Federal Income Tax	140,610
Federal Income Tax	22,877
TOTAL CURRENT UNIT POWER BILL	----- 11,564,148 -----
Prior Month's Adjustment:	
Return on Common Equity & Other Capital	(1,000)
Fuel Expense	0
Other Expenses (Includes taxes & interest)	28,245
TOTAL PRIOR MONTH'S ADJUSTMENTS	----- 27,245 -----
TOTAL UNIT POWER BILL	=====
	11,591,393 =====

AMOUNTS WILL BE PAID DIRECT FROM GENERAL FUNDS.

DUE DATE - - September 23, 2013

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**

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

**ESTIMATE
09-Sep-13**

**UNIT 2
POWER BILL - - August, 2013**

IN ACCORDANCE WITH POWER AGREEMENT DATED OCTOBER 1, 1984 (AS AMENDED)
ENERGY DELIVERED FOR THE MONTH OF August, 2013
KWH FOR THE MONTH 98,077,000

<u>SUMMARY</u>	<u>TOTAL</u>
Current Month Bill:	
Return on Common Equity	(19,950)
Return on Other Capital	(7,324)
Total Return	----- (27,274)
Fuel	2,601,657
Purchased Power	0
Other Operating Revenues	(2,625)
Other Operation and Maintenance Exp	2,018,788
Depreciation Expense	295,452
Taxes Other Than Federal Income Tax	60,261
Federal Income Tax	9,804
TOTAL CURRENT UNIT POWER BILL	----- 4,956,063 =====
Prior Month's Adjustment:	
Return on Common Equity & Other Capital	0
Fuel Expense	0
Other Expenses (Includes taxes & interest)	11,677
TOTAL PRIOR MONTH'S ADJUSTMENTS	----- 11,677 -----
TOTAL UNIT POWER BILL	----- 4,967,740 =====

AMOUNTS WILL BE PAID DIRECT FROM GENERAL FUNDS.

DUE DATE - - September 23, 2013

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
ROCKPORT POWER BILL
SUMMARY OF MONTHLY POWER BILL**

	TOTAL UNIT 2 POWER BILL	KPCO SHARE	I&M SHARE
Return on Common Equity	(66,501)	(19,950)	(46,551)
Return on Other Capital	(24,414)	(7,324)	(17,090)
Total Return	(90,915)	(27,274)	(63,641)
+ Fuel	8,672,191	2,601,657	6,070,533
+ Purchased Power	0	0	0
- Other Operating Revenues	(8,750)	(2,625)	(6,125)
+ Other Operation and Maintenance Exp	6,729,294	2,018,788	4,710,506
+ Depreciation Expense	984,839	295,452	689,387
+ Taxes Other Than Federal Income Tax	200,871	60,261	140,610
+ Federal and State Income Tax	32,682	9,804	22,877
= Total Unit 2 Monthly Power Bill	16,520,212	4,956,063	11,564,148
<u>Determination of Federal Income Tax :</u>			
Total Return (Line 3)	(90,915)	(27,274)	(63,641)
+ Unit 2 Schedule M Adjustments	(162,468)	(48,740)	(113,728)
+ Unit 2 Deferred Federal Income Taxes	101,383	30,415	70,968
- Unit 2 Interest Expense Deduction *	(24,414)	(7,324)	(17,090)
= Subtotal	(127,586)	(38,275)	(89,310)
x Gross-Up (FIT Rate / 1-FIT Rate)	0.538462	0.538462	0.538462
= Unit 2 Current Federal Income Tax	(68,700)	(20,610)	(48,090)
+ Unit 2 Def Fed & State Income Taxes	101,383	30,415	70,968
= Total Unit 2 Fed&State Income Taxes	32,682	9,804	22,877
<u>Proof of Federal Income Tax :</u>			
Total Unit 2 Monthly Power Bill	16,520,212	4,956,063	11,564,148
- Operation and Maintenance Expenses	15,401,485	4,620,445	10,781,040
- Depreciation Expense	984,839	295,452	689,387
- Taxes Other Than Federal Income Tax	200,871	60,261	140,610
- Unit 2 Interest Expense Deduction *	(24,414)	(7,324)	(17,090)
- Other Operating Revenues	(8,750)	(2,625)	(6,125)
= Pre-Tax Book Income	(33,819)	(10,146)	(23,674)
+ Unit 2 Schedule M Adjustments	(162,468)	(48,740)	(113,728)
= Unit 2 Taxable Income	(196,287)	(58,886)	(137,402)
x Current Federal Income Tax Rate	35%	35%	35%
= Unit 2 Current Federal Income Tax	(68,701)	(20,610)	(48,091)
+ Unit 2 Def Fed & State Income Taxes	101,383	30,415	70,968
= Total Unit 2 Fed&State Income Taxes	32,682	9,805	22,877

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

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

<u>Line No.</u>		<u>UNIT 2</u> <u>August, 2013</u>
1	Operating Ratio:	
2	<u>Net In-Service Investment:</u>	
3	Electric Plant In-Service	794,791,708
4	- Accumulated Depreciation	555,979,277
5	+ Materials & Supplies	74,931,383
6	+ Prepayments	169,608
7	+ Plant Held For Future Use (A/C 105) *	0
8	+ Other Deferred Debits (A/C 186) *	0
9	+ Other Working Capital ***	(766,541)
10	+ Unamortized Debt Expense (A/C 181)	211,262
11	+ Deferred ASH pond cost (A/C182.3)	2,902,730
12	- Asset Retirement Obligation (A/C 230)	4,204,515
13	- Other Deferred Credits (A/C 253)	52,087,132
14	- Accumulated Deferred FIT	34,709,690
15	- Accumulated Deferred ITC	18,394,315
16	Total Net In-Service Investment	206,865,220
17	<u>Non-In-Service Investment - CWIP :</u>	
18	Construction Work In Progress	41,057,233
19	+ Materials & Supplies	0
20	- Accumulated Deferred FIT	0
21	Total Non-In-Service Investment - CWIP	41,057,233
22	<u>Non-In-Service Investment - Other :</u>	
23	Plant Held for Future Use (A/C 105) **	0
24	+ Other Deferred Debits (A/C 186) **	2,507,923
25	+ Fuel Inventory Over Allowed Level ****	(869,181)
26	Total Non-In-Service Investment - Other	1,638,742
27	Total Investment (Lines 16+21+26)	249,561,195
28	Operating Ratio (Line 16/Line 27)	82.8916%
29	Non-In-Service Investment-CWIP Ratio (Line 21/Line 27)	16.4518%
30	Non-In-Service Investment-Other Ratio (Line 26/Line 27)	0.6566%
31	Total Investment	100.0000%
	* 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	

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

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**Line
No.**

**UNIT 2
August, 2013**

1	Net In-Service Investment Ratio:	
2	<u>Unit 2 Net In-Service Investment:</u>	
3	Electric Plant In-Service	138,775,431
4	- Accumulated Depreciation	130,506,138
5	+ Materials & Supplies	37,031,101
6	+ Prepayments	84,804
7	+ Plant Held For Future Use (A/C 105) *	0
8	+ Other Deferred Debits (A/C 186) *	0
9	+ Other Working Capital **	(1,456,407)
10	+ Unamortized Debt Expense (A/C 181)	105,631
11	+ Deferred ASH pond cost (A/C182.3)	1,451,365
12	- Asset Retirement Obligation (A/C 230)	2,102,258
13	- Other Deferred Credits (A/C 253)	52,087,132
14	- Accumulated Deferred FIT	(8,309,222)
15	- Accumulated Deferred ITC	18,386,559
16	Total Unit 2 Net In-Service Investment	(18,780,939)
17	<u>Unit 1 Net In-Service Investment:</u>	
18	Electric Plant In-Service	656,016,278
19	- Accumulated Depreciation	425,473,140
20	+ Materials & Supplies	37,900,282
21	+ Prepayments	84,804
22	+ Plant Held For Future Use (A/C 105) *	0
23	+ Other Deferred Debits (A/C 186) *	0
24	+ Other Working Capital **	689,866
25	+ Unamortized Debt Expense (A/C 181)	105,631
26	+ Deferred ASH pond cost (A/C182.3)	1,451,365
27	- Asset Retirement Obligation (A/C 230)	2,102,258
28	- Other Deferred Credits (A/C 253)	0
29	- Accumulated Deferred FIT	43,018,912
30	- Accumulated Deferred ITC	7,756
31	Total Unit 1 Net In-Service Investment	225,646,160
32	Total Net In-Service Investment	206,865,220
33	<u>Net In-Service Investment Ratio:</u>	
34	Unit 2 (Line 16 / Line 32)	-9.0800%
35	Unit 1 (Line 31 / Line 32)	109.0800%
		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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<u>Line No.</u>		<u>UNIT 2 August, 2013</u>
1	Net Capitalization:	
2	Long-Term Debt	65,247,942
3	+ Short-Term Debt	94,590,708
4	+ Preferred Stock	0
5	+ Common Equity	87,192,480
6	- Temporary Cash Investments	0

7	Net Capitalization	247,031,130
		=====
8	40% of Net Capitalization	98,812,452
9	<u>Return on Common Equity:</u>	
10	Lesser of Line 5 or Line 8	87,192,480
11	x Equity Return (Monthly Rate)	1.01333%
12	= Equity Return	883,548
13	x Operating Ratio	82.8916%
14	x Net In-Service Investment Ratio	-9.0800%
15	= Subtotal	(66,501)
16	Excess of Line 5 Over Line 8	0
17	x Weighted Cost of Debt (Monthly Rate)	0.1134%
18	= Return on Equity over 40% of Capitalization	0
19	x Operating Ratio	82.8916%
20	x Net In-Service Investment Ratio	-9.0800%
21	= Subtotal	0

22	Unit 2 Return on Equity (Line 15 + Line 21)	(66,501)
		=====
23	<u>Return on Other Capital:</u>	
24	Long-Term Debt Interest Expense (A/C 427-429)	157,881
25	+ Short-Term Debt Interest Expense (a/c 430)	166,489
26	+ Other Interest Expense (a/c 431)	0
27	- Temporary Cash Investment Income *	0

28	= Net Interest Expense	324,370
29	+ Preferred Stock Dividends (a/c 437)	0

30	= Net Cost of Other Capital	324,370
31	x Operating Ratio	82.8916%
32	x Net In-Service Investment Ratio	-9.0800%
33	= Unit 2 Return on Other Capital	(24,414)
		=====

* 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 2
August, 2013**

1	Debt Balances (Prior Month Ending) :	
2	Long-Term Debt (Accts 221 thru 226)	65,247,942
3	+ Short-Term Debt (Accts 231 + 233)	94,590,708
4	+ Other Debt (Accts 132 thru 136 + 145)	0
5	Total Debt Balances (Prior Month Ending)	----- 159,838,650 =====
6	<u>Weighting of Debt Balances :</u>	
7	Long-Term Debt (LTD bal/Total Debt bal)	40.8211%
8	+ Short-Term Debt (STD bal/Total Debt bal)	59.1789%
9	+ Other Debt	0.0000%
10	Total Debt Balances	----- 100.0000% =====
11	<u>Debt Cost Rates :</u>	
12	Long-Term Debt (avg LTD int rate)	2.8490%
13	Short-Term Debt (avg Money Pool STD int rate)	0.2906%
14	Other Debt	0.0000%
15	<u>Weighted Cost of Debt :</u>	
16	Long-Term Debt (LTD % x avg LTD int rate)	1.1630%
17	+ Short-Term Debt (STD % x avg MP STD int rate)	0.1720%
18	+ Other Debt	0.0000%
19	Total Weighted Cost of Debt	----- 1.3350% =====

**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

<u>Line No.</u>		<u>August, 2013</u>
1	Unit 2 Materials and Supplies:	
2	Fuel Stock - Coal (per Line 23)	21,623,426
3	Fuel Stock Expenses - Undistributed (152)	1,304,748
4	Fuel Stock - Oil (151)	1,626,626
5	Plant Materials & Operating Supplies	12,476,301
6	Merchandise	0
7	Undistributed Stores Expense	0

8	Total Materials & Supplies	37,031,101
		=====
9	<u>Support of Coal Inventory Value:</u>	
10	Actual Coal Inventory (a/c 151.10)	21,623,426
11	+ Equivalent Inventory re: Deferred Return	998,382,153

12	= Imputed Coal Inventory	1,020,005,579

13	<u>Coal Inventory W/68 Day Supply Cap</u>	
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)	42.522

22	= 68 day Coal Inventory	22,235,817

23	Lesser of Imputed or Capped Coal Inventory	22,235,817

24	Imputed Inventory Minus Line 23	997,769,762
		=====
25	<u>Accumulated Deferred Inventory Return - Unit 2 (Memo Item):</u>	
26	Beginning Balance	6,291,591
27	+ Current Month Return on Beginning Balance	39,900
28	+ Current Month Deferral	4,105
29	- Current Month Recovery	0

30	= Ending Balance **	6,335,596
		=====
	* Excludes Forced Outages, Scheduled Outages, and Curtailments	
	** May Not Be Less Than Zero	
	Total Unit 2 Monthly Power Bill with Actual	16,480,094
	Total Unit 2 Monthly Power Bill with 68 Day Capped	16,484,199
	Difference	4,105

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
DETAIL OF OTHER OPERATING REVENUES**

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**UNIT 2
August, 2013**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>August, 2013</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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UNIT 2

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>August, 2013</u>
1	500,502-508	Steam Power Generation - Operation	6,016,191
2	501	Fuel - Operation	8,672,191
3	510-515	Steam Power Generating - Maintenance	515,995
4		Total Steam Power Generation Expenses	15,204,376
5	555-557	Other Power Supply Expenses	5,827
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 Expensese	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	189,197
16	935	Administrative and General Expenses - Maintenance	2,085
17		Total Administrative & General Exp.	191,282
18		Total Operation & Maintenance Expenses	15,401,485

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

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**UNIT 2
August, 2013**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
1	403	Depreciation Expense *	440,845
1a	403.1	ARO Depreciation Expense	3,343
2	404	Amortization of Limited-Term Electric Plant **	524,874
3	405	Amortization of Other Electric Plant	0
4	406	Amortization of Electric Plant Acquisition Adjustments	0
5	407	Amortization of Property Losses, Unrecovered Plant and Regulatory Study Costs	0
			-
6		Total Depreciation Exp. & Amortization	969,061
			=
7	411.10	ARO Accretion Expense	15,778
8		Total Depreciation, Amortization & Accretion Expenses	984,839

* 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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**UNIT 2
August, 2013**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
1	408.1	Taxes Other Than Federal Income Taxes, Utility Operating Income	150,871
2	409.1	State Income Taxes	50,000
3		Total Taxes Other than Federal Income Taxes	----- 200,871 =====

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

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>TOTAL</u>	<u>KPCO SHARE</u>	<u>I&M SHARE</u>
1		<u>Unit 2 Schedule `M' Adjustments*</u>			
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	(293,968)	(88,190)	(205,778)
5	***	Total Unit 2 Schedule `M' Adjustments	(162,468)	(48,740)	(113,728)
6		<u>Unit 2 Deferred Federal Income Tax</u>			
7	410.1	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' Adj.-Utility	142,708	42,812	99,896
12	***	Total Unit 2 Deferred Federal Income Tax	101,383	30,415	70,968

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

Check Figure on Tax Page for Sch M (162,468)
Check Figure on Tax Page for DFIT 101,383

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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**UNIT 2
August, 2013**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
1		<u>ELECTRIC PLANT IN SERVICE</u>	
2	101	Electric Plant In Service	111,550,937
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	27,224,493
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	138,775,431
12	105	Plant Held For Future Use	0
13		<u>ACCUMULATED DEPRECIATION</u>	
14	108	Accumulated Provision for Depreciation of Electric Utility Plant	110,437,497
15	110	Accumulated Provision for Depreciation and Amort. of Elec. Utility Plant	0
16	111	Accumulated Provision for Amortization of Electric Utility Plant	20,068,641
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	130,506,138
20		<u>MATERIAL AND SUPPLIES</u>	
21	151	Fuel Stock	23,250,052
22	152	Fuel Stock Expenses - Undistributed	1,304,748
23	153	Residuals	0
24	154	Plant Materials and Operating Supplies	12,476,301
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)	37,031,101
29	165	Prepayments	84,804
30	186	Other Deferred Debits	0

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
OTHER WORKING CAPITAL, UNAMORTIZED DEBT EXPENSE
AND OTHER DEFERRED CREDITS**

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<u>Line No.</u>	<u>Account No.</u>	<u>Description *</u>	UNIT 2 August, 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	20,892,155
6	171	Interest and Dividends Receivable	775
7	174	Miscellaneous Current and Accrued Assets	0
8	232	Accounts Payable-General	(15,109)
9	234	Accounts Payable-Associated Company	(13,997,473)
10	236	Taxes Accrued	(70,020)
11	237	Interest Accrued	(238,359)
12	238	Dividends Declared	0
13	241	Tax Collections Payable	0
14	242	Misc Current and Accrued Liabilities	(8,028,375)

15		Total Other Working Capital	(1,456,407)
			=====
16	181	Unamortized Debt Expense	105,631

17	253	Other Deferred Credits	52,087,132

*		debit <credit>	

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

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**UNIT 2
August, 2013**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
31		ACCUMULATED DEFERRED INCOME TAXES	
32	190	-Accumulated Deferred Income Taxes	21,656,550
33	281	+Accumulated Deferred Income Taxes - Accelerated Amortization Property	0
34	282	+Accumulated Deferred Income Taxes - Other Property	12,341,469
35	283	+Accumulated Deferred Income Taxes - Other	1,005,859
36		Total Accumulated Deferred Income Taxes (In-Service Portion)	----- (8,309,222) -----
37	255	+Accumulated Deferred Investment Tax Credits	18,386,559
38	186.50	-Accumulated Deferred Investment Tax Credit	0
39		Total Accumulated Deferred Investment Tax Credits	----- 18,386,559 -----
40		Total Net In-Service Investment - Unit 2	----- (18,130,047) =====

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

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**UNIT 2
August, 2013**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
		<u>Non-In-Service Investment - CWIP</u>	
1	107	Construction Work In Process	41,057,233
2		<u>MATERIAL AND SUPPLIES</u>	
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		<u>ACCUMULATED DEFERRED INCOME TAXES</u>	
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	0
16		Total Accumulated Deferred Income Taxes (CWIP Portion)	----- 0
17		TOTAL NON-IN-SERVICE INVESTMENT - CWIP	----- 41,057,233 =====
		<u>Non-In-Service Investment - Other</u>	
18	105	Plant Held for Future Use	0
19	186	Other Deferred Debits	2,507,923
20	151.10	Fuel Inventory Over Allowed Level *	(869,181)
21		Total Non-In-Service Investment - Other	----- 1,638,742 =====
		* INCLUDES ROCKPORT 1 AND 2	
		UNIT 1	(869,181)
		UNIT 2	0
		TOTAL	----- (869,181) =====

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
DETAIL OF NET CAPITALIZATION**

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**UNIT 2
August, 2013**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
1		<u>COMMON CAPITAL STOCK</u>	
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		<u>OTHER PAID-IN CAPITAL</u>	
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		<u>RETAINED EARNINGS</u>	
18	215	Appropriated Retained Earnings	0
19	215.1	Appropriated Retained Earnings- Amortization Reserve, Federal	0
20	216	Unappropriated Retained Earnings	3,330,493
21		Total Retained Earnings	3,330,493
22		Total Common Equity	87,192,480
23		<u>PREFERRED CAPITAL STOCK</u>	
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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**JUNT-2
August, 2013**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
28		<u>LONG-TERM DEBT</u>	
29	221	Bonds	0
30	222	Reacquired Bonds	0
31	223	Advances from Associated Companies	0
32	224	Other Long-Term Debt	65,247,942
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	65,247,942
		<u>SHORT-TERM DEBT</u>	
36a	231.02	Notes Payable (Short-Term Debt)	0
36b	231.03	Unamortized Discount	0
	233.00	Notes Payable, Assoc Co(Money Pool)	94,590,708
38		Total Short-Term Debt	94,590,708
39		<u>TEMPORARY CASH INVESTMENTS</u>	
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	247,031,130

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

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<u>Line No.</u>		UNIT 2 August, 2013
1	Capitalization Balances (Prior Month Ending) :	
2	Long-Term Debt (Accts 221 thru 226)	65,247,942
3	+ Short-Term Debt (Accts 231 + 233)	94,590,708
4	+ Preferred Stock	0
5	+ Common Equity (Accts 201 thru 216)	87,192,480
6	- Capitalization Offsets	0

7	Total Capitalization Balances	247,031,130
		=====
8	<u>Weighting of Capitalization Balances :</u>	
9	Long-Term Debt (LTD/Total Capital)	26.4128%
10	+ Short-Term Debt (STD/Total Capital)	38.2910%
11	+ Preferred Stock	0.0000%
12	+ Common Equity (Common Equity/Total Capital)	35.2962%
13	- Capitalization Offsets	0.0000%

14	Total Capitalization	100.0000%
		=====
15	<u>Capitalization Cost Rates :</u>	
16	Long-Term Debt (avg LTD int rate)	2.8490%
17	Short-Term Debt (avg money pool STD int rate)	0.2906%
18	Preferred Stock	0.0000%
19	Common Equity (FERC fixed rate)	12.1600%
20	Capitalization Offsets (sum of weighted costs of debt)	1.3350%
21	<u>Rate of Return (Net of Tax) :</u>	
22	Long-Term Debt (LTD % x avg LTD int rate)	0.7525%
23	+ Short-Term Debt (STD % x avg MP STD int rate)	0.1113%
24	+ Preferred Stock	0.0000%
25	+ Common Equity (CE % x FERC fixed rate)	4.2920%
26	- Capitalization Offsets	0.0000%

27	Total Rate of Return (Net of Tax)	5.1558%
		=====
28	Weighted Net Cost of Debt	0.8638%
	(LTD Rate of Return + STD RR - Cap Offsets RR)	
29	+ Pre-Tax Common Equity (Line 25 / .65)	6.6031%
	(Common Equity Rate of Return grossed up for tax)	-----
30	= Rate of Return (Pre-Tax)	7.4669%
		=====

A E P GENERATING COMPANY

**August, 2013
 ESTIMATE**

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

500	SUPERVISION AND ENGINEERING	132,125
501	FUEL	8,672,191
502	STEAM EXPENSES	43,703
503	STEAM FROM OTHER SOURCES	0
504	STEAM TRANSFERRED - CR	0
505	ELECTRIC EXPENSES	48,529
506	MISC. STEAM POWER EXPENSES	101,404
507	RENTS	5,690,430
508	OPERATION SUPPLIES AND EXPENSES	0
509	CARRYING CHARGES - ALLOWANCES	0
	TOTAL OPERATION EXPENSE	14,688,381
510	MAINTENANCE SUPER. AND ENGINEERING	87,762
511	MAINTENANCE OF STRUCTURES	20,067
512	MAINTENANCE OF BOILER PLANT	307,422
513	MAINTENANCE OF ELECTRIC PLANT	72,014
514	MAINTENANCE OF MISC. STEAM PLANT	28,730
515	MAINTENANCE NORMALIZING	0
	TOTAL MAINTENANCE EXPENSES	515,995
555	PURCHASED POWER	0
556	SYSTEM CONTROL AND LOAD DISPATCHING	1,804
557	OTHER POWER SUPPLY EXPENSES	4,022
	TOTAL OTHER SUPPLY EXPENSES	5,827

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	8
THIS BILLING IS FOR MONTH OF	August, 2013

A E P GENERATING COMPANY

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

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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 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	37,482
921	OFFICE SUPPLIES AND EXPENSES	4,759
922	ADMINISTRATIVE EXPENSES TRANSF - CR	0
923	OUTSIDE SERVICES	61,273
924	PROPERTY INSURANCE	10,802
925	INJURIES AND DAMAGES	1,082
926	EMPLOYEE PENSIONS AND BENEFITS	72,034
927	FRANCHISE REQUIREMENTS	0
928	REGULATORY COMMISSION	0
929	DUPLICATE CHARGES-CREDIT	0
930	MISCELLANEOUS GENERAL EXPENSES	936
931	RENTS	830
933	TRANSPORTATION EXPENSE	0
	TOTAL ADM & GEN EXPENSES OPERATION	189,197
935	MAINTENANCE OF GENERAL PLANT	2,085
	TOTAL ADM & GEN EXPENSES	191,282
	TOTAL AEG OPERATION & MAINTENANCE EXPENSES	15,401,485
	ACCOUNT 40190 TOTAL FOR CROSS FOOT	15,401,485
	-----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
05-Oct-13

UNIT 1
POWER BILL - - September, 2013

IN ACCORDANCE WITH POWER AGREEMENT DATED OCTOBER 1, 1984 (AS AMENDED)
 ENERGY DELIVERED FOR THE MONTH OF September, 2013
 KWH FOR THE MONTH 120,095,000

SUMMARY

TOTAL

Current Month Bill:

Return on Common Equity	249,951
Return on Other Capital	89,055
Total Return	----- 339,006
Fuel	2,637,834
Purchased Power	0
Other Operating Revenues	(2,625)
Other Operation and Maintenance Exp	318,430
Depreciation Expense	497,067
Taxes Other Than Federal Income Tax	62,033
Federal Income Tax	185,022
TOTAL CURRENT UNIT POWER BILL	----- 4,036,767 -----

Prior Month's Adjustment:

Return on Common Equity & Other Capital	0
Fuel Expense	0
Other Expenses (Includes taxes & interest)	(87,406)
TOTAL PRIOR MONTH'S ADJUSTMENTS	----- (87,406) -----

TOTAL UNIT POWER BILL	=====
	3,949,361
	=====

AMOUNTS WILL BE PAID DIRECT FROM GENERAL FUNDS.

DUE DATE - - - October 18, 2013

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

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-Oct-13

UNIT 1
POWER BILL - - September, 2013

IN ACCORDANCE WITH POWER AGREEMENT DATED OCTOBER 1, 1984 (AS AMENDED)
 ENERGY DELIVERED FOR THE MONTH OF September, 2013
 KWH FOR THE MONTH 280,221,000

SUMMARY

TOTAL

Current Month Bill:

Return on Common Equity	583,218
Return on Other Capital	207,795
Total Return	----- 791,013
Fuel	6,154,947
Purchased Power	0
Other Operating Revenues	(6,125)
Other Operation and Maintenance Exp	743,004
Depreciation Expense	1,159,823
Taxes Other Than Federal Income Tax	144,743
Federal Income Tax	431,718
TOTAL UNIT POWER BILL	----- 9,419,122 -----

Prior Month's Adjustment:

Return on Common Equity & Other Capital	0
Fuel	0
Other Expenses (Includes taxes & interest)	(203,949)
TOTAL PRIOR MONTH'S ADJUSTMENTS	----- (203,949) -----

TOTAL UNIT POWER BILL	=====
	9,215,173
	=====

AMOUNTS WILL BE PAID DIRECT FROM GENERAL FUNDS.

DUE DATE - - - October 18, 2013

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

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
SUMMARY OF MONTHLY POWER BILL**

September, 2013

	<u>TOTAL UNIT 1 POWER BILL</u>	<u>KPCO SHARE</u>	<u>I&M SHARE</u>
Return on Common Equity	833,169	249,951	583,218
Return on Other Capital	296,850	89,055	207,795
<hr/>			
Total Return	1,130,019	339,006	791,013
+ Fuel	8,792,781	2,637,834	6,154,947
+ Purchased Power	0	0	0
- Other Operating Revenues	(8,750)	(2,625)	(6,125)
+ Other Operation and Maintenance Exp	1,061,434	318,430	743,004
+ Depreciation Expense	1,656,890	497,067	1,159,823
+ Taxes Other Than Federal Income Tax	206,776	62,033	144,743
+ Federal and State Income Tax	616,740	185,022	431,718
<hr/>			
= Total Unit 1 Monthly Power Bill	13,455,889	4,036,767	9,419,122
<hr/>			
<u>Determination of Federal Income Tax :</u>			
Total Return (Line 3)	1,130,019	339,006	791,013
+ Unit 1 Schedule M Adjustments	(402,194)	(120,658)	(281,536)
+ Unit 1 Deferred Federal Income Taxes	250,041	75,012	175,028
- Unit 1 Interest Expense Deduction *	296,850	89,055	207,795
<hr/>			
= Subtotal	681,015	204,305	476,710
x Gross-Up (FIT Rate / 1-FIT Rate)	0.538462	0.538462	0.538462
= Unit 1 Current Federal Income Tax	366,700	110,010	256,690
+ Unit 1 Def Fed & State Income Taxes	250,041	75,012	175,028
<hr/>			
= Total Unit 1 Fed&State Income Taxes	616,740	185,022	431,718
<hr/>			
<u>Proof of Federal Income Tax :</u>			
Total Unit 1 Monthly Power Bill	13,455,889	4,036,767	9,419,122
- Operation and Maintenance Expenses	9,854,214	2,956,264	6,897,950
- Depreciation Expense	1,656,890	497,067	1,159,823
- Taxes Other Than Federal Income Tax	206,776	62,033	144,743
- Unit 1 Interest Expense Deduction *	296,850	89,055	207,795
- Other Operating Revenues	(8,750)	(2,625)	(6,125)
<hr/>			
= Pre-Tax Book Income	1,449,909	434,973	1,014,936
+ Unit 1 Schedule M Adjustments	(402,194)	(120,658)	(281,536)
<hr/>			
= Unit 1 Taxable Income	1,047,715	314,315	733,400
x Current Federal Income Tax Rate	35%	35%	35%
= Unit 1 Current Federal Income Tax	366,700	110,010	256,690
+ Unit 1 Def Fed & State Income Taxes	250,040	75,012	175,028
<hr/>			
= Total Unit 1 Fed&State Income Taxes	616,740	185,022	431,718
<hr/>			

* 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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<u>Line No.</u>		<u>UNIT 1</u> <u>September, 2013</u>
1	<u>Operating Ratio:</u>	
2	<u>Net In-Service Investment:</u>	
3	Electric Plant In-Service	794,902,528
4	- Accumulated Depreciation	558,937,054
5	+ Materials & Supplies	72,039,905
6	+ Prepayments	154,298
7	+ Plant Held For Future Use (A/C 105) *	0
8	+ Other Deferred Debits (A/C 186) *	0
9	+ Other Working Capital ***	(9,745,251)
10	+ Unamortized Debt Expense (A/C 181)	199,730
11	+ Deferred ASH pond cost (A/C182.3)	2,894,906
12	- Asset Retirement Obligation (A/C 230)	4,231,221
13	- Other Deferred Credits (A/C 253)	51,622,886
14	- Accumulated Deferred FIT	35,070,022
15	- Accumulated Deferred ITC	18,231,354
16	Total Net In-Service Investment	192,353,579
17	<u>Non-In-Service Investment - CWIP :</u>	
18	Construction Work In Progress	43,480,956
19	+ Materials & Supplies	0
20	- Accumulated Deferred FIT	0
21	Total Non-In-Service Investment - CWIP	43,480,956
22	<u>Non-In-Service Investment - Other :</u>	
23	Plant Held for Future Use (A/C 105) **	1,034,099
24	+ Other Deferred Debits (A/C 186) **	2,216,183
25	+ Fuel Inventory Over Allowed Level ****	(1,949,917)
26	Total Non-In-Service Investment - Other	1,300,366
27	Total Investment (Lines 16+21+26)	237,134,901
28	Operating Ratio (Line 16/Line 27)	81.1157%
29	Non-In-Service Investment-CWIP Ratio (Line 21/Line 27)	18.3360%
30	Non-In-Service Investment-Other Ratio (Line 26/Line 27)	0.5483%
31	Total Investment	100.0000%
*	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	
****	Includes Rockport 1 and 2	

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

<u>Line No.</u>	<u>UNIT 1</u> <u>September, 2013</u>	
1	<u>Net In-Service Investment Ratio:</u>	
2	Unit 1 Net In-Service Investment:	
3	Electric Plant In-Service	656,560,463
4	- Accumulated Depreciation	427,754,528
5	+ Materials & Supplies	36,994,911
6	+ Prepayments	77,149
7	+ Plant Held For Future Use (A/C 105) *	0
8	+ Other Deferred Debits (A/C 186) *	0
9	+ Other Working Capital **	(722,240)
10	+ Unamortized Debt Expense (A/C 181)	99,865
11	+ Deferred ASH pond cost (A/C182.3)	1,447,453
12	- Asset Retirement Obligation (A/C 230)	2,115,611
13	- Other Deferred Credits (A/C 253)	0
14	- Accumulated Deferred FIT	43,272,098
15	- Accumulated Deferred ITC	8,960
16	Total Unit 1 Net In-Service Investment	----- 221,306,405 -----
17	Unit 2 Net In-Service Investment:	
18	Electric Plant In-Service	138,342,065
19	- Accumulated Depreciation	131,182,526
20	+ Materials & Supplies	35,044,994
21	+ Prepayments	77,149
22	+ Plant Held For Future Use (A/C 105) *	0
23	+ Other Deferred Debits (A/C 186) *	0
24	+ Other Working Capital **	(9,023,011)
25	+ Unamortized Debt Expense (A/C 181)	99,865
26	+ Deferred ASH pond cost (A/C182.3)	1,447,453
27	- Asset Retirement Obligation (A/C 230)	2,115,611
28	- Other Deferred Credits (A/C 253)	51,622,886
29	- Accumulated Deferred FIT	(8,202,076)
30	- Accumulated Deferred ITC	18,222,394
31	Total Unit 2 Net In-Service Investment	----- (28,952,826) -----
32	Total Net In-Service Investment	----- 192,353,579 =====
33	<u>Net In-Service Investment Ratio:</u>	
34	Unit 1 (Line 16 / Line 32)	115.0500%
35	Unit 2 (Line 31 / Line 32)	-15.0500%
		----- 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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<u>Line No.</u>		<u>UNIT 1 September, 2013</u>
1	<u>Net Capitalization:</u>	
2	Long-Term Debt	65,247,942
3	+ Short-Term Debt	80,139,094
4	+ Preferred Stock	0
5	+ Common Equity	88,102,987
6	- Temporary Cash Investments	0
7	Net Capitalization	----- 233,490,023 =====
8	40% of Net Capitalization	93,396,009
9	<u>Return on Common Equity:</u>	
10	Lesser of Line 5 or Line 8	88,102,987
11	x Equity Return (Monthly Rate)	1.01333%
12	= Equity Return	892,774
13	x Operating Ratio	81.1157%
14	x Net In-Service Investment Ratio	115.0500%
15	= Subtotal	833,169
16	Excess of Line 5 Over Line 8	0
17	x Weighted Cost of Debt (Monthly Rate)	0.1179%
18	= Return on Equity over 40% of Capitalization	0
19	x Operating Ratio	81.1157%
20	x Net In-Service Investment Ratio	115.0500%
21	= Subtotal	0
22	Unit 1 Return on Equity (Line 15 + Line 21)	----- 833,169 =====
23	<u>Return on Other Capital:</u>	
24	Long-Term Debt Interest Expense (A/C 427-429)	151,563
25	+ Short-Term Debt Interest Expense (a/c 430)	166,524
26	+ Other Interest Expense (a/c 431)	0
27	- Temporary Cash Investment Income *	0
28	= Net Interest Expense	----- 318,087
29	+ Preferred Stock Dividends (a/c 437)	0
30	= Net Cost of Other Capital	----- 318,087
31	x Operating Ratio	81.1157%
32	x Net In-Service Investment Ratio	115.0500%
33	= Unit 1 Return on Other Capital	296,850
	* 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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<u>Line No.</u>	<u>UNIT 1</u>	<u>September, 2013</u>
1	<u>Debt Balances (Prior Month Ending) :</u>	
2	Long-Term Debt (Accts 221 thru 226)	65,247,942
3	+ Short-Term Debt (Accts 231 + 233)	80,139,094
4	+ Other Debt (Accts 132 thru 136 + 145)	0

5	Total Debt Balances (Prior Month Ending)	145,387,036
		=====
6	<u>Weighting of Debt Balances :</u>	
7	Long-Term Debt (LTD bal/Total Debt bal)	44.8788%
8	+ Short-Term Debt (STD bal/Total Debt bal)	55.1212%
9	+ Other Debt	0.0000%

10	Total Debt Balances	100.0000%
		=====
11	<u>Debt Cost Rates :</u>	
12	Long-Term Debt (avg LTD int rate)	2.8262%
13	Short-Term Debt (avg Money Pool STD int rate)	0.3025%
14	Other Debt	0.0000%
15	<u>Weighted Cost of Debt :</u>	
16	Long-Term Debt (LTD % x avg LTD int rate)	1.2683%
17	+ Short-Term Debt (STD % x avg MP STD int rate)	0.1667%
18	+ Other Debt	0.0000%

19	Total Weighted Cost of Debt	1.4350%
		=====

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

<u>Line No.</u>		<u>September, 2013</u>
1	<u>Unit 1 Materials and Supplies:</u>	
2	Fuel Stock - Coal (per Line 23)	21,521,429
3	Fuel Stock Expenses - Undistributed (152)	1,153,489
4	Fuel Stock - Oil (151)	1,627,338
5	Plant Materials & Operating Supplies	12,692,656
6	Merchandise	0
7	Undistributed Stores Expense	0
8	Total Materials & Supplies	36,994,911
9	<u>Support of Coal Inventory Value:</u>	
10	Actual Coal Inventory (a/c 151.10)	19,571,512
11	+ Equivalent Inventory re: Deferred Return	21,956,732,083
12	= Imputed Coal Inventory	21,976,303,595
13	<u>Coal Inventory W/68 Day Supply Cap</u>	
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)	40.686
22	= 68 day Coal Inventory	21,521,429
23	Lesser of Imputed or Capped Coal Inventory	21,521,429
24	Imputed Inventory Minus Line 23	21,954,782,166
25	<u>Accumulated Deferred Inventory Return - Unit 1 (Memo Item):</u>	
26	Beginning Balance	142,583,847
27	+ Current Month Return on Beginning Balance	931,971
28	+ Current Month Deferral	0
29	- Current Month Recovery	13,794
30	= Ending Balance **	143,502,024

* 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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UNIT 1

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>September, 201:</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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UNIT 1

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>September, 2013</u>
1	500,502-508	Steam Power Generation - Operation	492,535
2	501	Fuel - Operation	8,792,781
3	510-515	Steam Power Generating - Maintenance	461,366
4		Total Steam Power Generation Expenses	9,746,681
5	555-557	Other Power Supply Expenses	2,335
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 - Operation	101,835
16	935	Administrative and General Expenses - Maintenance	3,362
17		Total Administrative & General Exp.	105,198
18		Total Operation & Maintenance Expenses	9,854,214

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

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			UNIT 1	
			September, 2013	
<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>		
	1 403	Depreciation Expense		1,633,018
1a	403.1	ARO Depreciation Expense		3,343
	2 404	Amortization of Limited-Term Electric Plant		4,663
	3 405	Amortization of Other Electric Plant		0
	4 406	Amortization of Electric Plant Acquisition Adjustments		0
	5 407	Amortization of Property Losses, Unrecovered Plant and Regulatory Study Costs		0
	6	Total Depreciation Exp. & Amortization		1,641,024
				=====
	7 411.10	ARO Accretion Expense		15,866
	8	Total Depreciation, Amortization & Accretion Expenses		1,656,890

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

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UNIT 1

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>September, 2013</u>
BS1			
1	408.1	Taxes Other Than Federal Income Taxes, Utility Operating Income	156,776
2	409.1	State Income Taxes	50,000
3		Total Taxes Other than FIT	----- 206,776 =====

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

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>TOTAL</u>	<u>KPCO SHARE</u>	<u>I&M SHARE</u>
1		<u>Unit 1 Schedule `M' Adjustments*</u>			
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	(386,694)	(116,008)	(270,686)
5	***	Total Unit 1 Schedule `M' Adjustments	(402,194)	(120,658)	(281,536)
			=====	=====	=====
6		<u>Unit 1 Deferred Federal Income Tax</u>			
7	410.1	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' Adj.-Utility	(37,267)	(11,180)	(26,087)
			-----	-----	-----
12	***	Total Unit 1 Deferred Federal Income Tax	250,041	75,012	175,028
			=====	=====	=====

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

=====

=====

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

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**UNIT 1
September, 2013**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
1		<u>ELECTRIC PLANT IN SERVICE</u>	
2	101	Electric Plant In Service	653,526,495
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	3,033,968
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	656,560,463
12	105	Plant Held For Future Use	0
13		<u>ACCUMULATED DEPRECIATION</u>	
14	108	Accumulated Provision for Depreciation of Electric Utility Plant	427,287,413
15	110	Accumulated Provision for Depreciation and Amort. of Elec. Utility Plant	0
16	111	Accumulated Provision for Amortization of Electric Utility Plant	467,115
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	427,754,528
20		<u>MATERIAL AND SUPPLIES</u>	
21	151	Fuel Stock	23,148,767
22	152	Fuel Stock Expenses - Undistributed	1,153,489
23	153	Residuals	0
24	154	Plant Materials and Operating Supplies	12,692,656
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)	36,994,911
29	165	Prepayments	77,149
30	186	Other Deferred Debits	0

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
OTHER WORKING CAPITAL, UNAMORTIZED DEBT EXPENSE
AND OTHER DEFERRED CREDITS**

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<u>Line No.</u>	<u>Account No.</u>	<u>Description *</u>	<u>UNIT 1 September, 2013</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	17,927,333
6	171	Interest and Dividends Receivable	775
7	174	Miscellaneous Current and Accrued Assets	0
8	232	Accounts Payable-General	(28,674)
9	234	Accounts Payable-Associated Company	(12,671,433)
10	236	Taxes Accrued	(2,521,343)
11	237	Interest Accrued	(290,508)
12	238	Dividends Declared	0
13	241	Tax Collections Payable	0
14	242	Misc Current and Accrued Liabilities	(3,138,389)

15		Total Other Working Capital	(722,240)
			=====
16	181	Unamortized Debt Expense	99,865

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
September, 2013**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
31		<u>ACCUMULATED DEFERRED INCOME TAXES</u>	
32	190	-Accumulated Deferred Income Taxes	2,025,805
33	281	+Accumulated Deferred Income Taxes - Accelerated Amortization Property	0
34	282	+Accumulated Deferred Income Taxes - Other Property	44,412,980
35	283	+Accumulated Deferred Income Taxes - Other	884,923
36		Total Accumulated Deferred Income Taxes (In-Service Portion)	----- 43,272,098 -----
37	255	+Accumulated Deferred Investment Tax Credits	8,960
38	186.50	-Accumulated Deferred Investment Tax Credit	0
39		Total Accumulated Deferred Investment Tax Credits	----- 8,960 -----
40		Total Net In-Service Investment - Unit 1	----- 221,974,562 =====

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

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**UNIT 1
September, 2013**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
		<u>Non-In-Service Investment - CWIP</u>	
1	107	Construction Work In Process	43,480,956
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		<u>ACCUMULATED DEFERRED INCOME TAXES</u>	
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	0
16		Total Accumulated Deferred Income Taxes (CWIP Portion)	----- 0
17		TOTAL NON-IN-SERVICE INVESTMENT - CWIP	43,480,956 =====
		<u>Non-In-Service Investment - Other</u>	
18	105	Plant Held for Future Use	1,034,099
19	186	Other Deferred Debits	2,216,183
20	151.10	Fuel Inventory Over Allowed Level *	(1,949,917)
21		Total Non-In-Service Investment - Other	----- 1,300,366 =====
		* INCLUDES ROCKPORT 1 AND 2	
		UNIT 1	(1,949,917)
		UNIT 2	0
		TOTAL	----- (1,949,917) =====

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
DETAIL OF NET CAPITALIZATION**

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September, 2013

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
1		<u>COMMON CAPITAL STOCK</u>	
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		<u>OTHER PAID-IN CAPITAL</u>	
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		<u>RETAINED EARNINGS</u>	
18	215	Appropriated Retained Earnings	0
19	215.1	Appropriated Retained Earnings- Amortization Reserve, Federal	0
20	216	Unappropriated Retained Earnings	4,241,000
21		Total Retained Earnings	4,241,000
22		Total Common Equity	88,102,987
23		<u>PREFERRED CAPITAL STOCK</u>	
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
September, 2013**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
28		<u>LONG-TERM DEBT</u>	
29	221	Bonds	0
30	222	Reacquired Bonds	0
31	223	Advances from Associated Companies	0
32	224	Other Long-Term Debt	65,247,942
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	65,247,942
		<u>SHORT-TERM DEBT</u>	
36a	231.02	Notes Payable (Short-Term Debt)	0
36b	231.03	Unamortized Discount	0
37	233.00	Notes Payable, Assoc Co(Money Pool)	80,139,094
38		Total Short-Term Debt	80,139,094
39		<u>TEMPORARY CASH INVESTMENTS</u>	
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	233,490,023

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

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**UNIT 1
September, 2013**

Line No.

1	<u>Capitalization Balances (Prior Month Ending) :</u>	
2	Long-Term Debt (Accts 221 thru 226)	65,247,942
3	+ Short-Term Debt (Accts 231 + 233)	80,139,094
4	+ Preferred Stock	0
5	+ Common Equity (Accts 201 thru 216)	88,102,987
6	- Capitalization Offsets	0

7	Total Capitalization Balances	233,490,023
		=====
8	<u>Weighting of Capitalization Balances :</u>	
9	Long-Term Debt (LTD/Total Capital)	27.9446%
10	+ Short-Term Debt (STD/Total Capital)	34.3223%
11	+ Preferred Stock	0.0000%
12	+ Common Equity (Common Equity/Total Capital)	37.7331%
13	- Capitalization Offsets	0.0000%

14	Total Capitalization	100.0000%
		=====
15	<u>Capitalization Cost Rates :</u>	
16	Long-Term Debt (avg LTD int rate)	2.8262%
17	Short-Term Debt (avg money pool STD int rate)	0.3025%
18	Preferred Stock	0.0000%
19	Common Equity (FERC fixed rate)	12.1600%
20	Capitalization Offsets (sum of weighted costs of debt)	1.4350%
21	<u>Rate of Return (Net of Tax) :</u>	
22	Long-Term Debt (LTD % x avg LTD int rate)	0.7898%
23	+ Short-Term Debt (STD % x avg MP STD int rate)	0.1038%
24	+ Preferred Stock	0.0000%
25	+ Common Equity (CE % x FERC fixed rate)	4.5883%
26	- Capitalization Offsets	0.0000%

27	Total Rate of Return (Net of Tax)	5.4819%
		=====
28	Weighted Net Cost of Debt	0.8936%
	(LTD Rate of Return + STD RR - Cap Offsets RR)	
29	+ Pre-Tax Common Equity (Line 25 / .65)	7.0589%
	(Common Equity Rate of Return grossed up for tax)	-----
30	= Rate of Return (Pre-Tax)	7.9525%
		=====

A E P GENERATING COMPANY

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

500	SUPERVISION AND ENGINEERING	97,904
501	FUEL	8,792,781
502	STEAM EXPENSES	278,177
503	STEAM FROM OTHER SOURCES	0
504	STEAM TRANSFERRED - CR	0
505	ELECTRIC EXPENSES	61,401
506	MISC. STEAM POWER EXPENSES	54,876
507	RENTS	177
508	OPERATION SUPPLIES AND EXPENSES	0
509	CARRYING CHARGES - ALLOWANCES	0
TOTAL OPERATION EXPENSE		9,285,315
510	MAINTENANCE SUPER. AND ENGINEERING	73,162
511	MAINTENANCE OF STRUCTURES	35,119
512	MAINTENANCE OF BOILER PLANT	208,146
513	MAINTENANCE OF ELECTRIC PLANT	97,939
514	MAINTENANCE OF MISC. STEAM PLANT	47,000
515	MAINTENANCE NORMALIZING	0
TOTAL MAINTENANCE EXPENSES		461,366
555	PURCHASED POWER	0
556	SYSTEM CONTROL AND LOAD DISPATCHING	828
557	OTHER POWER SUPPLY EXPENSES	1,507
TOTAL OTHER SUPPLY EXPENSES		2,335

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	9
THIS BILLING IS FOR MONTH OF	September, 2013

A E P GENERATING COMPANY

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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	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
	TOTAL SALES EXPENSES	0
920	ADMIN. & GENERAL SALARIES	26,543
921	OFFICE SUPPLIES AND EXPENSES	5,054
922	ADMINISTRATIVE EXPENSES TRANSF - CR	0
923	OUTSIDE SERVICES	(19,320)
924	PROPERTY INSURANCE	10,741
925	INJURIES AND DAMAGES	1,091
926	EMPLOYEE PENSIONS AND BENEFITS	76,776
927	FRANCHISE REQUIREMENTS	0
928	REGULATORY COMMISSION	0
929	DUPLICATE CHARGES-CREDIT	0
930	MISCELLANEOUS GENERAL EXPENSES	95
931	RENTS	854
933	TRANSPORTATION EXPENSE	0
	TOTAL ADM & GEN EXPENSES OPERATION	101,835
935	MAINTENANCE OF GENERAL PLANT	3,362
	TOTAL ADM & GEN EXPENSES	105,198
	TOTAL AEG OPERATION & MAINTENANCE EXPENSES	9,854,214
	ACCOUNT 40190 TOTAL FOR CROSS FOOT	9,854,214
	-----DIFFERENCE-----	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-Oct-13

UNIT 2
POWER BILL - - September, 2013

IN ACCORDANCE WITH POWER AGREEMENT DATED OCTOBER 1, 1984 (AS AMENDED)
 ENERGY DELIVERED FOR THE MONTH OF September, 2013
 KWH FOR THE MONTH 223,922,000

<u>SUMMARY</u>	<u>TOTAL</u>
Current Month Bill:	
Return on Common Equity	(76,626)
Return on Other Capital	(27,301)
Total Return	----- (103,927)
Fuel	5,446,155
Purchased Power	0
Other Operating Revenues	(6,125)
Other Operation and Maintenance Exp	4,598,170
Depreciation Expense	688,946
Taxes Other Than Federal Income Tax	142,223
Federal Income Tax	6,832
TOTAL CURRENT UNIT POWER BILL	----- 10,772,274 -----
Prior Month's Adjustment:	
Return on Common Equity & Other Capital	0
Fuel Expense	0
Other Expenses (Includes taxes & interest)	50,236
TOTAL PRIOR MONTH'S ADJUSTMENTS	----- 50,236 -----
TOTAL UNIT POWER BILL	=====
	10,822,510 =====

AMOUNTS WILL BE PAID DIRECT FROM GENERAL FUNDS.

DUE DATE - - October 18, 2013

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**

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

**ESTIMATE
05-Oct-13**

**UNIT 2
POWER BILL - - September, 2013**

IN ACCORDANCE WITH POWER AGREEMENT DATED OCTOBER 1, 1984 (AS AMENDED)
ENERGY DELIVERED FOR THE MONTH OF September, 2013
KWH FOR THE MONTH 95,967,000

<u>SUMMARY</u>	<u>TOTAL</u>
Current Month Bill:	
Return on Common Equity	(32,840)
Return on Other Capital	(11,701)
Total Return	----- (44,541)
Fuel	2,334,067
Purchased Power	0
Other Operating Revenues	(2,625)
Other Operation and Maintenance Exp	1,970,645
Depreciation Expense	295,263
Taxes Other Than Federal Income Tax	60,953
Federal Income Tax	2,927
TOTAL CURRENT UNIT POWER BILL	----- 4,616,689 =====
Prior Month's Adjustment:	
Return on Common Equity & Other Capital	0
Fuel Expense	0
Other Expenses (Includes taxes & interest)	21,531
TOTAL PRIOR MONTH'S ADJUSTMENTS	----- 21,531 -----
TOTAL UNIT POWER BILL	----- 4,638,220 =====

AMOUNTS WILL BE PAID DIRECT FROM GENERAL FUNDS.

DUE DATE - - October 18, 2013

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
ROCKPORT POWER BILL
SUMMARY OF MONTHLY POWER BILL**

September, 2013

	TOTAL UNIT 2 POWER BILL	KPCO SHARE	I&M SHARE
Return on Common Equity	(109,466)	(32,840)	(76,626)
Return on Other Capital	(39,002)	(11,701)	(27,301)
Total Return	(148,468)	(44,541)	(103,927)
+ Fuel	7,780,222	2,334,067	5,446,155
+ Purchased Power	0	0	0
- Other Operating Revenues	(8,750)	(2,625)	(6,125)
+ Other Operation and Maintenance Exp	6,568,815	1,970,645	4,598,170
+ Depreciation Expense	984,209	295,263	688,946
+ Taxes Other Than Federal Income Tax	203,176	60,953	142,223
+ Federal and State Income Tax	9,760	2,927	6,832
= Total Unit 2 Monthly Power Bill	15,388,963	4,616,689	10,772,274
<u>Determination of Federal Income Tax :</u>			
Total Return (Line 3)	(148,468)	(44,541)	(103,927)
+ Unit 2 Schedule M Adjustments	(168,264)	(50,479)	(117,785)
+ Unit 2 Deferred Federal Income Taxes	103,550	31,065	72,485
- Unit 2 Interest Expense Deduction *	(39,002)	(11,701)	(27,301)
= Subtotal	(174,180)	(52,254)	(121,926)
x Gross-Up (FIT Rate / 1-FIT Rate)	0.538462	0.538462	0.538462
= Unit 2 Current Federal Income Tax	(93,789)	(28,137)	(65,652)
+ Unit 2 Def Fed & State Income Taxes	103,550	31,065	72,485
= Total Unit 2 Fed&State Income Taxes	9,760	2,927	6,832
<u>Proof of Federal Income Tax :</u>			
Total Unit 2 Monthly Power Bill	15,388,963	4,616,689	10,772,274
- Operation and Maintenance Expenses	14,349,037	4,304,712	10,044,326
- Depreciation Expense	984,209	295,263	688,946
- Taxes Other Than Federal Income Tax	203,176	60,953	142,223
- Unit 2 Interest Expense Deduction *	(39,002)	(11,701)	(27,301)
- Other Operating Revenues	(8,750)	(2,625)	(6,125)
= Pre-Tax Book Income	(99,706)	(29,913)	(69,794)
+ Unit 2 Schedule M Adjustments	(168,264)	(50,479)	(117,785)
= Unit 2 Taxable Income	(267,970)	(80,392)	(187,579)
x Current Federal Income Tax Rate	35%	35%	35%
= Unit 2 Current Federal Income Tax	(93,790)	(28,137)	(65,653)
+ Unit 2 Def Fed & State Income Taxes	103,550	31,065	72,485
= Total Unit 2 Fed&State Income Taxes	9,760	2,928	6,832

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

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

<u>Line No.</u>		<u>UNIT 2</u> <u>September, 2013</u>
1	Operating Ratio:	
2	<u>Net In-Service Investment:</u>	
3	Electric Plant In-Service	794,902,528
4	- Accumulated Depreciation	558,937,054
5	+ Materials & Supplies	72,039,905
6	+ Prepayments	154,298
7	+ Plant Held For Future Use (A/C 105) *	0
8	+ Other Deferred Debits (A/C 186) *	0
9	+ Other Working Capital ***	(9,745,251)
10	+ Unamortized Debt Expense (A/C 181)	199,730
11	+ Deferred ASH pond cost (A/C182.3)	2,894,906
12	- Asset Retirement Obligation (A/C 230)	4,231,221
13	- Other Deferred Credits (A/C 253)	51,622,886
14	- Accumulated Deferred FIT	35,070,022
15	- Accumulated Deferred ITC	18,231,354
16	Total Net In-Service Investment	192,353,579
17	<u>Non-In-Service Investment - CWIP :</u>	
18	Construction Work In Progress	43,480,956
19	+ Materials & Supplies	0
20	- Accumulated Deferred FIT	0
21	Total Non-In-Service Investment - CWIP	43,480,956
22	<u>Non-In-Service Investment - Other :</u>	
23	Plant Held for Future Use (A/C 105) **	0
24	+ Other Deferred Debits (A/C 186) **	2,216,183
25	+ Fuel Inventory Over Allowed Level ****	(1,949,917)
26	Total Non-In-Service Investment - Other	266,266
27	Total Investment (Lines 16+21+26)	236,100,801
28	Operating Ratio (Line 16/Line 27)	81.4710%
29	Non-In-Service Investment-CWIP Ratio (Line 21/Line 27)	18.4163%
30	Non-In-Service Investment-Other Ratio (Line 26/Line 27)	0.1127%
31	Total Investment	100.0000%
	* 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	

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

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<u>Line No.</u>		<u>UNIT 2 September, 2013</u>
1	Net In-Service Investment Ratio:	
2	<u>Unit 2 Net In-Service Investment:</u>	
3	Electric Plant In-Service	138,342,065
4	- Accumulated Depreciation	131,182,526
5	+ Materials & Supplies	35,044,994
6	+ Prepayments	77,149
7	+ Plant Held For Future Use (A/C 105) *	0
8	+ Other Deferred Debits (A/C 186) *	0
9	+ Other Working Capital **	(9,023,011)
10	+ Unamortized Debt Expense (A/C 181)	99,865
11	+ Deferred ASH pond cost (A/C182.3)	1,447,453
12	- Asset Retirement Obligation (A/C 230)	2,115,611
13	- Other Deferred Credits (A/C 253)	51,622,886
14	- Accumulated Deferred FIT	(8,202,076)
15	- Accumulated Deferred ITC	18,222,394
16	Total Unit 2 Net In-Service Investment	(28,952,826)
17	<u>Unit 1 Net In-Service Investment:</u>	
18	Electric Plant In-Service	656,560,463
19	- Accumulated Depreciation	427,754,528
20	+ Materials & Supplies	36,994,911
21	+ Prepayments	77,149
22	+ Plant Held For Future Use (A/C 105) *	0
23	+ Other Deferred Debits (A/C 186) *	0
24	+ Other Working Capital **	(722,240)
25	+ Unamortized Debt Expense (A/C 181)	99,865
26	+ Deferred ASH pond cost (A/C182.3)	1,447,453
27	- Asset Retirement Obligation (A/C 230)	2,115,611
28	- Other Deferred Credits (A/C 253)	0
29	- Accumulated Deferred FIT	43,272,098
30	- Accumulated Deferred ITC	8,960
31	Total Unit 1 Net In-Service Investment	221,306,405
32	Total Net In-Service Investment	192,353,579
33	<u>Net In-Service Investment Ratio:</u>	
34	Unit 2 (Line 16 / Line 32)	-15.0500%
35	Unit 1 (Line 31 / Line 32)	115.0500%
		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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<u>Line No.</u>		<u>UNIT 2</u> <u>September, 2013</u>
1	Net Capitalization:	
2	Long-Term Debt	65,247,942
3	+ Short-Term Debt	80,139,094
4	+ Preferred Stock	0
5	+ Common Equity	88,102,987
6	- Temporary Cash Investments	0

7	Net Capitalization	233,490,023
		=====
8	40% of Net Capitalization	93,396,009
9	<u>Return on Common Equity:</u>	
10	Lesser of Line 5 or Line 8	88,102,987
11	x Equity Return (Monthly Rate)	1.01333%
12	= Equity Return	892,774
13	x Operating Ratio	81.4710%
14	x Net In-Service Investment Ratio	-15.0500%
15	= Subtotal	(109,466)
16	Excess of Line 5 Over Line 8	0
17	x Weighted Cost of Debt (Monthly Rate)	0.1179%
18	= Return on Equity over 40% of Capitalization	0
19	x Operating Ratio	81.4710%
20	x Net In-Service Investment Ratio	-15.0500%
21	= Subtotal	0

22	Unit 2 Return on Equity (Line 15 + Line 21)	(109,466)
		=====
23	<u>Return on Other Capital:</u>	
24	Long-Term Debt Interest Expense (A/C 427-429)	151,563
25	+ Short-Term Debt Interest Expense (a/c 430)	166,524
26	+ Other Interest Expense (a/c 431)	0
27	- Temporary Cash Investment Income *	0

28	= Net Interest Expense	318,087
29	+ Preferred Stock Dividends (a/c 437)	0

30	= Net Cost of Other Capital	318,087
31	x Operating Ratio	81.4710%
32	x Net In-Service Investment Ratio	-15.0500%
33	= Unit 2 Return on Other Capital	(39,002)
		=====

* 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 2
September, 2013**

1	Debt Balances (Prior Month Ending) :	
2	Long-Term Debt (Accts 221 thru 226)	65,247,942
3	+ Short-Term Debt (Accts 231 + 233)	80,139,094
4	+ Other Debt (Accts 132 thru 136 + 145)	0
5	Total Debt Balances (Prior Month Ending)	----- 145,387,036 =====
6	<u>Weighting of Debt Balances :</u>	
7	Long-Term Debt (LTD bal/Total Debt bal)	44.8788%
8	+ Short-Term Debt (STD bal/Total Debt bal)	55.1212%
9	+ Other Debt	0.0000%
10	Total Debt Balances	----- 100.0000% =====
11	<u>Debt Cost Rates :</u>	
12	Long-Term Debt (avg LTD int rate)	2.8262%
13	Short-Term Debt (avg Money Pool STD int rate)	0.3025%
14	Other Debt	0.0000%
15	<u>Weighted Cost of Debt :</u>	
16	Long-Term Debt (LTD % x avg LTD int rate)	1.2683%
17	+ Short-Term Debt (STD % x avg MP STD int rate)	0.1667%
18	+ Other Debt	0.0000%
19	Total Weighted Cost of Debt	----- 1.4350% =====

**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

<u>Line No.</u>		<u>September, 2013</u>
1	Unit 2 Materials and Supplies:	
2	Fuel Stock - Coal (per Line 23)	19,571,512
3	Fuel Stock Expenses - Undistributed (152)	1,153,489
4	Fuel Stock - Oil (151)	1,627,338
5	Plant Materials & Operating Supplies	12,692,656
6	Merchandise	0
7	Undistributed Stores Expense	0

8	Total Materials & Supplies	35,044,994
		=====
9	<u>Support of Coal Inventory Value:</u>	
10	Actual Coal Inventory (a/c 151.10)	19,571,512
11	+ Equivalent Inventory re: Deferred Return	975,629,336

12	= Imputed Coal Inventory	995,200,848

13	<u>Coal Inventory W/68 Day Supply Cap</u>	
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)	40.686

22	= 68 day Coal Inventory	21,275,727

23	Lesser of Imputed or Capped Coal Inventory	21,275,727

24	Imputed Inventory Minus Line 23	973,925,121
		=====
25	<u>Accumulated Deferred Inventory Return - Unit 2 (Memo Item):</u>	
26	Beginning Balance	6,335,596
27	+ Current Month Return on Beginning Balance	41,411
28	+ Current Month Deferral	12,204
29	- Current Month Recovery	0

30	= Ending Balance **	6,389,211
		=====
	* Excludes Forced Outages, Scheduled Outages, and Curtailments	
	** May Not Be Less Than Zero	
	Total Unit 2 Monthly Power Bill with Actual	15,388,751
	Total Unit 2 Monthly Power Bill with 68 Day Capped	15,400,955
	Difference	12,204

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
DETAIL OF OTHER OPERATING REVENUES**

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UNIT 2

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>September, 2013</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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UNIT 2

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>September, 2013:</u>
1	500,502-508	Steam Power Generation - Operation	6,000,427
2	501	Fuel - Operation	7,780,222
3	510-515	Steam Power Generating - Maintenance	417,396
4		Total Steam Power Generation Expenses	14,198,045
5	555-557	Other Power Supply Expenses	2,335
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 Expensese	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	145,295
16	935	Administrative and General Expenses - Maintenance	3,362
17		Total Administrative & General Exp.	148,657
18		Total Operation & Maintenance Expenses	14,349,037

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

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**UNIT 2
September, 2013**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
1	403	Depreciation Expense *	439,879
1a	403.1	ARO Depreciation Expense	3,343
2	404	Amortization of Limited-Term Electric Plant **	525,120
3	405	Amortization of Other Electric Plant	0
4	406	Amortization of Electric Plant Acquisition Adjustments	0
5	407	Amortization of Property Losses, Unrecovered Plant and Regulatory Study Costs	0
			-
6		Total Depreciation Exp. & Amortization	968,343
			=
7	411.10	ARO Accretion Expense	15,866
8		Total Depreciation, Amortization & Accretion Expenses	984,209

* 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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UNIT 2

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>September, 2013</u>
1	408.1	Taxes Other Than Federal Income Taxes, Utility Operating Income	153,176
2	409.1	State Income Taxes	50,000
3		Total Taxes Other than Federal Income Taxes	----- 203,176 =====

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

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>TOTAL</u>	<u>KPCO SHARE</u>	<u>I&M SHARE</u>
1		<u>Unit 2 Schedule `M' Adjustments*</u>			
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	(299,764)	(89,929)	(209,835)
5	***	Total Unit 2 Schedule `M' Adjustments	(168,264)	(50,479)	(117,785)
6		<u>Unit 2 Deferred Federal Income Tax</u>			
7	410.1	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' Adj.-Utility	144,875	43,463	101,413
12	***	Total Unit 2 Deferred Federal Income Tax	103,550	31,065	72,485

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

Check Figure on Tax Page for Sch M (168,264)
Check Figure on Tax Page for DFIT 103,550

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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**UNIT 2
September, 2013**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
1		<u>ELECTRIC PLANT IN SERVICE</u>	
2	101	Electric Plant In Service	111,403,118
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	26,938,947
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	138,342,065
12	105	Plant Held For Future Use	0
13		<u>ACCUMULATED DEPRECIATION</u>	
14	108	Accumulated Provision for Depreciation of Electric Utility Plant	110,577,841
15	110	Accumulated Provision for Depreciation and Amort. of Elec. Utility Plant	0
16	111	Accumulated Provision for Amortization of Electric Utility Plant	20,604,686
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	131,182,526
20		<u>MATERIAL AND SUPPLIES</u>	
21	151	Fuel Stock	21,198,849
22	152	Fuel Stock Expenses - Undistributed	1,153,489
23	153	Residuals	0
24	154	Plant Materials and Operating Supplies	12,692,656
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)	35,044,994
29	165	Prepayments	77,149
30	186	Other Deferred Debits	0

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
OTHER WORKING CAPITAL, UNAMORTIZED DEBT EXPENSE
AND OTHER DEFERRED CREDITS**

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<u>Line No.</u>	<u>Account No.</u>	<u>Description *</u>	<u>UNIT 2 September, 2013</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	18,249,158
6	171	Interest and Dividends Receivable	775
7	174	Miscellaneous Current and Accrued Assets	0
8	232	Accounts Payable-General	(28,674)
9	234	Accounts Payable-Associated Company	(12,611,432)
10	236	Taxes Accrued	(140,920)
11	237	Interest Accrued	(290,508)
12	238	Dividends Declared	0
13	241	Tax Collections Payable	0
14	242	Misc Current and Accrued Liabilities	(14,201,411)

15		Total Other Working Capital	(9,023,011)
			=====
16	181	Unamortized Debt Expense	99,865

17	253	Other Deferred Credits	51,622,886

*		debit <credit>	

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

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UNIT 2
September, 2013

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
31		ACCUMULATED DEFERRED INCOME TAXES	
32	190	-Accumulated Deferred Income Taxes	21,487,291
33	281	+Accumulated Deferred Income Taxes - Accelerated Amortization Property	0
34	282	+Accumulated Deferred Income Taxes - Other Property	12,285,717
35	283	+Accumulated Deferred Income Taxes - Other	999,497
36		Total Accumulated Deferred Income Taxes (In-Service Portion)	----- (8,202,076) -----
37	255	+Accumulated Deferred Investment Tax Credits	18,222,394
38	186.50	-Accumulated Deferred Investment Tax Credit	0
39		Total Accumulated Deferred Investment Tax Credits	----- 18,222,394 -----
40		Total Net In-Service Investment - Unit 2	----- (28,284,669) =====

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

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**UNIT 2
September, 2013**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
		<u>Non-In-Service Investment - CWIP</u>	
1	107	Construction Work In Process	43,480,956
2		<u>MATERIAL AND SUPPLIES</u>	
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		<u>ACCUMULATED DEFERRED INCOME TAXES</u>	
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	0
16		Total Accumulated Deferred Income Taxes (CWIP Portion)	----- 0
17		TOTAL NON-IN-SERVICE INVESTMENT - CWIP	----- 43,480,956 =====
		<u>Non-In-Service Investment - Other</u>	
18	105	Plant Held for Future Use	0
19	186	Other Deferred Debits	2,216,183
20	151.10	Fuel Inventory Over Allowed Level *	(1,949,917)
21		Total Non-In-Service Investment - Other	----- 266,266 =====
		* INCLUDES ROCKPORT 1 AND 2	
		UNIT 1	(1,949,917)
		UNIT 2	0
		TOTAL	----- (1,949,917) =====

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
DETAIL OF NET CAPITALIZATION**

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**UNIT 2
September, 2013**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
1		<u>COMMON CAPITAL STOCK</u>	
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		<u>OTHER PAID-IN CAPITAL</u>	
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		<u>RETAINED EARNINGS</u>	
18	215	Appropriated Retained Earnings	0
19	215.1	Appropriated Retained Earnings- Amortization Reserve, Federal	0
20	216	Unappropriated Retained Earnings	4,241,000
21		Total Retained Earnings	4,241,000
22		Total Common Equity	88,102,987
23		<u>PREFERRED CAPITAL STOCK</u>	
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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**JUNT-2
September, 2013**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
28		<u>LONG-TERM DEBT</u>	
29	221	Bonds	0
30	222	Reacquired Bonds	0
31	223	Advances from Associated Companies	0
32	224	Other Long-Term Debt	65,247,942
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	65,247,942
		<u>SHORT-TERM DEBT</u>	
36a	231.02	Notes Payable (Short-Term Debt)	0
36b	231.03	Unamortized Discount	0
	233.00	Notes Payable, Assoc Co(Money Pool)	80,139,094
38		Total Short-Term Debt	80,139,094
39		<u>TEMPORARY CASH INVESTMENTS</u>	
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	233,490,023

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

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<u>Line No.</u>	UNIT 2 September, 2013
1	Capitalization Balances (Prior Month Ending) :
2	Long-Term Debt (Accts 221 thru 226) 65,247,942
3	+ Short-Term Debt (Accts 231 + 233) 80,139,094
4	+ Preferred Stock 0
5	+ Common Equity (Accts 201 thru 216) 88,102,987
6	- Capitalization Offsets 0

7	Total Capitalization Balances 233,490,023
	=====
8	<u>Weighting of Capitalization Balances :</u>
9	Long-Term Debt (LTD/Total Capital) 27.9446%
10	+ Short-Term Debt (STD/Total Capital) 34.3223%
11	+ Preferred Stock 0.0000%
12	+ Common Equity (Common Equity/Total Capital) 37.7331%
13	- Capitalization Offsets 0.0000%

14	Total Capitalization 100.0000%
	=====
15	<u>Capitalization Cost Rates :</u>
16	Long-Term Debt (avg LTD int rate) 2.8262%
17	Short-Term Debt (avg money pool STD int rate) 0.3025%
18	Preferred Stock 0.0000%
19	Common Equity (FERC fixed rate) 12.1600%
20	Capitalization Offsets (sum of weighted costs of debt) 1.4350%
21	<u>Rate of Return (Net of Tax) :</u>
22	Long-Term Debt (LTD % x avg LTD int rate) 0.7898%
23	+ Short-Term Debt (STD % x avg MP STD int rate) 0.1038%
24	+ Preferred Stock 0.0000%
25	+ Common Equity (CE % x FERC fixed rate) 4.5883%
26	- Capitalization Offsets 0.0000%

27	Total Rate of Return (Net of Tax) 5.4819%
	=====
28	Weighted Net Cost of Debt 0.8936%
	(LTD Rate of Return + STD RR - Cap Offsets RR)
29	+ Pre-Tax Common Equity (Line 25 / .65) 7.0589%
	(Common Equity Rate of Return grossed up for tax)
30	= Rate of Return (Pre-Tax) 7.9525%
	=====

A E P GENERATING COMPANY

**September, 2013
 ESTIMATE**

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

500	SUPERVISION AND ENGINEERING	97,408
501	FUEL	7,780,222
502	STEAM EXPENSES	61,370
503	STEAM FROM OTHER SOURCES	0
504	STEAM TRANSFERRED - CR	0
505	ELECTRIC EXPENSES	81,195
506	MISC. STEAM POWER EXPENSES	70,024
507	RENTS	5,690,430
508	OPERATION SUPPLIES AND EXPENSES	0
509	CARRYING CHARGES - ALLOWANCES	0
	TOTAL OPERATION EXPENSE	13,780,649
510	MAINTENANCE SUPER. AND ENGINEERING	74,262
511	MAINTENANCE OF STRUCTURES	13,184
512	MAINTENANCE OF BOILER PLANT	267,679
513	MAINTENANCE OF ELECTRIC PLANT	37,171
514	MAINTENANCE OF MISC. STEAM PLANT	25,100
515	MAINTENANCE NORMALIZING	0
	TOTAL MAINTENANCE EXPENSES	417,396
555	PURCHASED POWER	0
556	SYSTEM CONTROL AND LOAD DISPATCHING	828
557	OTHER POWER SUPPLY EXPENSES	1,507
	TOTAL OTHER SUPPLY EXPENSES	2,335

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		9
THIS BILLING IS FOR MONTH OF		September, 2013

A E P GENERATING COMPANY

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

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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 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	32,500
921	OFFICE SUPPLIES AND EXPENSES	5,057
922	ADMINISTRATIVE EXPENSES TRANSF - CR	0
923	OUTSIDE SERVICES	18,180
924	PROPERTY INSURANCE	10,741
925	INJURIES AND DAMAGES	1,091
926	EMPLOYEE PENSIONS AND BENEFITS	76,776
927	FRANCHISE REQUIREMENTS	0
928	REGULATORY COMMISSION	0
929	DUPLICATE CHARGES-CREDIT	0
930	MISCELLANEOUS GENERAL EXPENSES	95
931	RENTS	854
933	TRANSPORTATION EXPENSE	0
	TOTAL ADM & GEN EXPENSES OPERATION	145,295
935	MAINTENANCE OF GENERAL PLANT	3,362
	TOTAL ADM & GEN EXPENSES	148,657
	TOTAL AEG OPERATION & MAINTENANCE EXPENSES	14,349,037
	ACCOUNT 40190 TOTAL FOR CROSS FOOT	14,349,037
	-----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-Nov-13

UNIT 1
POWER BILL - - October, 2013

IN ACCORDANCE WITH POWER AGREEMENT DATED OCTOBER 1, 1984 (AS AMENDED)
 ENERGY DELIVERED FOR THE MONTH OF October, 2013
 KWH FOR THE MONTH 87,972,000

SUMMARY

TOTAL

Current Month Bill:

Return on Common Equity	255,046
Return on Other Capital	61,230
Total Return	----- 316,276
Fuel	2,411,414
Purchased Power	0
Other Operating Revenues	(2,625)
Other Operation and Maintenance Exp	485,457
Depreciation Expense	495,644
Taxes Other Than Federal Income Tax	56,160
Federal Income Tax	187,726
TOTAL CURRENT UNIT POWER BILL	----- 3,950,052 -----

Prior Month's Adjustment:

Return on Common Equity & Other Capital	0
Fuel Expense	0
Other Expenses (Includes taxes & interest)	(111,968)
TOTAL PRIOR MONTH'S ADJUSTMENTS	----- (111,968) -----

=====

TOTAL UNIT POWER BILL 3,838,084

=====

AMOUNTS WILL BE PAID DIRECT FROM GENERAL FUNDS.

DUE DATE - - - November 21, 2013
 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

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-Nov-13

UNIT 1
POWER BILL - - October, 2013

IN ACCORDANCE WITH POWER AGREEMENT DATED OCTOBER 1, 1984 (AS AMENDED)
 ENERGY DELIVERED FOR THE MONTH OF October, 2013
 KWH FOR THE MONTH 205,267,000

SUMMARY

TOTAL

Current Month Bill:

Return on Common Equity	595,108
Return on Other Capital	142,871
Total Return	----- 737,979
Fuel	5,626,632
Purchased Power	0
Other Operating Revenues	(6,125)
Other Operation and Maintenance Exp	1,132,733
Depreciation Expense	1,156,503
Taxes Other Than Federal Income Tax	131,041
Federal Income Tax	438,024
TOTAL UNIT POWER BILL	----- 9,216,787 -----

Prior Month's Adjustment:

Return on Common Equity & Other Capital	0
Fuel	0
Other Expenses (Includes taxes & interest)	(261,261)
TOTAL PRIOR MONTH'S ADJUSTMENTS	----- (261,261) -----

TOTAL UNIT POWER BILL	=====
	8,955,526
	=====

AMOUNTS WILL BE PAID DIRECT FROM GENERAL FUNDS.

DUE DATE - - - November 21, 2013
 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

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
SUMMARY OF MONTHLY POWER BILL**

October, 2013

	<u>TOTAL UNIT 1 POWER BILL</u>	<u>KPCO SHARE</u>	<u>I&M SHARE</u>
Return on Common Equity	850,154	255,046	595,108
Return on Other Capital	204,101	61,230	142,871
Total Return	1,054,255	316,276	737,979
+ Fuel	8,038,046	2,411,414	5,626,632
+ Purchased Power	0	0	0
- Other Operating Revenues	(8,750)	(2,625)	(6,125)
+ Other Operation and Maintenance Exp	1,618,190	485,457	1,132,733
+ Depreciation Expense	1,652,147	495,644	1,156,503
+ Taxes Other Than Federal Income Tax	187,201	56,160	131,041
+ Federal and State Income Tax	625,750	187,726	438,024
= Total Unit 1 Monthly Power Bill	13,166,839	3,950,052	9,216,787
<u>Determination of Federal Income Tax :</u>			
Total Return (Line 3)	1,054,255	316,276	737,979
+ Unit 1 Schedule M Adjustments	(669,691)	(200,907)	(468,784)
+ Unit 1 Deferred Federal Income Taxes	343,576	103,073	240,502
- Unit 1 Interest Expense Deduction *	204,101	61,230	142,871
= Subtotal	524,038	157,212	366,826
x Gross-Up (FIT Rate / 1-FIT Rate)	0.538462	0.538462	0.538462
= Unit 1 Current Federal Income Tax	282,175	84,653	197,522
+ Unit 1 Def Fed & State Income Taxes	343,576	103,073	240,502
= Total Unit 1 Fed&State Income Taxes	625,750	187,726	438,024
<u>Proof of Federal Income Tax :</u>			
Total Unit 1 Monthly Power Bill	13,166,839	3,950,052	9,216,787
- Operation and Maintenance Expenses	9,656,236	2,896,871	6,759,365
- Depreciation Expense	1,652,147	495,644	1,156,503
- Taxes Other Than Federal Income Tax	187,201	56,160	131,041
- Unit 1 Interest Expense Deduction *	204,101	61,230	142,871
- Other Operating Revenues	(8,750)	(2,625)	(6,125)
= Pre-Tax Book Income	1,475,904	442,772	1,033,132
+ Unit 1 Schedule M Adjustments	(669,691)	(200,907)	(468,784)
= Unit 1 Taxable Income	806,213	241,865	564,348
x Current Federal Income Tax Rate	35%	35%	35%
= Unit 1 Current Federal Income Tax	282,175	84,653	197,522
+ Unit 1 Def Fed & State Income Taxes	343,575	103,073	240,502
= Total Unit 1 Fed&State Income Taxes	625,750	187,726	438,024

* 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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<u>Line No.</u>		<u>UNIT 1 October, 2013</u>
1	<u>Operating Ratio:</u>	
2	<u>Net In-Service Investment:</u>	
3	Electric Plant In-Service	793,712,100
4	- Accumulated Depreciation	560,850,759
5	+ Materials & Supplies	71,249,504
6	+ Prepayments	138,088
7	+ Plant Held For Future Use (A/C 105) *	0
8	+ Other Deferred Debits (A/C 186) *	0
9	+ Other Working Capital ***	(8,770,376)
10	+ Unamortized Debt Expense (A/C 181)	193,871
11	+ Deferred ASH pond cost (A/C182.3)	2,887,082
12	- Asset Retirement Obligation (A/C 230)	4,258,104
13	- Other Deferred Credits (A/C 253)	51,158,640
14	- Accumulated Deferred FIT	35,432,532
15	- Accumulated Deferred ITC	18,068,393
16	Total Net In-Service Investment	----- 189,641,841
17	<u>Non-In-Service Investment - CWIP :</u>	
18	Construction Work In Progress	46,885,715
19	+ Materials & Supplies	0
20	- Accumulated Deferred FIT	0
21	Total Non-In-Service Investment - CWIP	----- 46,885,715
22	<u>Non-In-Service Investment - Other :</u>	
23	Plant Held for Future Use (A/C 105) **	1,034,099
24	+ Other Deferred Debits (A/C 186) **	1,927,832
25	+ Fuel Inventory Over Allowed Level ****	(3,117,771)
26	Total Non-In-Service Investment - Other	----- (155,840)
27	Total Investment (Lines 16+21+26)	----- 236,371,716 =====
28	Operating Ratio (Line 16/Line 27)	80.2303%
29	Non-In-Service Investment-CWIP Ratio (Line 21/Line 27)	19.8356%
30	Non-In-Service Investment-Other Ratio (Line 26/Line 27)	-0.0659%
31	Total Investment	----- 100.0000% =====
*	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	
****	Includes Rockport 1 and 2	

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

<u>Line No.</u>	<u>UNIT 1</u> <u>October, 2013</u>	
1	<u>Net In-Service Investment Ratio:</u>	
2	Unit 1 Net In-Service Investment:	
3	Electric Plant In-Service	656,247,838
4	- Accumulated Depreciation	429,305,462
5	+ Materials & Supplies	37,183,637
6	+ Prepayments	69,044
7	+ Plant Held For Future Use (A/C 105) *	0
8	+ Other Deferred Debits (A/C 186) *	0
9	+ Other Working Capital **	2,842,447
10	+ Unamortized Debt Expense (A/C 181)	96,935
11	+ Deferred ASH pond cost (A/C182.3)	1,443,541
12	- Asset Retirement Obligation (A/C 230)	2,129,052
13	- Other Deferred Credits (A/C 253)	0
14	- Accumulated Deferred FIT	43,525,646
15	- Accumulated Deferred ITC	10,164
16	Total Unit 1 Net In-Service Investment	----- 222,913,118 -----
17	Unit 2 Net In-Service Investment:	
18	Electric Plant In-Service	137,464,263
19	- Accumulated Depreciation	131,545,297
20	+ Materials & Supplies	34,065,867
21	+ Prepayments	69,044
22	+ Plant Held For Future Use (A/C 105) *	0
23	+ Other Deferred Debits (A/C 186) *	0
24	+ Other Working Capital **	(11,612,823)
25	+ Unamortized Debt Expense (A/C 181)	96,935
26	+ Deferred ASH pond cost (A/C182.3)	1,443,541
27	- Asset Retirement Obligation (A/C 230)	2,129,052
28	- Other Deferred Credits (A/C 253)	51,158,640
29	- Accumulated Deferred FIT	(8,093,114)
30	- Accumulated Deferred ITC	18,058,229
31	Total Unit 2 Net In-Service Investment	----- (33,271,277) -----
32	Total Net In-Service Investment	----- 189,641,841 =====
33	<u>Net In-Service Investment Ratio:</u>	
34	Unit 1 (Line 16 / Line 32)	117.5400%
35	Unit 2 (Line 31 / Line 32)	-17.5400%
		----- 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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<u>Line No.</u>		<u>UNIT 1 October, 2013</u>
1	<u>Net Capitalization:</u>	
2	Long-Term Debt	64,834,718
3	+ Short-Term Debt	79,096,135
4	+ Preferred Stock	0
5	+ Common Equity	88,965,716
6	- Temporary Cash Investments	0
7	Net Capitalization	----- 232,896,570 =====
8	40% of Net Capitalization	93,158,628
9	<u>Return on Common Equity:</u>	
10	Lesser of Line 5 or Line 8	88,965,716
11	x Equity Return (Monthly Rate)	1.01333%
12	= Equity Return	901,516
13	x Operating Ratio	80.2303%
14	x Net In-Service Investment Ratio	117.5400%
15	= Subtotal	850,154
16	Excess of Line 5 Over Line 8	0
17	x Weighted Cost of Debt (Monthly Rate)	0.1239%
18	= Return on Equity over 40% of Capitalization	0
19	x Operating Ratio	80.2303%
20	x Net In-Service Investment Ratio	117.5400%
21	= Subtotal	0
22	Unit 1 Return on Equity (Line 15 + Line 21)	----- 850,154 =====
23	<u>Return on Other Capital:</u>	
24	Long-Term Debt Interest Expense (A/C 427-429)	156,147
25	+ Short-Term Debt Interest Expense (a/c 430)	60,285
26	+ Other Interest Expense (a/c 431)	0
27	- Temporary Cash Investment Income *	0
28	= Net Interest Expense	----- 216,432
29	+ Preferred Stock Dividends (a/c 437)	0
30	= Net Cost of Other Capital	----- 216,432
31	x Operating Ratio	80.2303%
32	x Net In-Service Investment Ratio	117.5400%
33	= Unit 1 Return on Other Capital	204,101
	* 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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<u>Line No.</u>	<u>UNIT 1</u>	<u>October, 2013</u>
1	<u>Debt Balances (Prior Month Ending) :</u>	
2	Long-Term Debt (Accts 221 thru 226)	64,834,718
3	+ Short-Term Debt (Accts 231 + 233)	79,096,135
4	+ Other Debt (Accts 132 thru 136 + 145)	0

5	Total Debt Balances (Prior Month Ending)	143,930,853
		=====
6	<u>Weighting of Debt Balances :</u>	
7	Long-Term Debt (LTD bal/Total Debt bal)	45.0457%
8	+ Short-Term Debt (STD bal/Total Debt bal)	54.9543%
9	+ Other Debt	0.0000%

10	Total Debt Balances	100.0000%
		=====
11	<u>Debt Cost Rates :</u>	
12	Long-Term Debt (avg LTD int rate)	2.8357%
13	Short-Term Debt (avg Money Pool STD int rate)	0.3292%
14	Other Debt	0.0000%
15	<u>Weighted Cost of Debt :</u>	
16	Long-Term Debt (LTD % x avg LTD int rate)	1.2774%
17	+ Short-Term Debt (STD % x avg MP STD int rate)	0.1809%
18	+ Other Debt	0.0000%

19	Total Weighted Cost of Debt	1.4583%
		=====

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

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UNIT 1

<u>Line No.</u>		<u>October, 2013</u>
1	<u>Unit 1 Materials and Supplies:</u>	
2	Fuel Stock - Coal (per Line 23)	21,836,692
3	Fuel Stock Expenses - Undistributed (152)	1,075,261
4	Fuel Stock - Oil (151)	1,579,607
5	Plant Materials & Operating Supplies	12,692,077
6	Merchandise	0
7	Undistributed Stores Expense	0
8	Total Materials & Supplies	37,183,637
9	<u>Support of Coal Inventory Value:</u>	
10	Actual Coal Inventory (a/c 151.10)	18,718,921
11	+ Equivalent Inventory re: Deferred Return	21,139,098,236
12	= Imputed Coal Inventory	21,157,817,157
13	<u>Coal Inventory W/68 Day Supply Cap</u>	
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)	41.282
22	= 68 day Coal Inventory	21,836,692
23	Lesser of Imputed or Capped Coal Inventory	21,836,692
24	Imputed Inventory Minus Line 23	21,135,980,465
25	<u>Accumulated Deferred Inventory Return - Unit 1 (Memo Item):</u>	
26	Beginning Balance	143,502,024
27	+ Current Month Return on Beginning Balance	980,817
28	+ Current Month Deferral	0
29	- Current Month Recovery	21,114
30	= Ending Balance **	144,461,727

* 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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**UNIT 1
October, 2013**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</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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UNIT 1

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>October, 2013</u>
1	500,502-508	Steam Power Generation - Operation	769,469
2	501	Fuel - Operation	8,038,046
3	510-515	Steam Power Generating - Maintenance	711,028
4		Total Steam Power Generation Expenses	9,518,543
5	555-557	Other Power Supply Expenses	8,455
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 - Operation	127,463
16	935	Administrative and General Expenses - Maintenance	1,774
17		Total Administrative & General Exp.	129,238
18		Total Operation & Maintenance Expenses	9,656,236

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

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**UNIT 1
October, 2013**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
	1 403	Depreciation Expense	1,632,850
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 Acquisition Adjustments	0
	5 407	Amortization of Property Losses, Unrecovered Plant and Regulatory Study Costs	0
	6	Total Depreciation Exp. & Amortization	1,636,193
			=====
	7 411.10	ARO Accretion Expense	15,955
	8	Total Depreciation, Amortization & Accretion Expenses	1,652,147

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

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UNIT 1

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>October, 2013</u>
BS1			
1	408.1	Taxes Other Than Federal Income Taxes, Utility Operating Income	156,701
2	409.1	State Income Taxes	30,500
3		Total Taxes Other than FIT	----- 187,201 =====

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

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>TOTAL</u>	<u>KPCO SHARE</u>	<u>I&M SHARE</u>
1		<u>Unit 1 Schedule `M' Adjustments*</u>			
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	(654,191)	(196,257)	(457,934)
5	***	Total Unit 1 Schedule `M' Adjustments	(669,691)	(200,907)	(468,784)
			=====	=====	=====
6		<u>Unit 1 Deferred Federal Income Tax</u>			
7	410.1	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' Adj.-Utility	56,268	16,881	39,387
			-----	-----	-----
12	***	Total Unit 1 Deferred Federal Income Tax	343,576	103,073	240,502
			=====	=====	=====

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

=====

=====

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

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**UNIT 1
October, 2013**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
1		<u>ELECTRIC PLANT IN SERVICE</u>	
2	101	Electric Plant In Service	653,781,314
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	2,466,523
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	656,247,838
12	105	Plant Held For Future Use	0
13		<u>ACCUMULATED DEPRECIATION</u>	
14	108	Accumulated Provision for Depreciation of Electric Utility Plant	428,833,684
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	429,305,462
20		<u>MATERIAL AND SUPPLIES</u>	
21	151	Fuel Stock	23,416,299
22	152	Fuel Stock Expenses - Undistributed	1,075,261
23	153	Residuals	0
24	154	Plant Materials and Operating Supplies	12,692,077
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)	37,183,637
29	165	Prepayments	69,044
30	186	Other Deferred Debits	0

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
OTHER WORKING CAPITAL, UNAMORTIZED DEBT EXPENSE
AND OTHER DEFERRED CREDITS**

<u>Line No.</u>	<u>Account No.</u>	<u>Description *</u>	<u>UNIT 1 October, 2013</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	21,462,414
6	171	Interest and Dividends Receivable	1,034
7	174	Miscellaneous Current and Accrued Assets	0
8	232	Accounts Payable-General	(19,673)
9	234	Accounts Payable-Associated Company	(13,498,733)
10	236	Taxes Accrued	(1,912,900)
11	237	Interest Accrued	(23,660)
12	238	Dividends Declared	0
13	241	Tax Collections Payable	0
14	242	Misc Current and Accrued Liabilities	(3,166,034)

15		Total Other Working Capital	2,842,447
			=====
16	181	Unamortized Debt Expense	96,935

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
October, 2013**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
31		<u>ACCUMULATED DEFERRED INCOME TAXES</u>	
32	190	-Accumulated Deferred Income Taxes	2,053,313
33	281	+Accumulated Deferred Income Taxes - Accelerated Amortization Property	0
34	282	+Accumulated Deferred Income Taxes - Other Property	44,699,366
35	283	+Accumulated Deferred Income Taxes - Other	879,593
36		Total Accumulated Deferred Income Taxes (In-Service Portion)	----- 43,525,646 -----
37	255	+Accumulated Deferred Investment Tax Credits	10,164
38	186.50	-Accumulated Deferred Investment Tax Credit	0
39		Total Accumulated Deferred Investment Tax Credits	----- 10,164 -----
40		Total Net In-Service Investment - Unit 1	----- 223,598,629 =====

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

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**UNIT 1
October, 2013**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
		<u>Non-In-Service Investment - CWIP</u>	
1	107	Construction Work In Process	46,885,715
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		<u>ACCUMULATED DEFERRED INCOME TAXES</u>	
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	0
16		Total Accumulated Deferred Income Taxes (CWIP Portion)	----- 0
17		TOTAL NON-IN-SERVICE INVESTMENT - CWIP	----- 46,885,715 =====
		<u>Non-In-Service Investment - Other</u>	
18	105	Plant Held for Future Use	1,034,099
19	186	Other Deferred Debits	1,927,832
20	151.10	Fuel Inventory Over Allowed Level *	(3,117,771)
21		Total Non-In-Service Investment - Other	----- (155,840) =====
		* INCLUDES ROCKPORT 1 AND 2	
		UNIT 1	(3,117,771)
		UNIT 2	0
		TOTAL	----- (3,117,771) =====

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
DETAIL OF NET CAPITALIZATION**

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October, 2013

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
1		<u>COMMON CAPITAL STOCK</u>	
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		<u>OTHER PAID-IN CAPITAL</u>	
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		<u>RETAINED EARNINGS</u>	
18	215	Appropriated Retained Earnings	0
19	215.1	Appropriated Retained Earnings- Amortization Reserve, Federal	0
20	216	Unappropriated Retained Earnings	5,103,729
21		Total Retained Earnings	5,103,729
22		Total Common Equity	88,965,716
23		<u>PREFERRED CAPITAL STOCK</u>	
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
October, 2013**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
28		<u>LONG-TERM DEBT</u>	
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
		<u>SHORT-TERM DEBT</u>	
36a	231.02	Notes Payable (Short-Term Debt)	0
36b	231.03	Unamortized Discount	0
37	233.00	Notes Payable, Assoc Co(Money Pool)	79,096,135
38		Total Short-Term Debt	79,096,135
39		<u>TEMPORARY CASH INVESTMENTS</u>	
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	232,896,570

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

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**UNIT 1
October, 2013**

Line No.

1	<u>Capitalization Balances (Prior Month Ending) :</u>	
2	Long-Term Debt (Accts 221 thru 226)	64,834,718
3	+ Short-Term Debt (Accts 231 + 233)	79,096,135
4	+ Preferred Stock	0
5	+ Common Equity (Accts 201 thru 216)	88,965,716
6	- Capitalization Offsets	0

7	Total Capitalization Balances	232,896,570
		=====
8	<u>Weighting of Capitalization Balances :</u>	
9	Long-Term Debt (LTD/Total Capital)	27.8384%
10	+ Short-Term Debt (STD/Total Capital)	33.9619%
11	+ Preferred Stock	0.0000%
12	+ Common Equity (Common Equity/Total Capital)	38.1997%
13	- Capitalization Offsets	0.0000%

14	Total Capitalization	100.0000%
		=====
15	<u>Capitalization Cost Rates :</u>	
16	Long-Term Debt (avg LTD int rate)	2.8357%
17	Short-Term Debt (avg money pool STD int rate)	0.3292%
18	Preferred Stock	0.0000%
19	Common Equity (FERC fixed rate)	12.1600%
20	Capitalization Offsets (sum of weighted costs of debt)	1.4583%
21	<u>Rate of Return (Net of Tax) :</u>	
22	Long-Term Debt (LTD % x avg LTD int rate)	0.7894%
23	+ Short-Term Debt (STD % x avg MP STD int rate)	0.1118%
24	+ Preferred Stock	0.0000%
25	+ Common Equity (CE % x FERC fixed rate)	4.6451%
26	- Capitalization Offsets	0.0000%

27	Total Rate of Return (Net of Tax)	5.5463%
		=====
28	Weighted Net Cost of Debt	0.9012%
	(LTD Rate of Return + STD RR - Cap Offsets RR)	
29	+ Pre-Tax Common Equity (Line 25 / .65)	7.1463%
	(Common Equity Rate of Return grossed up for tax)	-----
30	= Rate of Return (Pre-Tax)	8.0475%
		=====

A E P GENERATING COMPANY

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

500	SUPERVISION AND ENGINEERING	130,514
501	FUEL	8,038,046
502	STEAM EXPENSES	319,208
503	STEAM FROM OTHER SOURCES	0
504	STEAM TRANSFERRED - CR	0
505	ELECTRIC EXPENSES	81,283
506	MISC. STEAM POWER EXPENSES	238,289
507	RENTS	177
508	OPERATION SUPPLIES AND EXPENSES	0
509	CARRYING CHARGES - ALLOWANCES	0

TOTAL OPERATION EXPENSE 8,807,515

510	MAINTENANCE SUPER. AND ENGINEERING	82,518
511	MAINTENANCE OF STRUCTURES	20,618
512	MAINTENANCE OF BOILER PLANT	490,296
513	MAINTENANCE OF ELECTRIC PLANT	64,536
514	MAINTENANCE OF MISC. STEAM PLANT	53,059
515	MAINTENANCE NORMALIZING	0

TOTAL MAINTENANCE EXPENSES 711,028

555	PURCHASED POWER	0
556	SYSTEM CONTROL AND LOAD DISPATCHING	2,270
557	OTHER POWER SUPPLY EXPENSES	6,185

TOTAL OTHER SUPPLY EXPENSES 8,455

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 10
 THIS BILLING IS FOR MONTH OF October, 2013

A E P GENERATING COMPANY

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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	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
	TOTAL SALES EXPENSES	0
920	ADMIN. & GENERAL SALARIES	40,625
921	OFFICE SUPPLIES AND EXPENSES	15,809
922	ADMINISTRATIVE EXPENSES TRANSF - CR	0
923	OUTSIDE SERVICES	(12,450)
924	PROPERTY INSURANCE	10,753
925	INJURIES AND DAMAGES	1,972
926	EMPLOYEE PENSIONS AND BENEFITS	70,195
927	FRANCHISE REQUIREMENTS	0
928	REGULATORY COMMISSION	0
929	DUPLICATE CHARGES-CREDIT	0
930	MISCELLANEOUS GENERAL EXPENSES	(148)
931	RENTS	707
933	TRANSPORTATION EXPENSE	0
	TOTAL ADM & GEN EXPENSES OPERATION	127,463
935	MAINTENANCE OF GENERAL PLANT	1,774
	TOTAL ADM & GEN EXPENSES	129,238
	TOTAL AEG OPERATION & MAINTENANCE EXPENSES	9,656,236
	ACCOUNT 40190 TOTAL FOR CROSS FOOT	9,656,236
	-----DIFFERENCE-----	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
07-Nov-13**

**UNIT 2
POWER BILL - - October, 2013**

IN ACCORDANCE WITH POWER AGREEMENT DATED OCTOBER 1, 1984 (AS AMENDED)
ENERGY DELIVERED FOR THE MONTH OF October, 2013
KWH FOR THE MONTH 302,462,000

<u>SUMMARY</u>	<u>TOTAL</u>
Current Month Bill:	
Return on Common Equity	(89,195)
Return on Other Capital	(21,414)
Total Return	----- (110,609)
Fuel	8,008,072
Purchased Power	0
Other Operating Revenues	(6,125)
Other Operation and Maintenance Exp	4,687,028
Depreciation Expense	678,539
Taxes Other Than Federal Income Tax	128,521
Federal Income Tax	(87)
TOTAL CURRENT UNIT POWER BILL	----- 13,385,340 -----
Prior Month's Adjustment:	
Return on Common Equity & Other Capital	0
Fuel Expense	0
Other Expenses (Includes taxes & interest)	73,712
TOTAL PRIOR MONTH'S ADJUSTMENTS	----- 73,712 -----
TOTAL UNIT POWER BILL	=====
	13,459,052 =====

AMOUNTS WILL BE PAID DIRECT FROM GENERAL FUNDS.

DUE DATE - - November 21, 2013

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**

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

**ESTIMATE
07-Nov-13**

**UNIT 2
POWER BILL - - October, 2013**

IN ACCORDANCE WITH POWER AGREEMENT DATED OCTOBER 1, 1984 (AS AMENDED)
ENERGY DELIVERED FOR THE MONTH OF October, 2013
KWH FOR THE MONTH 129,627,000

<u>SUMMARY</u>	<u>TOTAL</u>
Current Month Bill:	
Return on Common Equity	(38,227)
Return on Other Capital	(9,177)
Total Return	----- (47,404)
Fuel	3,432,031
Purchased Power	0
Other Operating Revenues	(2,625)
Other Operation and Maintenance Exp	2,008,726
Depreciation Expense	290,802
Taxes Other Than Federal Income Tax	55,080
Federal Income Tax	(37)
TOTAL CURRENT UNIT POWER BILL	----- 5,736,573 =====
Prior Month's Adjustment:	
Return on Common Equity & Other Capital	0
Fuel Expense	0
Other Expenses (Includes taxes & interest)	31,591
TOTAL PRIOR MONTH'S ADJUSTMENTS	----- 31,591 -----
TOTAL UNIT POWER BILL	----- 5,768,164 =====

AMOUNTS WILL BE PAID DIRECT FROM GENERAL FUNDS.

DUE DATE - - November 21, 2013

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
ROCKPORT POWER BILL
SUMMARY OF MONTHLY POWER BILL**

	TOTAL UNIT 2 POWER BILL	KPCO SHARE	I&M SHARE
Return on Common Equity	(127,422)	(38,227)	(89,195)
Return on Other Capital	(30,591)	(9,177)	(21,414)
Total Return	(158,013)	(47,404)	(110,609)
+ Fuel	11,440,103	3,432,031	8,008,072
+ Purchased Power	0	0	0
- Other Operating Revenues	(8,750)	(2,625)	(6,125)
+ Other Operation and Maintenance Exp	6,695,754	2,008,726	4,687,028
+ Depreciation Expense	969,341	290,802	678,539
+ Taxes Other Than Federal Income Tax	183,601	55,080	128,521
+ Federal and State Income Tax	(125)	(37)	(87)
= Total Unit 2 Monthly Power Bill	19,121,912	5,736,573	13,385,340
<u>Determination of Federal Income Tax :</u>			
Total Return (Line 3)	(158,013)	(47,404)	(110,609)
+ Unit 2 Schedule M Adjustments	(440,461)	(132,138)	(308,323)
+ Unit 2 Deferred Federal Income Taxes	198,678	59,603	139,074
- Unit 2 Interest Expense Deduction *	(30,591)	(9,177)	(21,414)
= Subtotal	(369,205)	(110,762)	(258,443)
x Gross-Up (FIT Rate / 1-FIT Rate)	0.538462	0.538462	0.538462
= Unit 2 Current Federal Income Tax	(198,803)	(59,641)	(139,162)
+ Unit 2 Def Fed & State Income Taxes	198,678	59,603	139,074
= Total Unit 2 Fed&State Income Taxes	(125)	(37)	(87)
<u>Proof of Federal Income Tax :</u>			
Total Unit 2 Monthly Power Bill	19,121,912	5,736,573	13,385,340
- Operation and Maintenance Expenses	18,135,857	5,440,757	12,695,100
- Depreciation Expense	969,341	290,802	678,539
- Taxes Other Than Federal Income Tax	183,601	55,080	128,521
- Unit 2 Interest Expense Deduction *	(30,591)	(9,177)	(21,414)
- Other Operating Revenues	(8,750)	(2,625)	(6,125)
= Pre-Tax Book Income	(127,547)	(38,264)	(89,282)
+ Unit 2 Schedule M Adjustments	(440,461)	(132,138)	(308,323)
= Unit 2 Taxable Income	(568,008)	(170,402)	(397,605)
x Current Federal Income Tax Rate	35%	35%	35%
= Unit 2 Current Federal Income Tax	(198,803)	(59,641)	(139,162)
+ Unit 2 Def Fed & State Income Taxes	198,678	59,603	139,074
= Total Unit 2 Fed&State Income Taxes	(125)	(38)	(88)

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

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

<u>Line No.</u>		<u>UNIT 2 October, 2013</u>
1	Operating Ratio:	
2	<u>Net In-Service Investment:</u>	
3	Electric Plant In-Service	793,712,100
4	- Accumulated Depreciation	560,850,759
5	+ Materials & Supplies	71,249,504
6	+ Prepayments	138,088
7	+ Plant Held For Future Use (A/C 105) *	0
8	+ Other Deferred Debits (A/C 186) *	0
9	+ Other Working Capital ***	(8,770,376)
10	+ Unamortized Debt Expense (A/C 181)	193,871
11	+ Deferred ASH pond cost (A/C182.3)	2,887,082
12	- Asset Retirement Obligation (A/C 230)	4,258,104
13	- Other Deferred Credits (A/C 253)	51,158,640
14	- Accumulated Deferred FIT	35,432,532
15	- Accumulated Deferred ITC	18,068,393
16	Total Net In-Service Investment	189,641,841
17	<u>Non-In-Service Investment - CWIP :</u>	
18	Construction Work In Progress	46,885,715
19	+ Materials & Supplies	0
20	- Accumulated Deferred FIT	0
21	Total Non-In-Service Investment - CWIP	46,885,715
22	<u>Non-In-Service Investment - Other :</u>	
23	Plant Held for Future Use (A/C 105) **	0
24	+ Other Deferred Debits (A/C 186) **	1,927,832
25	+ Fuel Inventory Over Allowed Level ****	(3,117,771)
26	Total Non-In-Service Investment - Other	(1,189,939)
27	Total Investment (Lines 16+21+26)	235,337,617
28	Operating Ratio (Line 16/Line 27)	80.5829%
29	Non-In-Service Investment-CWIP Ratio (Line 21/Line 27)	19.9227%
30	Non-In-Service Investment-Other Ratio (Line 26/Line 27)	-0.5056%
31	Total Investment	100.0000%
	* 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	

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

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**Line
No.**

**UNIT 2
October, 2013**

1 Net In-Service Investment Ratio:

2 Unit 2 Net In-Service Investment:

3	Electric Plant In-Service	137,464,263
4	- Accumulated Depreciation	131,545,297
5	+ Materials & Supplies	34,065,867
6	+ Prepayments	69,044
7	+ Plant Held For Future Use (A/C 105) *	0
8	+ Other Deferred Debits (A/C 186) *	0
9	+ Other Working Capital **	(11,612,823)
10	+ Unamortized Debt Expense (A/C 181)	96,935
11	+ Deferred ASH pond cost (A/C182.3)	1,443,541
12	- Asset Retirement Obligation (A/C 230)	2,129,052
13	- Other Deferred Credits (A/C 253)	51,158,640
14	- Accumulated Deferred FIT	(8,093,114)
15	- Accumulated Deferred ITC	18,058,229
16	Total Unit 2 Net In-Service Investment	(33,271,277)

17 Unit 1 Net In-Service Investment:

18	Electric Plant In-Service	656,247,838
19	- Accumulated Depreciation	429,305,462
20	+ Materials & Supplies	37,183,637
21	+ Prepayments	69,044
22	+ Plant Held For Future Use (A/C 105) *	0
23	+ Other Deferred Debits (A/C 186) *	0
24	+ Other Working Capital **	2,842,447
25	+ Unamortized Debt Expense (A/C 181)	96,935
26	+ Deferred ASH pond cost (A/C182.3)	1,443,541
27	- Asset Retirement Obligation (A/C 230)	2,129,052
28	- Other Deferred Credits (A/C 253)	0
29	- Accumulated Deferred FIT	43,525,646
30	- Accumulated Deferred ITC	10,164
31	Total Unit 1 Net In-Service Investment	222,913,118

32 Total Net In-Service Investment 189,641,841

33 Net In-Service Investment Ratio:

34 Unit 2 (Line 16 / Line 32) -17.5400%

35 Unit 1 (Line 31 / Line 32) 117.5400%

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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<u>Line No.</u>		<u>UNIT 2 October, 2013</u>
1	Net Capitalization:	
2	Long-Term Debt	64,834,718
3	+ Short-Term Debt	79,096,135
4	+ Preferred Stock	0
5	+ Common Equity	88,965,716
6	- Temporary Cash Investments	0

7	Net Capitalization	232,896,570
		=====
8	40% of Net Capitalization	93,158,628
9	<u>Return on Common Equity:</u>	
10	Lesser of Line 5 or Line 8	88,965,716
11	x Equity Return (Monthly Rate)	1.01333%
12	= Equity Return	901,516
13	x Operating Ratio	80.5829%
14	x Net In-Service Investment Ratio	-17.5400%
15	= Subtotal	(127,422)
16	Excess of Line 5 Over Line 8	0
17	x Weighted Cost of Debt (Monthly Rate)	0.1239%
18	= Return on Equity over 40% of Capitalization	0
19	x Operating Ratio	80.5829%
20	x Net In-Service Investment Ratio	-17.5400%
21	= Subtotal	0

22	Unit 2 Return on Equity (Line 15 + Line 21)	(127,422)
		=====
23	<u>Return on Other Capital:</u>	
24	Long-Term Debt Interest Expense (A/C 427-429)	156,147
25	+ Short-Term Debt Interest Expense (a/c 430)	60,285
26	+ Other Interest Expense (a/c 431)	0
27	- Temporary Cash Investment Income *	0

28	= Net Interest Expense	216,432
29	+ Preferred Stock Dividends (a/c 437)	0

30	= Net Cost of Other Capital	216,432
31	x Operating Ratio	80.5829%
32	x Net In-Service Investment Ratio	-17.5400%
33	= Unit 2 Return on Other Capital	(30,591)
		=====

* 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 2
October, 2013**

1	Debt Balances (Prior Month Ending) :	
2	Long-Term Debt (Accts 221 thru 226)	64,834,718
3	+ Short-Term Debt (Accts 231 + 233)	79,096,135
4	+ Other Debt (Accts 132 thru 136 + 145)	0
5	Total Debt Balances (Prior Month Ending)	----- 143,930,853 =====
6	<u>Weighting of Debt Balances :</u>	
7	Long-Term Debt (LTD bal/Total Debt bal)	45.0457%
8	+ Short-Term Debt (STD bal/Total Debt bal)	54.9543%
9	+ Other Debt	0.0000%
10	Total Debt Balances	----- 100.0000% =====
11	<u>Debt Cost Rates :</u>	
12	Long-Term Debt (avg LTD int rate)	2.8357%
13	Short-Term Debt (avg Money Pool STD int rate)	0.3292%
14	Other Debt	0.0000%
15	<u>Weighted Cost of Debt :</u>	
16	Long-Term Debt (LTD % x avg LTD int rate)	1.2774%
17	+ Short-Term Debt (STD % x avg MP STD int rate)	0.1809%
18	+ Other Debt	0.0000%
19	Total Weighted Cost of Debt	----- 1.4583% =====

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

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UNIT 2

INCLUDE A/C 431 ON PG 5

<u>Line No.</u>		<u>October, 2013</u>
1	Unit 2 Materials and Supplies:	
2	Fuel Stock - Coal (per Line 23)	18,718,921
3	Fuel Stock Expenses - Undistributed (152)	1,075,261
4	Fuel Stock - Oil (151)	1,579,607
5	Plant Materials & Operating Supplies	12,692,077
6	Merchandise	0
7	Undistributed Stores Expense	0

8	Total Materials & Supplies	34,065,867
		=====
9	<u>Support of Coal Inventory Value:</u>	
10	Actual Coal Inventory (a/c 151.10)	18,718,921
11	+ Equivalent Inventory re: Deferred Return	941,186,439

12	= Imputed Coal Inventory	959,905,360

13	<u>Coal Inventory W/68 Day Supply Cap</u>	
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)	41.282

22	= 68 day Coal Inventory	21,587,390

23	Lesser of Imputed or Capped Coal Inventory	21,587,390

24	Imputed Inventory Minus Line 23	938,317,970
		=====
25	<u>Accumulated Deferred Inventory Return - Unit 2 (Memo Item):</u>	
26	Beginning Balance	6,389,211
27	+ Current Month Return on Beginning Balance	43,669
28	+ Current Month Deferral	19,524
29	- Current Month Recovery	0

30	= Ending Balance **	6,452,404
		=====
	* Excludes Forced Outages, Scheduled Outages, and Curtailments	
	** May Not Be Less Than Zero	
	Total Unit 2 Monthly Power Bill with Actual	19,141,629
	Total Unit 2 Monthly Power Bill with 68 Day Capped	19,161,153
	Difference	19,524

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
DETAIL OF OTHER OPERATING REVENUES**

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UNIT 2

October, 2013

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>October, 2013</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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UNIT 2

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>October, 2013</u>
1	500,502-508	Steam Power Generation - Operation	6,179,110
2	501	Fuel - Operation	11,440,103
3	510-515	Steam Power Generating - Maintenance	356,128
4		Total Steam Power Generation Expenses	17,975,340
5	555-557	Other Power Supply Expenses	8,455
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 Expensese	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	150,287
16	935	Administrative and General Expenses - Maintenance	1,774
17		Total Administrative & General Exp.	152,062
18		Total Operation & Maintenance Expenses	18,135,857

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

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**UNIT 2
October, 2013**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
1	403	Depreciation Expense *	437,839
1a	403.1	ARO Depreciation Expense	3,343
2	404	Amortization of Limited-Term Electric Plant **	512,205
3	405	Amortization of Other Electric Plant	0
4	406	Amortization of Electric Plant Acquisition Adjustments	0
5	407	Amortization of Property Losses, Unrecovered Plant and Regulatory Study Costs	0
			-
6		Total Depreciation Exp. & Amortization	953,387
			=
7	411.10	ARO Accretion Expense	15,955
8		Total Depreciation, Amortization & Accretion Expenses	969,341

* 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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UNIT 2

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>October, 2013</u>
1	408.1	Taxes Other Than Federal Income Taxes, Utility Operating Income	153,101
2	409.1	State Income Taxes	30,500
3		Total Taxes Other than Federal Income Taxes	----- 183,601 =====

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

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>TOTAL</u>	<u>KPCO SHARE</u>	<u>I&M SHARE</u>
1		<u>Unit 2 Schedule `M' Adjustments*</u>			
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	(571,961)	(171,588)	(400,373)
5	***	Total Unit 2 Schedule `M' Adjustments	(440,461)	(132,138)	(308,323)
6		<u>Unit 2 Deferred Federal Income Tax</u>			
7	410.1	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' Adj.-Utility	240,003	72,001	168,002
12	***	Total Unit 2 Deferred Federal Income Tax	198,678	59,603	139,074

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

Check Figure on Tax Page for Sch M (440,461)
Check Figure on Tax Page for DFIT 198,678

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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**UNIT 2
October, 2013**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
1		<u>ELECTRIC PLANT IN SERVICE</u>	
2	101	Electric Plant In Service	112,414,356
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	25,049,907
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	137,464,263
12	105	Plant Held For Future Use	0
13		<u>ACCUMULATED DEPRECIATION</u>	
14	108	Accumulated Provision for Depreciation of Electric Utility Plant	110,408,476
15	110	Accumulated Provision for Depreciation and Amort. of Elec. Utility Plant	0
16	111	Accumulated Provision for Amortization of Electric Utility Plant	21,136,821
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	131,545,297
20		<u>MATERIAL AND SUPPLIES</u>	
21	151	Fuel Stock	20,298,528
22	152	Fuel Stock Expenses - Undistributed	1,075,261
23	153	Residuals	0
24	154	Plant Materials and Operating Supplies	12,692,077
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)	34,065,867
29	165	Prepayments	69,044
30	186	Other Deferred Debits	0

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
OTHER WORKING CAPITAL, UNAMORTIZED DEBT EXPENSE
AND OTHER DEFERRED CREDITS**

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<u>Line No.</u>	<u>Account No.</u>	<u>Description *</u>	<u>UNIT 2 October, 2013</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	21,784,239
6	171	Interest and Dividends Receivable	1,034
7	174	Miscellaneous Current and Accrued Assets	0
8	232	Accounts Payable-General	(19,673)
9	234	Accounts Payable-Associated Company	(13,438,732)
10	236	Taxes Accrued	467,523
11	237	Interest Accrued	(23,660)
12	238	Dividends Declared	0
13	241	Tax Collections Payable	0
14	242	Misc Current and Accrued Liabilities	(20,383,555)

15		Total Other Working Capital	(11,612,823)
			=====
16	181	Unamortized Debt Expense	96,935

17	253	Other Deferred Credits	51,158,640

*		debit <credit>	

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

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UNIT 2
October, 2013

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
31		ACCUMULATED DEFERRED INCOME TAXES	
32	190	-Accumulated Deferred Income Taxes	21,315,865
33	281	+Accumulated Deferred Income Taxes - Accelerated Amortization Property	0
34	282	+Accumulated Deferred Income Taxes - Other Property	12,229,617
35	283	+Accumulated Deferred Income Taxes - Other	993,134
36		Total Accumulated Deferred Income Taxes (In-Service Portion)	----- (8,093,114) -----
37	255	+Accumulated Deferred Investment Tax Credits	18,058,229
38	186.50	-Accumulated Deferred Investment Tax Credit	0
39		Total Accumulated Deferred Investment Tax Credits	----- 18,058,229 -----
40		Total Net In-Service Investment - Unit 2	----- (32,585,766) =====

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

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**UNIT 2
October, 2013**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
		<u>Non-In-Service Investment - CWIP</u>	
1	107	Construction Work In Process	46,885,715
2		<u>MATERIAL AND SUPPLIES</u>	
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		<u>ACCUMULATED DEFERRED INCOME TAXES</u>	
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	0
16		Total Accumulated Deferred Income Taxes (CWIP Portion)	----- 0
17		TOTAL NON-IN-SERVICE INVESTMENT - CWIP	----- 46,885,715 =====
		<u>Non-In-Service Investment - Other</u>	
18	105	Plant Held for Future Use	0
19	186	Other Deferred Debits	1,927,832
20	151.10	Fuel Inventory Over Allowed Level *	(3,117,771)
21		Total Non-In-Service Investment - Other	----- (1,189,939) =====
		* INCLUDES ROCKPORT 1 AND 2	
		UNIT 1	(3,117,771)
		UNIT 2	0
		TOTAL	----- (3,117,771) =====

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
DETAIL OF NET CAPITALIZATION**

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**UNIT 2
October, 2013**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
1		<u>COMMON CAPITAL STOCK</u>	
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		<u>OTHER PAID-IN CAPITAL</u>	
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		<u>RETAINED EARNINGS</u>	
18	215	Appropriated Retained Earnings	0
19	215.1	Appropriated Retained Earnings- Amortization Reserve, Federal	0
20	216	Unappropriated Retained Earnings	5,103,729
21		Total Retained Earnings	5,103,729
22		Total Common Equity	88,965,716
23		<u>PREFERRED CAPITAL STOCK</u>	
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
October, 2013**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
28		<u>LONG-TERM DEBT</u>	
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
		<u>SHORT-TERM DEBT</u>	
36a	231.02	Notes Payable (Short-Term Debt)	0
36b	231.03	Unamortized Discount	0
	233.00	Notes Payable, Assoc Co(Money Pool)	79,096,135
38		Total Short-Term Debt	79,096,135
39		<u>TEMPORARY CASH INVESTMENTS</u>	
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	232,896,570

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

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<u>Line No.</u>	UNIT 2 October, 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) 79,096,135
4	+ Preferred Stock 0
5	+ Common Equity (Accts 201 thru 216) 88,965,716
6	- Capitalization Offsets 0

7	Total Capitalization Balances 232,896,570
	=====
8	<u>Weighting of Capitalization Balances :</u>
9	Long-Term Debt (LTD/Total Capital) 27.8384%
10	+ Short-Term Debt (STD/Total Capital) 33.9619%
11	+ Preferred Stock 0.0000%
12	+ Common Equity (Common Equity/Total Capital) 38.1997%
13	- Capitalization Offsets 0.0000%

14	Total Capitalization 100.0000%
	=====
15	<u>Capitalization Cost Rates :</u>
16	Long-Term Debt (avg LTD int rate) 2.8357%
17	Short-Term Debt (avg money pool STD int rate) 0.3292%
18	Preferred Stock 0.0000%
19	Common Equity (FERC fixed rate) 12.1600%
20	Capitalization Offsets (sum of weighted costs of debt) 1.4583%
21	<u>Rate of Return (Net of Tax) :</u>
22	Long-Term Debt (LTD % x avg LTD int rate) 0.7894%
23	+ Short-Term Debt (STD % x avg MP STD int rate) 0.1118%
24	+ Preferred Stock 0.0000%
25	+ Common Equity (CE % x FERC fixed rate) 4.6451%
26	- Capitalization Offsets 0.0000%

27	Total Rate of Return (Net of Tax) 5.5463%
	=====
28	Weighted Net Cost of Debt 0.9012%
	(LTD Rate of Return + STD RR - Cap Offsets RR)
29	+ Pre-Tax Common Equity (Line 25 / .65) 7.1463%
	(Common Equity Rate of Return grossed up for tax) -----
30	= Rate of Return (Pre-Tax) 8.0475%
	=====

A E P GENERATING COMPANY

**October, 2013
 ESTIMATE**

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

500	SUPERVISION AND ENGINEERING	138,691
501	FUEL	11,440,103
502	STEAM EXPENSES	48,210
503	STEAM FROM OTHER SOURCES	0
504	STEAM TRANSFERRED - CR	0
505	ELECTRIC EXPENSES	91,896
506	MISC. STEAM POWER EXPENSES	209,883
507	RENTS	5,690,430
508	OPERATION SUPPLIES AND EXPENSES	0
509	CARRYING CHARGES - ALLOWANCES	0
	TOTAL OPERATION EXPENSE	17,619,213
510	MAINTENANCE SUPER. AND ENGINEERING	83,080
511	MAINTENANCE OF STRUCTURES	2,398
512	MAINTENANCE OF BOILER PLANT	181,820
513	MAINTENANCE OF ELECTRIC PLANT	46,198
514	MAINTENANCE OF MISC. STEAM PLANT	42,632
515	MAINTENANCE NORMALIZING	0
	TOTAL MAINTENANCE EXPENSES	356,128
555	PURCHASED POWER	0
556	SYSTEM CONTROL AND LOAD DISPATCHING	2,270
557	OTHER POWER SUPPLY EXPENSES	6,185
	TOTAL OTHER SUPPLY EXPENSES	8,455

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		10
THIS BILLING IS FOR MONTH OF		October, 2013

A E P GENERATING COMPANY

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

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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 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	52,892
921	OFFICE SUPPLIES AND EXPENSES	16,043
922	ADMINISTRATIVE EXPENSES TRANSF - CR	0
923	OUTSIDE SERVICES	(2,126)
924	PROPERTY INSURANCE	10,753
925	INJURIES AND DAMAGES	1,972
926	EMPLOYEE PENSIONS AND BENEFITS	70,195
927	FRANCHISE REQUIREMENTS	0
928	REGULATORY COMMISSION	0
929	DUPLICATE CHARGES-CREDIT	0
930	MISCELLANEOUS GENERAL EXPENSES	(148)
931	RENTS	707
933	TRANSPORTATION EXPENSE	0
	TOTAL ADM & GEN EXPENSES OPERATION	150,287
935	MAINTENANCE OF GENERAL PLANT	1,774
	TOTAL ADM & GEN EXPENSES	152,062
	TOTAL AEG OPERATION & MAINTENANCE EXPENSES	18,135,857
	ACCOUNT 40190 TOTAL FOR CROSS FOOT	18,135,857
	-----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
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

TOTAL

Current Month Bill:

Return on Common Equity	259,107
Return on Other Capital	53,074
Total Return	----- 312,181
Fuel	3,041,035
Purchased Power	0
Other Operating Revenues	(2,625)
Other Operation and Maintenance Exp	413,539
Depreciation Expense	495,270
Taxes Other Than Federal Income Tax	138,116
Federal Income Tax	579,323
TOTAL CURRENT UNIT POWER BILL	----- 4,976,839 -----

Prior Month's Adjustment:

Return on Common Equity & Other Capital	(740)
Fuel Expense	0
Other Expenses (Includes taxes & interest)	(19,283)
TOTAL PRIOR MONTH'S ADJUSTMENTS	----- (20,023) -----

TOTAL UNIT POWER BILL	=====
	4,956,816
	=====

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 Shannon Listebarger - Columbus
 Mike Stout - Ft. Wayne
 Mike Giardina - Columbus
 Sid Lyons - Columbus Michelle Howell - Columbus
 Diane Keegan - Columbus

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-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

SUMMARY

TOTAL

Current Month Bill:

Return on Common Equity	604,582
Return on Other Capital	123,840
Total Return	----- 728,422
Fuel	7,095,749
Purchased Power	0
Other Operating Revenues	(6,125)
Other Operation and Maintenance Exp	964,926
Depreciation Expense	1,155,630
Taxes Other Than Federal Income Tax	322,270
Federal Income Tax	1,351,752
TOTAL UNIT POWER BILL	----- 11,612,623 -----

Prior Month's Adjustment:

Return on Common Equity & Other Capital	(1,727)
Fuel	0
Other Expenses (Includes taxes & interest)	(44,991)
TOTAL PRIOR MONTH'S ADJUSTMENTS	----- (46,718) -----

TOTAL UNIT POWER BILL	=====
	11,565,905
	=====

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 Shannon Listebarger - Columbus
 Mike Stout - Ft. Wayne
 Mike Giardina - Columbus Kevin Amburgey-Columbus
 Sid Lyons - Columbus Michelle Howell - Columbus

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
SUMMARY OF MONTHLY POWER BILL**

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

* 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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<u>Line No.</u>		<u>UNIT 1 November, 2013</u>
1	<u>Operating Ratio:</u>	
2	<u>Net In-Service Investment:</u>	
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	- Other Deferred Credits (A/C 253)	50,694,394
14	- Accumulated Deferred FIT	35,878,573
15	- Accumulated Deferred ITC	17,905,432
16	Total Net In-Service Investment	----- 170,840,051
17	<u>Non-In-Service Investment - CWIP :</u>	
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	<u>Non-In-Service Investment - Other :</u>	
23	Plant Held for Future Use (A/C 105) **	1,034,099
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	----- (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%
31	Total Investment	----- 100.0000% =====
*	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	
****	Includes Rockport 1 and 2	

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

<u>Line No.</u>	<u>UNIT 1 November, 2013</u>	
1	<u>Net In-Service Investment Ratio:</u>	
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
27	- Asset Retirement Obligation (A/C 230)	2,142,581
28	- Other Deferred Credits (A/C 253)	50,694,394
29	- 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	<u>Net In-Service Investment Ratio:</u>	
34	Unit 1 (Line 16 / Line 32)	126.1000%
35	Unit 2 (Line 31 / Line 32)	-26.1000%
		----- 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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<u>Line No.</u>		<u>UNIT 1 November, 2013</u>
1	<u>Net Capitalization:</u>	
2	Long-Term Debt	64,834,718
3	+ Short-Term Debt	62,085,020
4	+ Preferred Stock	0
5	+ Common Equity	89,661,248
6	- Temporary Cash Investments	0
7	Net Capitalization	----- 216,580,987 =====
8	40% of Net Capitalization	86,632,395
9	<u>Return on Common Equity:</u>	
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	x Operating Ratio	77.6811%
14	x Net In-Service Investment Ratio	126.1000%
15	= Subtotal	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	<u>Return on Other Capital:</u>	
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	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	

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

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<u>Line No.</u>	<u>UNIT 1</u>	<u>November, 2013</u>
1	<u>Debt Balances (Prior Month Ending) :</u>	
2	Long-Term Debt (Accts 221 thru 226)	64,834,718
3	+ Short-Term Debt (Accts 231 + 233)	62,085,020
4	+ Other Debt (Accts 132 thru 136 + 145)	0

5	Total Debt Balances (Prior Month Ending)	126,919,739
		=====
6	<u>Weighting of Debt Balances :</u>	
7	Long-Term Debt (LTD bal/Total Debt bal)	51.0832%
8	+ Short-Term Debt (STD bal/Total Debt bal)	48.9168%
9	+ Other Debt	0.0000%

10	Total Debt Balances	100.0000%
		=====
11	<u>Debt Cost Rates :</u>	
12	Long-Term Debt (avg LTD int rate)	2.6936%
13	Short-Term Debt (avg Money Pool STD int rate)	0.3417%
14	Other Debt	0.0000%
15	<u>Weighted Cost of Debt :</u>	
16	Long-Term Debt (LTD % x avg LTD int rate)	1.3760%
17	+ Short-Term Debt (STD % x avg MP STD int rate)	0.1671%
18	+ Other Debt	0.0000%

19	Total Weighted Cost of Debt	1.5431%
		=====

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

<u>Line No.</u>		<u>November, 2013</u>
1	<u>Unit 1 Materials and Supplies:</u>	
2	Fuel Stock - Coal (per Line 23)	21,352,690
3	Fuel Stock Expenses - Undistributed (152)	949,381
4	Fuel Stock - Oil (151)	1,691,940
5	Plant Materials & Operating Supplies	12,497,461
6	Merchandise	0
7	Undistributed Stores Expense	0
8	Total Materials & Supplies	36,491,472
9	<u>Support of Coal Inventory Value:</u>	
10	Actual Coal Inventory (a/c 151.10)	17,934,111
11	+ Equivalent Inventory re: Deferred Return	20,465,855,612
12	= Imputed Coal Inventory	20,483,789,723
13	<u>Coal Inventory W/68 Day Supply Cap</u>	
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)	40.367
22	= 68 day Coal Inventory	21,352,690
23	Lesser of Imputed or Capped Coal Inventory	21,352,690
24	Imputed Inventory Minus Line 23	20,462,437,033
25	<u>Accumulated Deferred Inventory Return - Unit 1 (Memo Item):</u>	
26	Beginning Balance	144,461,727
27	+ Current Month Return on Beginning Balance	1,026,957
28	+ Current Month Deferral	0
29	- Current Month Recovery	23,762
30	= Ending Balance **	145,464,922

* 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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UNIT 1

November, 2013

<u>Line No.</u>	<u>Account No.</u>	<u>Description</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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UNIT 1

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>November, 2013</u>
1	500,502-508	Steam Power Generation - Operation	432,560
2	501	Fuel - Operation	10,136,784
3	510-515	Steam Power Generating - Maintenance	781,169
4		Total Steam Power Generation Expenses	11,350,513
5	555-557	Other Power Supply Expenses	(21,860)
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 - 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

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

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UNIT 1

November, 2013

<u>Line No.</u>	<u>Account 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 Acquisition 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

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

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UNIT 1

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>November, 2013</u>
BS1			
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 =====

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

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<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>TOTAL</u>	<u>KPCO SHARE</u>	<u>I&M SHARE</u>
1		<u>Unit 1 Schedule `M' Adjustments*</u>			
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		<u>Unit 1 Deferred Federal Income Tax</u>			
7	410.1	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' Adj.-Utility	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.

=====

=====

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

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**UNIT 1
November, 2013**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
1		<u>ELECTRIC PLANT IN SERVICE</u>	
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		<u>ACCUMULATED DEPRECIATION</u>	
14	108	Accumulated Provision for Depreciation of Electric Utility Plant	430,495,308
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	430,967,086
20		<u>MATERIAL AND SUPPLIES</u>	
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

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
OTHER WORKING CAPITAL, UNAMORTIZED DEBT EXPENSE
AND OTHER DEFERRED CREDITS**

<u>Line No.</u>	<u>Account No.</u>	<u>Description *</u>	<u>UNIT 1 November, 2013</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	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>	

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

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**UNIT 1
November, 2013**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
31		<u>ACCUMULATED DEFERRED INCOME TAXES</u>	
32	190	-Accumulated Deferred Income Taxes	2,047,073
33	281	+Accumulated Deferred Income Taxes - Accelerated Amortization Property	0
34	282	+Accumulated Deferred Income Taxes - Other Property	44,991,353
35	283	+Accumulated Deferred Income Taxes - Other	874,261
36		Total Accumulated Deferred Income Taxes (In-Service Portion)	----- 43,818,541 -----
37	255	+Accumulated Deferred Investment Tax Credits	11,368
38	186.50	-Accumulated Deferred Investment Tax Credit	0
39		Total Accumulated Deferred Investment Tax Credits	----- 11,368 -----
40		Total Net In-Service Investment - Unit 1	----- 216,131,731 =====

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

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**UNIT 1
November, 2013**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
		<u>Non-In-Service Investment - CWIP</u>	
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		<u>ACCUMULATED DEFERRED INCOME TAXES</u>	
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	0
16		Total Accumulated Deferred Income Taxes (CWIP Portion)	----- 0
17		TOTAL NON-IN-SERVICE INVESTMENT - CWIP	----- 49,829,887 =====
		<u>Non-In-Service Investment - Other</u>	
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) =====
		* INCLUDES ROCKPORT 1 AND 2	
		UNIT 1	(3,418,579)
		UNIT 2	0
		TOTAL	----- (3,418,579) =====

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
DETAIL OF NET CAPITALIZATION**

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UNIT 1
November, 2013

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
1		<u>COMMON CAPITAL STOCK</u>	
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		<u>OTHER PAID-IN CAPITAL</u>	
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		<u>RETAINED EARNINGS</u>	
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		<u>PREFERRED CAPITAL STOCK</u>	
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
November, 2013**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
28		<u>LONG-TERM DEBT</u>	
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
		<u>SHORT-TERM DEBT</u>	
36a	231.02	Notes Payable (Short-Term Debt)	0
36b	231.03	Unamortized Discount	0
37	233.00	Notes Payable, Assoc Co(Money Pool)	62,085,020
38		Total Short-Term Debt	62,085,020
39		<u>TEMPORARY CASH INVESTMENTS</u>	
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

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

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**UNIT 1
November, 2013**

Line No.

1	<u>Capitalization Balances (Prior Month Ending) :</u>	
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 (Accts 201 thru 216)	89,661,248
6	- Capitalization Offsets	0

7	Total Capitalization Balances	216,580,987
		=====
8	<u>Weighting of Capitalization Balances :</u>	
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	<u>Capitalization Cost Rates :</u>	
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	<u>Rate of Return (Net of Tax) :</u>	
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%
	(LTD Rate of Return + STD RR - Cap Offsets RR)	
29	+ Pre-Tax Common Equity (Line 25 / .65)	7.7448%
	(Common Equity Rate of Return grossed up for tax)	-----
30	= Rate of Return (Pre-Tax)	8.6491%
		=====

A E P GENERATING COMPANY

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

500	SUPERVISION AND ENGINEERING	116,720
501	FUEL	10,136,784
502	STEAM EXPENSES	181,559
503	STEAM FROM OTHER SOURCES	0
504	STEAM TRANSFERRED - CR	0
505	ELECTRIC EXPENSES	67,403
506	MISC. STEAM POWER EXPENSES	66,701
507	RENTS	177
508	OPERATION SUPPLIES AND EXPENSES	0
509	CARRYING CHARGES - ALLOWANCES	0

TOTAL OPERATION EXPENSE 10,569,344

510	MAINTENANCE SUPER. AND ENGINEERING	89,849
511	MAINTENANCE OF STRUCTURES	49,458
512	MAINTENANCE OF BOILER PLANT	544,593
513	MAINTENANCE OF ELECTRIC PLANT	63,263
514	MAINTENANCE OF MISC. STEAM PLANT	34,006
515	MAINTENANCE NORMALIZING	0

TOTAL MAINTENANCE EXPENSES 781,169

555	PURCHASED POWER	0
556	SYSTEM CONTROL AND LOAD DISPATCHING	(5,642)
557	OTHER POWER SUPPLY EXPENSES	(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

A E P GENERATING COMPANY

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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	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
	TOTAL SALES EXPENSES	0
920	ADMIN. & GENERAL SALARIES	59,006
921	OFFICE SUPPLIES AND EXPENSES	8,189
922	ADMINISTRATIVE EXPENSES TRANSF - CR	0
923	OUTSIDE SERVICES	17,996
924	PROPERTY INSURANCE	10,753
925	INJURIES AND DAMAGES	1,137
926	EMPLOYEE PENSIONS AND BENEFITS	87,327
927	FRANCHISE REQUIREMENTS	0
928	REGULATORY COMMISSION	0
929	DUPLICATE CHARGES-CREDIT	0
930	MISCELLANEOUS GENERAL EXPENSES	(14)
931	RENTS	746
933	TRANSPORTATION EXPENSE	0
	TOTAL ADM & GEN EXPENSES OPERATION	185,140
935	MAINTENANCE OF GENERAL PLANT	1,456
	TOTAL ADM & GEN EXPENSES	186,596
	TOTAL AEG OPERATION & MAINTENANCE EXPENSES	11,515,249
	ACCOUNT 40190 TOTAL FOR CROSS FOOT	11,515,249
	-----DIFFERENCE-----	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
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

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

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 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**

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**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

<u>SUMMARY</u>	<u>TOTAL</u>
Current Month Bill:	
Return on Common Equity	(53,883)
Return on Other Capital	(11,037)
Total Return	----- (64,920)
Fuel	3,332,736
Purchased Power	0
Other Operating Revenues	(2,625)
Other Operation and Maintenance Exp	1,976,007
Depreciation Expense	293,661
Taxes Other Than Federal Income Tax	137,036
Federal Income Tax	(8,322)
TOTAL CURRENT UNIT POWER BILL	----- 5,663,573 =====
Prior Month's Adjustment:	
Return on Common Equity & Other Capital	895
Fuel Expense	0
Other Expenses (Includes taxes & interest)	(56,483)
TOTAL PRIOR MONTH'S ADJUSTMENTS	----- (55,588) -----
TOTAL UNIT POWER BILL	----- 5,607,985 =====

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 Shannon Listebarger - Columbus
 Mike Stout - Ft. Wayne
 Mike Giardina - Columbus
 Sid Lyons - Columbus Michelle Howell - Columbus

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
SUMMARY OF MONTHLY POWER BILL**

	TOTAL UNIT 2 POWER BILL	KPCO SHARE	I&M SHARE
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
+ 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
<u>Determination of Federal Income Tax :</u>			
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)
<u>Proof of Federal Income Tax :</u>			
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)

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

<u>Line No.</u>		<u>UNIT 2</u> <u>November, 2013</u>
1	Operating Ratio:	
2	<u>Net In-Service Investment:</u>	
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	- Other Deferred Credits (A/C 253)	50,694,394
14	- Accumulated Deferred FIT	35,878,573
15	- Accumulated Deferred ITC	17,905,432
16	Total Net In-Service Investment	170,840,051
17	<u>Non-In-Service Investment - CWIP :</u>	
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	<u>Non-In-Service Investment - Other :</u>	
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	100.0000%
	* 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	

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

**Line
No.**

**UNIT 2
November, 2013**

1 Net In-Service Investment Ratio:

2 Unit 2 Net In-Service Investment:

3	Electric Plant In-Service	137,905,362
4	- Accumulated Depreciation	132,302,984
5	+ Materials & Supplies	33,072,893
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 **	(22,061,830)
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)	50,694,394
14	- Accumulated Deferred FIT	(7,939,969)
15	- Accumulated Deferred ITC	17,894,064

16 Total Unit 2 Net In-Service Investment (44,588,727)

17 Unit 1 Net In-Service Investment:

18	Electric Plant In-Service	655,740,042
19	- Accumulated Depreciation	430,967,086
20	+ Materials & Supplies	36,491,472
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 **	(1,452,061)
25	+ Unamortized Debt Expense (A/C 181)	88,334
26	+ Deferred ASH pond cost (A/C182.3)	1,439,629
27	- Asset Retirement Obligation (A/C 230)	2,142,581
28	- Other Deferred Credits (A/C 253)	0
29	- Accumulated Deferred FIT	43,818,541
30	- Accumulated Deferred ITC	11,368

31 Total Unit 1 Net In-Service Investment 215,428,778

32 Total Net In-Service Investment 170,840,051

33 Net In-Service Investment Ratio:

34 Unit 2 (Line 16 / Line 32) -26.1000%

35 Unit 1 (Line 31 / Line 32) 126.1000%

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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<u>Line No.</u>		<u>UNIT 2</u> <u>November, 2013</u>
1	Net Capitalization:	
2	Long-Term Debt	64,834,718
3	+ Short-Term Debt	62,085,020
4	+ Preferred Stock	0
5	+ Common Equity	89,661,248
6	- Temporary Cash Investments	0

7	Net Capitalization	216,580,987
		=====
8	40% of Net Capitalization	86,632,395
9	<u>Return on Common Equity:</u>	
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	x Operating Ratio	78.0481%
14	x Net In-Service Investment Ratio	-26.1000%
15	= Subtotal	(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	x Net In-Service Investment Ratio	-26.1000%
21	= Subtotal	(782)

22	Unit 2 Return on Equity (Line 15 + Line 21)	(179,609)
		=====
23	<u>Return on Other Capital:</u>	
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	x Operating Ratio	78.0481%
32	x Net In-Service Investment Ratio	-26.1000%
33	= Unit 2 Return on Other Capital	(36,790)
		=====

* 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 2
November, 2013**

1	Debt 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	+ Other Debt (Accts 132 thru 136 + 145)	0

5	Total Debt Balances (Prior Month Ending)	126,919,739
		=====
6	<u>Weighting of Debt Balances :</u>	
7	Long-Term Debt (LTD bal/Total Debt bal)	51.0832%
8	+ Short-Term Debt (STD bal/Total Debt bal)	48.9168%
9	+ Other Debt	0.0000%

10	Total Debt Balances	100.0000%
		=====
11	<u>Debt Cost Rates :</u>	
12	Long-Term Debt (avg LTD int rate)	2.6936%
13	Short-Term Debt (avg Money Pool STD int rate)	0.3417%
14	Other Debt	0.0000%
15	<u>Weighted Cost of Debt :</u>	
16	Long-Term Debt (LTD % x avg LTD int rate)	1.3760%
17	+ Short-Term Debt (STD % x avg MP STD int rate)	0.1671%
18	+ Other Debt	0.0000%

19	Total Weighted Cost of Debt	1.5431%
		=====

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

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UNIT 2

INCLUDE A/C 431 ON PG 5

<u>Line No.</u>		<u>November, 2013</u>
1	Unit 2 Materials and Supplies:	
2	Fuel Stock - Coal (per Line 23)	17,934,111
3	Fuel Stock Expenses - Undistributed (152)	949,381
4	Fuel Stock - Oil (151)	1,691,940
5	Plant Materials & Operating Supplies	12,497,461
6	Merchandise	0
7	Undistributed Stores Expense	0

8	Total Materials & Supplies	33,072,893
		=====
9	<u>Support of Coal Inventory Value:</u>	
10	Actual Coal Inventory (a/c 151.10)	17,934,111
11	+ Equivalent Inventory re: Deferred Return	914,110,411

12	= Imputed Coal Inventory	932,044,522

13	<u>Coal Inventory W/68 Day Supply Cap</u>	
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)	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	<u>Accumulated Deferred Inventory Return - Unit 2 (Memo Item):</u>	
26	Beginning Balance	6,452,404
27	+ Current Month Return on Beginning Balance	45,869
28	+ Current Month Deferral	22,255
29	- Current Month Recovery	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	18,633,717
	Total Unit 2 Monthly Power Bill with 68 Day Capped	18,655,972
	Difference	22,255

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
DETAIL OF OTHER OPERATING REVENUES**

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UNIT 2

November, 2013

<u>Line No.</u>	<u>Account No.</u>	<u>Description</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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UNIT 2

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>November, 2013</u>
1	500,502-508	Steam Power Generation - Operation	5,977,661
2	501	Fuel - Operation	11,109,121
3	510-515	Steam Power Generating - Maintenance	285,194
4		Total Steam Power Generation Expenses	17,371,976
5	555-557	Other Power Supply Expenses	(21,860)
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 Expensese	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

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

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**UNIT 2
November, 2013**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
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 Acquisition Adjustments	0
5	407	Amortization of Property Losses, Unrecovered Plant and Regulatory Study Costs	0
			-
6		Total Depreciation Exp. & Amortization	962,826
			=
7	411.10	ARO Accretion Expense	16,044
8		Total Depreciation, Amortization & Accretion Expenses	978,870

* 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%

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

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UNIT 2

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>November, 2013</u>
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 =====

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

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>TOTAL</u>	<u>KPCO SHARE</u>	<u>I&M SHARE</u>
1		<u>Unit 2 Schedule `M' Adjustments*</u>			
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)	(128,895)	(300,754)
6		<u>Unit 2 Deferred Federal Income Tax</u>			
7	410.1	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' Adj.-Utility	236,260	70,878	165,382
12	***	Total Unit 2 Deferred Federal Income Tax	194,934	58,480	136,454

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

Check Figure on Tax Page for Sch M (429,649)
Check Figure on Tax Page for DFIT 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**

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**UNIT 2
November, 2013**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
1		<u>ELECTRIC PLANT IN SERVICE</u>	
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		<u>ACCUMULATED DEPRECIATION</u>	
14	108	Accumulated Provision for Depreciation of Electric Utility Plant	111,559,197
15	110	Accumulated Provision for Depreciation and Amort. of Elec. Utility Plant	0
16	111	Accumulated Provision for Amortization of Electric Utility Plant	20,743,787
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	132,302,984
20		<u>MATERIAL AND SUPPLIES</u>	
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

**AEP GENERATING COMPANY
 ROCKPORT POWER BILL
 OTHER WORKING CAPITAL, UNAMORTIZED DEBT EXPENSE
 AND OTHER DEFERRED CREDITS**

<u>Line No.</u>	<u>Account No.</u>	<u>Description *</u>	<u>UNIT 2 November, 2013</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	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 <credit>	

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

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**UNIT 2
November, 2013**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</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) =====

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

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**UNIT 2
November, 2013**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
		<u>Non-In-Service Investment - CWIP</u>	
1	107	Construction Work In Process	49,829,887
2		<u>MATERIAL AND SUPPLIES</u>	
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		<u>ACCUMULATED DEFERRED INCOME TAXES</u>	
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	0
16		Total Accumulated Deferred Income Taxes (CWIP Portion)	----- 0
17		TOTAL NON-IN-SERVICE INVESTMENT - CWIP	----- 49,829,887 =====
		<u>Non-In-Service Investment - Other</u>	
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) =====
		* INCLUDES ROCKPORT 1 AND 2	
		UNIT 1	(3,418,579)
		UNIT 2	0
		TOTAL	----- (3,418,579) =====

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
DETAIL OF NET CAPITALIZATION**

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**UNIT 2
November, 2013**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
1		<u>COMMON CAPITAL STOCK</u>	
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		<u>OTHER PAID-IN CAPITAL</u>	
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		<u>RETAINED EARNINGS</u>	
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		<u>PREFERRED CAPITAL STOCK</u>	
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
November, 2013**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
28		<u>LONG-TERM DEBT</u>	
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
		<u>SHORT-TERM DEBT</u>	
36a	231.02	Notes Payable (Short-Term Debt)	0
36b	231.03	Unamortized Discount	0
	233.00	Notes Payable, Assoc Co(Money Pool)	62,085,020
38		Total Short-Term Debt	62,085,020
39		<u>TEMPORARY CASH INVESTMENTS</u>	
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

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

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<u>Line No.</u>		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 (Accts 201 thru 216)	89,661,248
6	- Capitalization Offsets	0

7	Total Capitalization Balances	216,580,987
		=====
8	<u>Weighting of Capitalization Balances :</u>	
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	<u>Capitalization Cost Rates :</u>	
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	<u>Rate of Return (Net of Tax) :</u>	
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%
	(LTD Rate of Return + STD RR - Cap Offsets RR)	
29	+ Pre-Tax Common Equity (Line 25 / .65)	7.7448%
	(Common Equity Rate of Return grossed up for tax)	-----
30	= Rate of Return (Pre-Tax)	8.6491%
		=====

A E P GENERATING COMPANY

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

500	SUPERVISION AND ENGINEERING	115,179
501	FUEL	11,109,121
502	STEAM EXPENSES	64,672
503	STEAM FROM OTHER SOURCES	0
504	STEAM TRANSFERRED - CR	0
505	ELECTRIC EXPENSES	41,722
506	MISC. STEAM POWER EXPENSES	65,659
507	RENTS	5,690,430
508	OPERATION SUPPLIES AND EXPENSES	0
509	CARRYING CHARGES - ALLOWANCES	0

TOTAL OPERATION EXPENSE 17,086,782

510	MAINTENANCE SUPER. AND ENGINEERING	88,846
511	MAINTENANCE OF STRUCTURES	16,330
512	MAINTENANCE OF BOILER PLANT	109,930
513	MAINTENANCE OF ELECTRIC PLANT	53,290
514	MAINTENANCE OF MISC. STEAM PLANT	16,798
515	MAINTENANCE NORMALIZING	0

TOTAL MAINTENANCE EXPENSES 285,194

555	PURCHASED POWER	0
556	SYSTEM CONTROL AND LOAD DISPATCHING	(5,642)
557	OTHER POWER SUPPLY EXPENSES	(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

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

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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 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	65,923
921	OFFICE SUPPLIES AND EXPENSES	8,199
922	ADMINISTRATIVE EXPENSES TRANSF - CR	0
923	OUTSIDE SERVICES	170,166
924	PROPERTY INSURANCE	10,753
925	INJURIES AND DAMAGES	1,137
926	EMPLOYEE PENSIONS AND BENEFITS	87,327
927	FRANCHISE REQUIREMENTS	0
928	REGULATORY COMMISSION	0
929	DUPLICATE CHARGES-CREDIT	0
930	MISCELLANEOUS GENERAL EXPENSES	(14)
931	RENTS	746
933	TRANSPORTATION EXPENSE	0
	TOTAL ADM & GEN EXPENSES OPERATION	344,237
935	MAINTENANCE OF GENERAL PLANT	1,456
	TOTAL ADM & GEN EXPENSES	345,693
	TOTAL AEG OPERATION & MAINTENANCE EXPENSES	17,695,809
	ACCOUNT 40190 TOTAL FOR CROSS FOOT	17,695,809
	-----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-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 137,910,000

SUMMARY

TOTAL

Current Month Bill:

Return on Common Equity	260,055
Return on Other Capital	68,520
Total Return	----- 328,575
Fuel	3,642,557
Purchased Power	0
Other Operating Revenues	(2,625)
Other Operation and Maintenance Exp	410,933
Depreciation Expense	492,334
Taxes Other Than Federal Income Tax	77,439
Federal Income Tax	(115,008)
TOTAL CURRENT UNIT POWER BILL	----- 4,834,205 -----

Prior Month's Adjustment:

Return on Common Equity & Other Capital	0
Fuel Expense	0
Other Expenses (Includes taxes & interest)	95,671

TOTAL PRIOR MONTH'S ADJUSTMENTS -----
95,671

TOTAL UNIT POWER BILL =====
4,929,876
=====

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
 Sid Lyons - Columbus Michelle Howell - Columbus
 Diane Keegan - Columbus

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-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 Bill:

Return on Common Equity	606,796
Return on Other Capital	159,881
Total Return	----- 766,677
Fuel	8,499,301
Purchased Power	0
Other Operating Revenues	(6,125)
Other Operation and Maintenance Exp	958,844
Depreciation Expense	1,148,781
Taxes Other Than Federal Income Tax	180,690
Federal Income Tax	(268,350)
 TOTAL UNIT POWER BILL	 ----- 11,279,817 -----

Prior Month's Adjustment:

Return on Common Equity & Other Capital	0
Fuel	0
Other Expenses (Includes taxes & interest)	223,235
 TOTAL PRIOR MONTH'S ADJUSTMENTS	 ----- 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

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
SUMMARY OF MONTHLY POWER BILL**

	<u>TOTAL UNIT 1 POWER BILL</u>	<u>KPCO SHARE</u>	<u>I&M SHARE</u>
Return on Common Equity	866,851	260,055	606,796
Return on Other Capital	228,401	68,520	159,881
<hr/>			
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)
<hr/>			
= Total Unit 1 Monthly Power Bill	16,114,023	4,834,205	11,279,817
<hr/>			
<u>Determination of Federal Income Tax :</u>			
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
<hr/>			
= Subtotal	1,122,238	336,671	785,567
x 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)
<hr/>			
= Total Unit 1 Fed&State Income Taxes	(383,357)	(115,008)	(268,350)
<hr/>			
<u>Proof of Federal Income Tax :</u>			
Total 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)
<hr/>			
= Pre-Tax Book Income	475,582	142,673	332,908
+ Unit 1 Schedule M Adjustments	1,250,939	375,282	875,657
<hr/>			
= Unit 1 Taxable Income	1,726,521	517,955	1,208,565
x 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)
<hr/>			
= Total Unit 1 Fed&State Income Taxes	(383,358)	(115,008)	(268,350)
<hr/>			

* 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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<u>Line No.</u>	<u>UNIT 1 December, 2013</u>
1	<u>Operating Ratio:</u>
2	<u>Net In-Service Investment:</u>
3	Electric Plant In-Service 793,964,030
4	- Accumulated Depreciation 566,037,117
5	+ Materials & Supplies 68,405,548
6	+ Prepayments 105,669
7	+ Plant Held For Future Use (A/C 105) * 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	+ 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
15	- Accumulated Deferred ITC 17,742,471
16	Total Net In-Service Investment 162,731,989
17	<u>Non-In-Service Investment - CWIP :</u>
18	Construction Work In Progress 52,517,778
19	+ Materials & Supplies 0
20	- Accumulated Deferred FIT 0
21	Total Non-In-Service Investment - CWIP 52,517,778
22	<u>Non-In-Service Investment - Other :</u>
23	Plant Held for Future Use (A/C 105) ** 1,034,099
24	+ Other Deferred Debits (A/C 186) ** 1,351,129
25	+ Fuel Inventory Over Allowed Level **** (6,879,556)
26	Total Non-In-Service Investment - Other (4,494,328)
27	Total Investment (Lines 16+21+26) 210,755,439
28	Operating Ratio (Line 16/Line 27) 77.2137%
29	Non-In-Service Investment-CWIP Ratio (Line 21/Line 27) 24.9188%
30	Non-In-Service Investment-Other Ratio (Line 26/Line 27) -2.1325%
31	Total Investment 100.0000%
*	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
****	Includes Rockport 1 and 2

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

<u>Line No.</u>	<u>UNIT 1</u> <u>December, 2013</u>	
1		<u>Net In-Service Investment Ratio:</u>
2		Unit 1 Net In-Service Investment:
3		Electric Plant In-Service 654,831,856
4		- Accumulated Depreciation 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		+ Unamortized Debt Expense (A/C 181) 82,569
11		+ Deferred ASH pond cost (A/C182.3) 1,435,717
12		- Asset Retirement Obligation (A/C 230) 2,156,200
13		- Other Deferred Credits (A/C 253) 0
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		+ Prepayments 52,835
22		+ Plant Held For Future Use (A/C 105) * 0
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		<u>Net In-Service Investment Ratio:</u>
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

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

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<u>Line No.</u>		<u>UNIT 1 December, 2013</u>
1	<u>Net Capitalization:</u>	
2	Long-Term Debt	64,834,718
3	+ Short-Term Debt	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	<u>Return on Common Equity:</u>	
10	Lesser of Line 5 or Line 8	82,882,971
11	x Equity Return (Monthly Rate)	1.01333%
12	= Equity Return	839,878
13	x Operating Ratio	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	x Operating Ratio	77.2137%
20	x Net In-Service Investment Ratio	132.4500%
21	= Subtotal	----- 7,912 =====
22	Unit 1 Return on Equity (Line 15 + Line 21)	866,851
23	<u>Return on Other Capital:</u>	
24	Long-Term Debt Interest Expense (A/C 427-429)	148,003
25	+ Short-Term Debt Interest Expense (a/c 430)	75,329
26	+ Other Interest Expense (a/c 431)	0
27	- Temporary Cash Investment Income *	0
28	= Net Interest Expense	----- 223,332 -----
29	+ Preferred Stock Dividends (a/c 437)	0
30	= Net Cost of Other Capital	223,332
31	x Operating Ratio	77.2137%
32	x Net In-Service Investment Ratio	132.4500%
33	= Unit 1 Return on Other Capital	228,401
	* 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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<u>Line No.</u>	<u>UNIT 1</u>	<u>December, 2013</u>
1	<u>Debt Balances (Prior Month Ending) :</u>	
2	Long-Term Debt (Accts 221 thru 226)	64,834,718
3	+ Short-Term Debt (Accts 231 + 233)	53,776,086
4	+ Other Debt (Accts 132 thru 136 + 145)	0

5	Total Debt Balances (Prior Month Ending)	118,610,804
		=====
6	<u>Weighting of Debt Balances :</u>	
7	Long-Term Debt (LTD bal/Total Debt bal)	54.6617%
8	+ Short-Term Debt (STD bal/Total Debt bal)	45.3383%
9	+ Other Debt	0.0000%

10	Total Debt Balances	100.0000%
		=====
11	<u>Debt Cost Rates :</u>	
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%
15	<u>Weighted Cost of Debt :</u>	
16	Long-Term Debt (LTD % x avg LTD int rate)	1.4692%
17	+ Short-Term Debt (STD % x avg MP STD int rate)	0.1245%
18	+ Other Debt	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

<u>Line No.</u>		<u>December, 2013</u>
1	<u>Unit 1 Materials and Supplies:</u>	
2	Fuel Stock - Coal (per Line 23)	22,348,200
3	Fuel Stock Expenses - Undistributed (152)	799,494
4	Fuel Stock - Oil (151)	2,033,907
5	Plant Materials & Operating Supplies	12,460,951
6	Merchandise	0
7	Undistributed Stores Expense	0
8	Total Materials & Supplies	37,642,552
9	<u>Support of Coal Inventory Value:</u>	
10	Actual Coal Inventory (a/c 151.10)	15,468,644
11	+ Equivalent Inventory re: Deferred Return	19,365,675,066
12	= Imputed Coal Inventory	19,381,143,710
13	<u>Coal Inventory W/68 Day Supply Cap</u>	
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)	42.249
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	<u>Accumulated Deferred Inventory Return - Unit 1 (Memo Item):</u>	
26	Beginning Balance	145,464,922
27	+ Current Month Return on Beginning Balance	1,100,927
28	+ Current Month Deferral	0
29	- Current Month Recovery	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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UNIT 1

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>December, 2013</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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UNIT 1

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>December, 2013</u>
1	500,502-508	Steam Power Generation - Operation	499,770
2	501	Fuel - Operation	12,141,858
3	510-515	Steam Power Generating - Maintenance	562,274
4		Total Steam Power Generation Expenses	13,203,903
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 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

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

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UNIT 1

December, 2013

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
	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 Acquisition 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

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

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UNIT 1

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>December, 2013</u>
BS1			
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 =====

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

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<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>TOTAL</u>	<u>KPCO SHARE</u>	<u>I&M SHARE</u>
1		<u>Unit 1 Schedule `M' Adjustments*</u>			
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	375,282	875,657
6		<u>Unit 1 Deferred Federal Income Tax</u>			
7	410.1	Excess ACRS Over Norm. Base Depr. (Line 2 x FIT Rate * -1)	(722,191)	(216,657)	(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' Adj.-Utility	(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.

=====

=====

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

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**UNIT 1
December, 2013**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
1		<u>ELECTRIC PLANT IN SERVICE</u>	
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		<u>ACCUMULATED DEPRECIATION</u>	
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	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	431,947,793
20		<u>MATERIAL AND SUPPLIES</u>	
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	156	Other Materials and Supplies	0
27	163	Stores Expense Undistributed	0
28		Total Materials and Supplies (In-Service Portion)	37,642,552
29	165	Prepayments	52,835
30	186	Other Deferred Debits	0

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
OTHER WORKING CAPITAL, UNAMORTIZED DEBT EXPENSE
AND OTHER DEFERRED CREDITS**

<u>Line No.</u>	<u>Account No.</u>	<u>Description *</u>	<u>UNIT 1 December, 2013</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	19,892,083
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	(14,234,530)
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	181	Unamortized Debt Expense	82,569

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
December, 2013

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
31		<u>ACCUMULATED DEFERRED INCOME TAXES</u>	
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 - Other Property	45,827,028
35	283	+Accumulated Deferred Income Taxes - 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	0
39		Total Accumulated Deferred Investment Tax Credits	----- 12,572 -----
40		Total Net In-Service Investment - Unit 1	----- 216,251,787 =====

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

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**UNIT 1
December, 2013**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
		<u>Non-In-Service Investment - CWIP</u>	
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		<u>ACCUMULATED DEFERRED INCOME TAXES</u>	
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	0
16		Total Accumulated Deferred Income Taxes (CWIP Portion)	----- 0
17		TOTAL NON-IN-SERVICE INVESTMENT - CWIP	----- 52,517,778 =====
		<u>Non-In-Service Investment - Other</u>	
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) =====
		* INCLUDES ROCKPORT 1 AND 2	
		UNIT 1	(6,879,556)
		UNIT 2	0
		TOTAL	----- (6,879,556) =====

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
DETAIL OF NET CAPITALIZATION**

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December, 2013

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
1		<u>COMMON CAPITAL STOCK</u>	
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		<u>OTHER PAID-IN CAPITAL</u>	
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		<u>RETAINED EARNINGS</u>	
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		<u>PREFERRED CAPITAL STOCK</u>	
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
December, 2013**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
28		<u>LONG-TERM DEBT</u>	
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
		<u>SHORT-TERM DEBT</u>	
36a	231.02	Notes Payable (Short-Term Debt)	0
36b	231.03	Unamortized Discount	0
37	233.00	Notes Payable, Assoc Co(Money Pool)	53,776,086
38		Total Short-Term Debt	53,776,086
39		<u>TEMPORARY CASH INVESTMENTS</u>	
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	207,207,428

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

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**UNIT 1
December, 2013**

Line No.

1	<u>Capitalization Balances (Prior Month Ending) :</u>	
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	<u>Weighting of Capitalization Balances :</u>	
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	<u>Rate of Return (Net of Tax) :</u>	
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	0.9122%
	(LTD Rate of Return + STD RR - Cap Offsets RR)	
29	+ Pre-Tax Common Equity (Line 25 / .65)	7.9989%
	(Common Equity Rate of Return grossed up for tax)	-----
30	= Rate of Return (Pre-Tax)	8.9111%
		=====

A E P GENERATING COMPANY

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

500	SUPERVISION AND ENGINEERING	141,867
501	FUEL	12,141,858
502	STEAM EXPENSES	76,061
503	STEAM FROM OTHER SOURCES	0
504	STEAM TRANSFERRED - CR	0
505	ELECTRIC EXPENSES	76,284
506	MISC. STEAM POWER EXPENSES	205,381
507	RENTS	177
508	OPERATION SUPPLIES AND EXPENSES	0
509	CARRYING CHARGES - ALLOWANCES	0

TOTAL OPERATION EXPENSE 12,641,628

510	MAINTENANCE SUPER. AND ENGINEERING	74,987
511	MAINTENANCE OF STRUCTURES	44,225
512	MAINTENANCE OF BOILER PLANT	328,897
513	MAINTENANCE OF ELECTRIC PLANT	69,025
514	MAINTENANCE OF MISC. STEAM PLANT	45,140
515	MAINTENANCE NORMALIZING	0

TOTAL MAINTENANCE EXPENSES 562,274

555	PURCHASED POWER	0
556	SYSTEM CONTROL AND LOAD DISPATCHING	(1,349)
557	OTHER POWER SUPPLY EXPENSES	(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

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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	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
	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 & GEN EXPENSES	310,064
	TOTAL AEG OPERATION & MAINTENANCE EXPENSES	13,511,635
	ACCOUNT 40190 TOTAL FOR CROSS FOOT	13,511,635
	-----DIFFERENCE-----	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
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

<u>SUMMARY</u>	<u>TOTAL</u>
Current Month Bill:	
Return on Common Equity	(149,397)
Return on Other Capital	(39,364)
Total Return	----- (188,761)
Fuel	8,256,587
Purchased Power	0
Other Operating Revenues	(6,125)
Other Operation and Maintenance Exp	4,828,913
Depreciation Expense	709,642
Taxes Other Than Federal Income Tax	178,170
Federal Income Tax	514,839
TOTAL CURRENT UNIT POWER BILL	----- 14,293,265 -----
Prior Month's Adjustment:	
Return on Common Equity & Other Capital	0
Fuel Expense	0
Other Expenses (Includes taxes & interest)	815,888
TOTAL PRIOR MONTH'S ADJUSTMENTS	----- 815,888 -----
TOTAL UNIT POWER BILL	=====
	15,109,153 =====

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
 Sid Lyons - 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-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 135,072,150

<u>SUMMARY</u>	<u>TOTAL</u>
Current Month Bill:	
Return on Common Equity	(64,027)
Return on Other Capital	(16,870)
Total Return	----- (80,897)
Fuel	3,538,537
Purchased Power	0
Other Operating Revenues	(2,625)
Other Operation and Maintenance Exp	2,069,534
Depreciation Expense	304,132
Taxes Other Than Federal Income Tax	76,359
Federal Income Tax	220,645
TOTAL CURRENT UNIT POWER BILL	----- 6,125,685 =====
Prior Month's Adjustment:	
Return on Common Equity & Other Capital	0
Fuel Expense	0
Other Expenses (Includes taxes & interest)	349,665
TOTAL PRIOR MONTH'S ADJUSTMENTS	----- 349,665 -----
TOTAL UNIT POWER BILL	----- 6,475,350 =====

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
 Sid Lyons - Columbus Michelle Howell - Columbus

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
SUMMARY OF MONTHLY POWER BILL**

December, 2013

	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	11,795,124	3,538,537	8,256,587
+ Purchased Power	0	0	0
- Other Operating Revenues	(8,750)	(2,625)	(6,125)
+ Other Operation and Maintenance Exp	6,898,447	2,069,534	4,828,913
+ Depreciation Expense	1,013,774	304,132	709,642
+ Taxes Other Than Federal Income Tax	254,529	76,359	178,170
+ Federal and State Income Tax	735,484	220,645	514,839
= Total Unit 2 Monthly Power Bill	20,418,950	6,125,685	14,293,265
<u>Determination of Federal Income Tax :</u>			
Total Return (Line 3)	(269,658)	(80,897)	(188,761)
+ Unit 2 Schedule M Adjustments	1,363,686	409,106	954,580
+ Unit 2 Deferred Federal Income Taxes	74,792	22,438	52,354
- Unit 2 Interest Expense Deduction *	(58,182)	(17,455)	(40,727)
= Subtotal	1,227,001	368,101	858,900
x Gross-Up (FIT Rate / 1-FIT Rate)	0.538462	0.538462	0.538462
= Unit 2 Current Federal Income Tax	660,693	198,208	462,485
+ Unit 2 Def Fed & State Income Taxes	74,792	22,438	52,354
= Total Unit 2 Fed&State Income Taxes	735,484	220,645	514,839
<u>Proof of Federal Income Tax :</u>			
Total Unit 2 Monthly Power Bill	20,418,950	6,125,685	14,293,265
- Operation and Maintenance Expenses	18,693,571	5,608,071	13,085,500
- Depreciation Expense	1,013,774	304,132	709,642
- Taxes Other Than Federal Income Tax	254,529	76,359	178,170
- Unit 2 Interest Expense Deduction *	(58,182)	(17,455)	(40,727)
- Other Operating Revenues	(8,750)	(2,625)	(6,125)
= Pre-Tax Book Income	524,008	157,203	366,805
+ Unit 2 Schedule M Adjustments	1,363,686	409,106	954,580
= Unit 2 Taxable Income	1,887,694	566,309	1,321,385
x Current Federal Income Tax Rate	35%	35%	35%
= Unit 2 Current Federal Income Tax	660,693	198,208	462,485
+ Unit 2 Def Fed & State Income Taxes	74,792	22,438	52,354
= Total Unit 2 Fed&State Income Taxes	735,485	220,646	514,839

* 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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<u>Line No.</u>	<u>UNIT 2</u> <u>December, 2013</u>
1	Operating Ratio:
2	<u>Net In-Service Investment:</u>
3	Electric Plant In-Service 793,964,030
4	- Accumulated Depreciation 566,037,117
5	+ Materials & Supplies 68,405,548
6	+ Prepayments 105,669
7	+ Plant Held For Future Use (A/C 105) * 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	+ 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
15	- Accumulated Deferred ITC 17,742,471
16	Total Net In-Service Investment 162,731,989
17	<u>Non-In-Service Investment - CWIP :</u>
18	Construction Work In Progress 52,517,778
19	+ Materials & Supplies 0
20	- Accumulated Deferred FIT 0
21	Total Non-In-Service Investment - CWIP 52,517,778
22	<u>Non-In-Service Investment - Other :</u>
23	Plant Held for Future Use (A/C 105) ** 0
24	+ Other Deferred Debits (A/C 186) ** 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 100.0000%
	* 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

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

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

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

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<u>Line No.</u>		<u>UNIT 2 December, 2013</u>
1	Net Capitalization:	
2	Long-Term Debt	64,834,718
3	+ Short-Term Debt	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	<u>Return on Common Equity:</u>	
10	Lesser of Line 5 or Line 8	82,882,971
11	x Equity Return (Monthly Rate)	1.01333%
12	= Equity Return	839,878
13	x Operating Ratio	77.5944%
14	x Net In-Service Investment Ratio	-32.4500%
15	= Subtotal	(211,476)
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	x Operating Ratio	77.5944%
20	x Net In-Service Investment Ratio	-32.4500%
21	= Subtotal	(1,948)

22	Unit 2 Return on Equity (Line 15 + Line 21)	(213,424)
		=====
23	<u>Return on Other Capital:</u>	
24	Long-Term Debt Interest Expense (A/C 427-429)	148,003
25	+ Short-Term Debt Interest Expense (a/c 430)	75,329
26	+ Other Interest Expense (a/c 431)	0
27	- Temporary Cash Investment Income *	0

28	= Net Interest Expense	223,332
29	+ Preferred Stock Dividends (a/c 437)	0

30	= Net Cost of Other Capital	223,332
31	x Operating Ratio	77.5944%
32	x Net In-Service Investment Ratio	-32.4500%
33	= Unit 2 Return on Other Capital	(56,234)
		=====

* 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 2
December, 2013**

1	Debt 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	+ Other Debt (Accts 132 thru 136 + 145)	0
5	Total Debt Balances (Prior Month Ending)	----- 118,610,804 =====
6	<u>Weighting of Debt Balances :</u>	
7	Long-Term Debt (LTD bal/Total Debt bal)	54.6617%
8	+ Short-Term Debt (STD bal/Total Debt bal)	45.3383%
9	+ Other Debt	0.0000%
10	Total Debt Balances	----- 100.0000% =====
11	<u>Debt Cost Rates :</u>	
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%
15	<u>Weighted Cost of Debt :</u>	
16	Long-Term Debt (LTD % x avg LTD int rate)	1.4692%
17	+ Short-Term Debt (STD % x avg MP STD int rate)	0.1245%
18	+ Other Debt	0.0000%
19	Total Weighted Cost of Debt	----- 1.5937% =====

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

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UNIT 2

INCLUDE A/C 431 ON PG 5

<u>Line No.</u>		<u>December, 2013</u>
1	Unit 2 Materials and Supplies:	
2	Fuel Stock - Coal (per Line 23)	15,468,644
3	Fuel Stock Expenses - Undistributed (152)	799,494
4	Fuel Stock - Oil (151)	2,033,907
5	Plant Materials & Operating Supplies	12,460,951
6	Merchandise	0
7	Undistributed Stores Expense	0

8	Total Materials & Supplies	30,762,996
		=====
9	<u>Support of Coal Inventory Value:</u>	
10	Actual Coal Inventory (a/c 151.10)	15,468,644
11	+ Equivalent Inventory re: Deferred Return	868,074,755

12	= Imputed Coal Inventory	883,543,399

13	<u>Coal Inventory W/68 Day Supply Cap</u>	
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)	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	<u>Accumulated Deferred Inventory Return - Unit 2 (Memo Item):</u>	
26	Beginning Balance	6,520,528
27	+ Current Month Return on Beginning Balance	49,350
28	+ Current Month Deferral	48,225
29	- Current Month Recovery	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	19,638,145
	Total Unit 2 Monthly Power Bill with 68 Day Capped	19,686,370
	Difference	48,225

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
DETAIL OF OTHER OPERATING REVENUES**

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UNIT 2

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>December, 2013</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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UNIT 2

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>December, 2013</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 Expensese	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

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

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**UNIT 2
December, 2013**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
1	403	Depreciation Expense *	440,218
1a	403.1	ARO Depreciation Expense	3,343
2	404	Amortization of Limited-Term Electric Plant **	554,080
3	405	Amortization of Other Electric Plant	0
4	406	Amortization of Electric Plant Acquisition 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

* 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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UNIT 2

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>December, 2013</u>
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 =====

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

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>TOTAL</u>	<u>KPCO SHARE</u>	<u>I&M SHARE</u>
1		<u>Unit 2 Schedule `M' Adjustments*</u>			
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		<u>Unit 2 Deferred Federal Income Tax</u>			
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' Adj.-Utility	151,981	45,594	106,387
12	***	Total Unit 2 Deferred Federal Income Tax	74,792	22,438	52,354

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

Check Figure on Tax Page for Sch M 1,363,686
Check Figure on Tax Page for DFIT 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

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

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**UNIT 2
December, 2013**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
1		<u>ELECTRIC PLANT IN SERVICE</u>	
2	101	Electric Plant In Service	119,458,768
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	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		<u>ACCUMULATED DEPRECIATION</u>	
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 and Amortization of Other Utility Plant	0

19		Total Accumulated Depreciation	134,089,324

20		<u>MATERIAL AND SUPPLIES</u>	
21	151	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	0
28		Total Materials and Supplies (In-Service Portion)	30,762,996

29	165	Prepayments	52,835

30	186	Other Deferred Debits	0

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
OTHER WORKING CAPITAL, UNAMORTIZED DEBT EXPENSE
AND OTHER DEFERRED CREDITS**

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<u>Line No.</u>	<u>Account No.</u>	<u>Description *</u>	<u>UNIT 2 December, 2013</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	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 <credit>	

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

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**UNIT 2
December, 2013**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</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) =====

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

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**UNIT 2
December, 2013**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
		<u>Non-In-Service Investment - CWIP</u>	
1	107	Construction Work In Process	52,517,778
2		<u>MATERIAL AND SUPPLIES</u>	
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		<u>ACCUMULATED DEFERRED INCOME TAXES</u>	
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	0
16		Total Accumulated Deferred Income Taxes (CWIP Portion)	----- 0
17		TOTAL NON-IN-SERVICE INVESTMENT - CWIP	----- 52,517,778 =====
		<u>Non-In-Service Investment - Other</u>	
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) =====
		* INCLUDES ROCKPORT 1 AND 2	
		UNIT 1	(6,879,556)
		UNIT 2	0
		TOTAL	----- (6,879,556) =====

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
DETAIL OF NET CAPITALIZATION**

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**UNIT 2
December, 2013**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
1		<u>COMMON CAPITAL STOCK</u>	
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		<u>OTHER PAID-IN CAPITAL</u>	
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		<u>RETAINED EARNINGS</u>	
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		<u>PREFERRED CAPITAL STOCK</u>	
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
December, 2013**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
28		<u>LONG-TERM DEBT</u>	
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
		<u>SHORT-TERM DEBT</u>	
36a	231.02	Notes Payable (Short-Term Debt)	0
36b	231.03	Unamortized Discount	0
	233.00	Notes Payable, Assoc Co(Money Pool)	53,776,086
38		Total Short-Term Debt	53,776,086
39		<u>TEMPORARY CASH INVESTMENTS</u>	
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	207,207,428

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

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**UNIT 2
December, 2013**

<u>Line No.</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)	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	<u>Weighting of Capitalization Balances :</u>	
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	<u>Rate of Return (Net of Tax) :</u>	
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	0.9122%
	(LTD Rate of Return + STD RR - Cap Offsets RR)	
29	+ Pre-Tax Common Equity (Line 25 / .65)	7.9989%
	(Common Equity Rate of Return grossed up for tax)	-----
30	= Rate of Return (Pre-Tax)	8.9111%
		=====

A E P GENERATING COMPANY

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

500	SUPERVISION AND ENGINEERING	147,844
501	FUEL	11,795,124
502	STEAM EXPENSES	71,732
503	STEAM FROM OTHER SOURCES	0
504	STEAM TRANSFERRED - CR	0
505	ELECTRIC EXPENSES	70,130
506	MISC. STEAM POWER EXPENSES	205,531
507	RENTS	5,690,421
508	OPERATION SUPPLIES AND EXPENSES	0
509	CARRYING CHARGES - ALLOWANCES	0
	TOTAL OPERATION EXPENSE	17,980,781

510	MAINTENANCE SUPER. AND ENGINEERING	75,108
511	MAINTENANCE OF STRUCTURES	10,632
512	MAINTENANCE OF BOILER PLANT	242,584
513	MAINTENANCE OF ELECTRIC PLANT	3,636
514	MAINTENANCE OF MISC. STEAM PLANT	32,745
515	MAINTENANCE NORMALIZING	0
	TOTAL MAINTENANCE EXPENSES	364,705

555	PURCHASED POWER	0
556	SYSTEM CONTROL AND LOAD DISPATCHING	(1,349)
557	OTHER POWER SUPPLY EXPENSES	(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

A E P GENERATING COMPANY

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

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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 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	56,027
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
	TOTAL AEG OPERATION & MAINTENANCE EXPENSES	18,693,571
	ACCOUNT 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

TOTAL

Current Month Bill:

Return on Common Equity	251,680
Return on Other Capital	52,838
Total Return	----- 304,518
Fuel	3,427,731
Purchased Power	0
Other Operating Revenues	(2,625)
Other Operation and Maintenance Exp	344,820
Depreciation Expense	493,955
Taxes Other Than Federal Income Tax	62,056
Federal Income Tax	155,476
TOTAL CURRENT UNIT POWER BILL	----- 4,785,931 -----

Prior Month's Adjustment:

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

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

SUMMARY

TOTAL

Current Month Bill:

Return on Common Equity	587,254
Return on Other Capital	123,287
Total Return	----- 710,541
Fuel	7,998,039
Purchased Power	0
Other Operating Revenues	(6,125)
Other Operation and Maintenance Exp	804,579
Depreciation Expense	1,152,560
Taxes Other Than Federal Income Tax	144,797
Federal Income Tax	362,774
TOTAL UNIT POWER BILL	----- 11,167,164 -----

Prior Month's Adjustment:

Return on Common Equity & Other Capital	0
Fuel	0
Other Expenses (Includes taxes & interest)	152,852

 TOTAL PRIOR MONTH'S ADJUSTMENTS 152,852

=====

TOTAL UNIT POWER BILL 11,320,016

=====

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

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
SUMMARY OF MONTHLY POWER BILL**

January, 2014

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

* 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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<u>Line No.</u>		<u>UNIT 1 January, 2014</u>
1	<u>Operating Ratio:</u>	
2	<u>Net In-Service Investment:</u>	
3	Electric Plant In-Service	798,689,036
4	- Accumulated Depreciation	568,360,617
5	+ Materials & Supplies	63,459,465
6	+ Prepayments	89,460
7	+ Plant Held For Future Use (A/C 105) *	0
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	- Accumulated Deferred FIT	37,328,428
15	- Accumulated Deferred ITC	17,579,506
16	Total Net In-Service Investment	----- 192,539,101 -----
17	<u>Non-In-Service Investment - CWIP :</u>	
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	<u>Non-In-Service Investment - Other :</u>	
23	Plant Held for Future Use (A/C 105) **	1,034,099
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	----- (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% -----
31	Total Investment	100.0000%
*	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	
****	Includes Rockport 1 and 2	

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

<u>Line No.</u>	<u>UNIT 1</u> <u>January, 2014</u>	
1	<u>Net In-Service Investment Ratio:</u>	
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	+ Other Deferred Debits (A/C 186) *	0
9	+ Other Working Capital **	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	+ Unamortized Debt Expense (A/C 181)	76,803
26	+ Deferred ASH pond cost (A/C182.3)	1,431,805
27	- Asset Retirement Obligation (A/C 230)	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	<u>Net In-Service Investment Ratio:</u>	
34	Unit 1 (Line 16 / Line 32)	112.6500%
35	Unit 2 (Line 31 / Line 32)	-12.6500%
		----- 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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<u>Line No.</u>		<u>UNIT 1 January, 2014</u>
1	<u>Net Capitalization:</u>	
2	Long-Term Debt	64,834,718
3	+ Short-Term Debt	78,377,649
4	+ Preferred Stock	0
5	+ Common Equity	90,409,891
6	- Temporary Cash Investments	0
7	Net Capitalization	----- 233,622,258 =====
8	40% of Net Capitalization	93,448,903
9	<u>Return on Common Equity:</u>	
10	Lesser of Line 5 or Line 8	90,409,891
11	x Equity Return (Monthly Rate)	1.01333%
12	= Equity Return	916,151
13	x Operating Ratio	81.2886%
14	x Net In-Service Investment Ratio	112.6500%
15	= Subtotal	838,934
16	Excess of Line 5 Over Line 8	0
17	x Weighted Cost of Debt (Monthly Rate)	0.1160%
18	= Return on Equity over 40% of Capitalization	0
19	x Operating Ratio	81.2886%
20	x Net In-Service Investment Ratio	112.6500%
21	= Subtotal	0
22	Unit 1 Return on Equity (Line 15 + Line 21)	----- 838,934 =====
23	<u>Return on Other Capital:</u>	
24	Long-Term Debt Interest Expense (A/C 427-429)	147,326
25	+ Short-Term Debt Interest Expense (a/c 430)	45,009
26	+ Other Interest Expense (a/c 431)	0
27	- Temporary Cash Investment Income *	0
28	= Net Interest Expense	----- 192,335
29	+ Preferred Stock Dividends (a/c 437)	0
30	= Net Cost of Other Capital	----- 192,335
31	x Operating Ratio	81.2886%
32	x Net In-Service Investment Ratio	112.6500%
33	= Unit 1 Return on Other Capital	176,125
	* 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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<u>Line No.</u>	<u>UNIT 1</u>	<u>January, 2014</u>
1	<u>Debt Balances (Prior Month Ending) :</u>	
2	Long-Term Debt (Accts 221 thru 226)	64,834,718
3	+ Short-Term Debt (Accts 231 + 233)	78,377,649
4	+ Other Debt (Accts 132 thru 136 + 145)	0

5	Total Debt Balances (Prior Month Ending)	143,212,367
		=====
6	<u>Weighting of Debt Balances :</u>	
7	Long-Term Debt (LTD bal/Total Debt bal)	45.2717%
8	+ Short-Term Debt (STD bal/Total Debt bal)	54.7283%
9	+ Other Debt	0.0000%

10	Total Debt Balances	100.0000%
		=====
11	<u>Debt Cost Rates :</u>	
12	Long-Term Debt (avg LTD int rate)	2.6755%
13	Short-Term Debt (avg Money Pool STD int rate)	0.2834%
14	Other Debt	0.0000%
15	<u>Weighted Cost of Debt :</u>	
16	Long-Term Debt (LTD % x avg LTD int rate)	1.2112%
17	+ Short-Term Debt (STD % x avg MP STD int rate)	0.1551%
18	+ Other Debt	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

<u>Line No.</u>		<u>January, 2014</u>
1	<u>Unit 1 Materials and Supplies:</u>	
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	<u>Support of Coal Inventory Value:</u>	
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	<u>Coal Inventory W/68 Day Supply Cap</u>	
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)	40.182
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	<u>Accumulated Deferred Inventory Return - Unit 1 (Memo Item):</u>	
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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UNIT 1

January, 2014

<u>Line No.</u>	<u>Account No.</u>	<u>Description</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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UNIT 1

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>January, 2014</u>
1	500,502-508	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 - 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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**UNIT 1
January, 2014**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
	1 403	Depreciation Expense	1,626,948
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 Acquisition Adjustments	0
	5 407	Amortization of Property Losses, Unrecovered Plant and Regulatory 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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UNIT 1

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>January, 2014</u>
BS1			
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**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>TOTAL</u>	<u>KPCO SHARE</u>	<u>I&M SHARE</u>
1		<u>Unit 1 Schedule `M' Adjustments*</u>			
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		<u>Unit 1 Deferred Federal Income Tax</u>			
7	410.1	Excess ACRS Over Norm. Base Depr. (Line 2 x FIT Rate * -1)	(278,508)	(83,552)	(194,956)
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' Adj.-Utility	(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.

=====

=====

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

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**UNIT 1
January, 2014**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
1		<u>ELECTRIC PLANT IN SERVICE</u>	
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 Reclassification	0
6	104	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		<u>ACCUMULATED DEPRECIATION</u>	
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 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	431,939,436
20		<u>MATERIAL AND SUPPLIES</u>	
21	151	Fuel Stock	23,201,427
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)	36,268,304
29	165	Prepayments	44,730
30	186	Other Deferred Debits	0

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
OTHER WORKING CAPITAL, UNAMORTIZED DEBT EXPENSE
AND OTHER DEFERRED CREDITS**

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<u>Line No.</u>	<u>Account No.</u>	<u>Description *</u>	<u>UNIT 1 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	17,651,298
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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**UNIT 1
January, 2014**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
31		<u>ACCUMULATED DEFERRED INCOME TAXES</u>	
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 Tax Credits	----- 13,774 -----
40		Total Net In-Service Investment - Unit 1	----- 217,636,008 =====

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

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**UNIT 1
January, 2014**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
		<u>Non-In-Service Investment - CWIP</u>	
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		<u>ACCUMULATED DEFERRED INCOME TAXES</u>	
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	0
16		Total Accumulated Deferred Income Taxes (CWIP Portion)	----- 0
17		TOTAL NON-IN-SERVICE INVESTMENT - CWIP	----- 51,293,276 =====
		<u>Non-In-Service Investment - Other</u>	
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) =====
		* INCLUDES 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
January, 2014**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
1		<u>COMMON CAPITAL STOCK</u>	
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		<u>OTHER PAID-IN CAPITAL</u>	
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		<u>RETAINED EARNINGS</u>	
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		<u>PREFERRED CAPITAL STOCK</u>	
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
January, 2014**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
28		<u>LONG-TERM DEBT</u>	
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
		<u>SHORT-TERM DEBT</u>	
36a	231.02	Notes Payable (Short-Term Debt)	0
36b	231.03	Unamortized Discount	0
37	233.00	Notes Payable, Assoc Co(Money Pool)	78,377,649
38		Total Short-Term Debt	78,377,649
39		<u>TEMPORARY CASH INVESTMENTS</u>	
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	233,622,258

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

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**UNIT 1
January, 2014**

Line No.

1	<u>Capitalization Balances (Prior Month Ending) :</u>	
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	<u>Weighting of Capitalization Balances :</u>	
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	<u>Capitalization Cost Rates :</u>	
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	<u>Rate of Return (Net of Tax) :</u>	
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	0.8376%
	(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%
		=====

A E P GENERATING COMPANY

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

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

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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	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
	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	PROPERTY INSURANCE	10,753
925	INJURIES AND DAMAGES	2,759
926	EMPLOYEE PENSIONS AND BENEFITS	69,667
927	FRANCHISE REQUIREMENTS	0
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
	TOTAL AEG OPERATION & MAINTENANCE EXPENSES	12,575,168
	ACCOUNT 40190 TOTAL FOR CROSS FOOT	12,575,168
	-----DIFFERENCE-----	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
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

<u>SUMMARY</u>	<u>TOTAL</u>
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	0
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

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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

<u>SUMMARY</u>	<u>TOTAL</u>
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	0
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 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
ROCKPORT POWER BILL
SUMMARY OF MONTHLY POWER BILL**

January, 2014 07-Feb-14

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

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

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

<u>Line No.</u>		<u>UNIT 2 January, 2014</u>
1	Operating Ratio:	
2	<u>Net In-Service Investment:</u>	
3	Electric Plant In-Service	798,689,036
4	- Accumulated Depreciation	568,360,617
5	+ Materials & Supplies	63,459,465
6	+ Prepayments	89,460
7	+ Plant Held For Future Use (A/C 105) *	0
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	- Accumulated Deferred FIT	37,328,428
15	- Accumulated Deferred ITC	17,579,506
16	Total Net In-Service Investment	192,539,101
17	<u>Non-In-Service Investment - CWIP :</u>	
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	<u>Non-In-Service Investment - Other :</u>	
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	100.0000%
	* 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	

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

**Line
No.**

**UNIT 2
January, 2014**

1 Net In-Service Investment Ratio:

2 Unit 2 Net In-Service Investment:

3	Electric Plant In-Service	142,132,314
4	- Accumulated Depreciation	136,421,181
5	+ Materials & Supplies	27,191,161
6	+ Prepayments	44,730
7	+ Plant Held For Future Use (A/C 105) *	0
8	+ Other Deferred Debits (A/C 186) *	0
9	+ Other Working Capital **	4,333,211
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)	49,765,902
14	- Accumulated Deferred FIT	(6,353,896)
15	- Accumulated Deferred ITC	17,565,732
16	Total Unit 2 Net In-Service Investment	(24,358,803)

17 Unit 1 Net In-Service Investment:

18	Electric Plant In-Service	656,556,721
19	- Accumulated Depreciation	431,939,436
20	+ Materials & Supplies	36,268,304
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 **	324,984
25	+ Unamortized Debt Expense (A/C 181)	76,803
26	+ Deferred ASH pond cost (A/C182.3)	1,431,805
27	- Asset Retirement Obligation (A/C 230)	2,169,909
28	- Other Deferred Credits (A/C 253)	0
29	- Accumulated Deferred FIT	43,682,324
30	- Accumulated Deferred ITC	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%

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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<u>Line No.</u>		<u>UNIT 2 January, 2014</u>
1	Net Capitalization:	
2	Long-Term Debt	64,834,718
3	+ Short-Term Debt	78,377,649
4	+ Preferred Stock	0
5	+ Common Equity	90,409,891
6	- Temporary Cash Investments	0

7	Net Capitalization	233,622,258
		=====
8	40% of Net Capitalization	93,448,903
9	<u>Return on Common Equity:</u>	
10	Lesser of Line 5 or Line 8	90,409,891
11	x Equity Return (Monthly Rate)	1.01333%
12	= Equity Return	916,151
13	x Operating Ratio	81.6450%
14	x Net In-Service Investment Ratio	-12.6500%
15	= Subtotal	(94,621)
16	Excess of Line 5 Over Line 8	0
17	x Weighted Cost of Debt (Monthly Rate)	0.1160%
18	= Return on Equity over 40% of Capitalization	0
19	x Operating Ratio	81.6450%
20	x Net In-Service Investment Ratio	-12.6500%
21	= Subtotal	0

22	Unit 2 Return on Equity (Line 15 + Line 21)	(94,621)
		=====
23	<u>Return on Other Capital:</u>	
24	Long-Term Debt Interest Expense (A/C 427-429)	147,326
25	+ Short-Term Debt Interest Expense (a/c 430)	45,009
26	+ Other Interest Expense (a/c 431)	0
27	- Temporary Cash Investment Income *	0

28	= Net Interest Expense	192,335
29	+ Preferred Stock Dividends (a/c 437)	0

30	= Net Cost of Other Capital	192,335
31	x Operating Ratio	81.6450%
32	x Net In-Service Investment Ratio	-12.6500%
33	= Unit 2 Return on Other Capital	(19,865)
		=====

* 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 2
January, 2014**

1	Debt 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	+ Other Debt (Accts 132 thru 136 + 145)	0
5	Total Debt Balances (Prior Month Ending)	----- 143,212,367 =====
6	<u>Weighting of Debt Balances :</u>	
7	Long-Term Debt (LTD bal/Total Debt bal)	45.2717%
8	+ Short-Term Debt (STD bal/Total Debt bal)	54.7283%
9	+ Other Debt	0.0000%
10	Total Debt Balances	----- 100.0000% =====
11	<u>Debt Cost Rates :</u>	
12	Long-Term Debt (avg LTD int rate)	2.6755%
13	Short-Term Debt (avg Money Pool STD int rate)	0.2834%
14	Other Debt	0.0000%
15	<u>Weighted Cost of Debt :</u>	
16	Long-Term Debt (LTD % x avg LTD int rate)	1.2112%
17	+ Short-Term Debt (STD % x avg MP STD int rate)	0.1551%
18	+ Other Debt	0.0000%
19	Total Weighted Cost of Debt	----- 1.3663% =====

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

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UNIT 2

INCLUDE A/C 431 ON PG 5

<u>Line No.</u>		<u>January, 2014</u>
1	Unit 2 Materials and Supplies:	
2	Fuel Stock - Coal (per Line 23)	12,177,688
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	27,191,161
		=====
9	<u>Support of Coal Inventory Value:</u>	
10	Actual Coal Inventory (a/c 151.10)	12,177,688
11	+ Equivalent Inventory re: Deferred Return	971,331,877

12	= Imputed Coal Inventory	983,509,565

13	<u>Coal Inventory W/68 Day Supply Cap</u>	
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)	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	<u>Accumulated Deferred Inventory Return - Unit 2 (Memo Item):</u>	
26	Beginning Balance	6,618,103
27	+ Current Month Return on Beginning Balance	45,401
28	+ Current Month Deferral	59,979
29	- Current Month Recovery	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	19,579,357
	Total Unit 2 Monthly Power Bill with 68 Day Capped	19,639,336
	Difference	59,979

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
DETAIL OF OTHER OPERATING REVENUES**

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UNIT 2

January, 2014

<u>Line No.</u>	<u>Account No.</u>	<u>Description</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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UNIT 2

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>January, 2014</u>
1	500,502-508	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 Expensese	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	186,963
16	935	Administrative and General Expenses - 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**

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<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>UNIT 2 January, 2014</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 Acquisition Adjustments	0
5	407	Amortization of Property Losses, Unrecovered Plant and Regulatory Study Costs	0
		-	
6		Total Depreciation Exp. & Amortization	1,004,299
			=
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**

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<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<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**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>TOTAL</u>	<u>KPCO SHARE</u>	<u>I&M SHARE</u>
1		<u>Unit 2 Schedule `M' Adjustments*</u>			
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		<u>Unit 2 Deferred Federal Income Tax</u>			
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' Adj.-Utility	(163,759)	(49,128)	(114,631)
12	***	Total Unit 2 Deferred Federal Income Tax	(183,440)	(55,032)	(128,408)

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

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**

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**UNIT 2
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Line No.	Account No.	Description	
1		<u>ELECTRIC PLANT IN SERVICE</u>	
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		<u>ACCUMULATED DEPRECIATION</u>	
14	108	Accumulated Provision for Depreciation of Electric Utility Plant	114,722,558
15	110	Accumulated Provision for Depreciation and Amort. of Elec. Utility Plant	0
16	111	Accumulated Provision for Amortization of Electric Utility Plant	21,698,622
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	136,421,181
20		<u>MATERIAL AND SUPPLIES</u>	
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
30	186	Other Deferred Debits	0

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
OTHER WORKING CAPITAL, UNAMORTIZED DEBT EXPENSE
AND OTHER DEFERRED CREDITS**

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<u>Line No.</u>	<u>Account No.</u>	<u>Description *</u>	<u>UNIT 2 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

*		debit <credit>	

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

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**UNIT 2
January, 2014**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
31		ACCUMULATED DEFERRED INCOME TAXES	
32	190	-Accumulated Deferred Income Taxes	20,731,368
33	281	+Accumulated Deferred Income Taxes - 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	----- 17,565,732 -----
40		Total Net In-Service Investment - Unit 2	----- (23,620,700) =====

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

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**UNIT 2
January, 2014**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
		<u>Non-In-Service Investment - CWIP</u>	
1	107	Construction Work In Process	51,293,276
2		<u>MATERIAL AND SUPPLIES</u>	
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		<u>ACCUMULATED DEFERRED INCOME TAXES</u>	
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	0
16		Total Accumulated Deferred Income Taxes (CWIP Portion)	----- 0
17		TOTAL NON-IN-SERVICE INVESTMENT - CWIP	----- 51,293,276 =====
		<u>Non-In-Service Investment - Other</u>	
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) =====
		* INCLUDES 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 2
January, 2014**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
1		<u>COMMON CAPITAL STOCK</u>	
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		<u>OTHER PAID-IN CAPITAL</u>	
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		<u>RETAINED EARNINGS</u>	
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		<u>PREFERRED CAPITAL STOCK</u>	
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
January, 2014**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
28		<u>LONG-TERM DEBT</u>	
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
		<u>SHORT-TERM DEBT</u>	
36a	231.02	Notes Payable (Short-Term Debt)	0
36b	231.03	Unamortized Discount	0
	233.00	Notes Payable, Assoc Co(Money Pool)	78,377,649
38		Total Short-Term Debt	78,377,649
39		<u>TEMPORARY CASH INVESTMENTS</u>	
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	233,622,258

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

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**UNIT 2
January, 2014**

Line No.

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	<u>Weighting of Capitalization Balances :</u>	
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	<u>Capitalization Cost Rates :</u>	
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	<u>Rate of Return (Net of Tax) :</u>	
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	0.8376%
	(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%
		=====

A E P GENERATING COMPANY

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

500	SUPERVISION AND ENGINEERING	112,522
501	FUEL	10,737,983
502	STEAM EXPENSES	66,256
503	STEAM FROM OTHER SOURCES	0
504	STEAM TRANSFERRED - CR	0
505	ELECTRIC EXPENSES	68,327
506	MISC. STEAM POWER EXPENSES	199,668
507	RENTS	5,690,253
508	OPERATION SUPPLIES AND EXPENSES	0
509	CARRYING CHARGES - ALLOWANCES	0
	TOTAL OPERATION EXPENSE	16,875,008
510	MAINTENANCE SUPER. AND ENGINEERING	68,763
511	MAINTENANCE OF STRUCTURES	14,756
512	MAINTENANCE OF BOILER PLANT	259,559
513	MAINTENANCE OF ELECTRIC PLANT	196,529
514	MAINTENANCE OF MISC. STEAM PLANT	26,012
515	MAINTENANCE NORMALIZING	0
	TOTAL MAINTENANCE EXPENSES	565,620
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

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

A E P GENERATING COMPANY

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

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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 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	0
923	OUTSIDE SERVICES	27,636
924	PROPERTY INSURANCE	10,753
925	INJURIES AND DAMAGES	2,759
926	EMPLOYEE PENSIONS AND BENEFITS	69,667
927	FRANCHISE REQUIREMENTS	0
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	186,963
935	MAINTENANCE OF GENERAL PLANT	14,608
	TOTAL ADM & GEN EXPENSES	201,570
	TOTAL AEG OPERATION & MAINTENANCE EXPENSES	17,660,205
	ACCOUNT 40190 TOTAL FOR CROSS FOOT	17,660,205
	-----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-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 94,746,000

SUMMARY

TOTAL

Current Month Bill:

Return on Common Equity	254,445
Return on Other Capital	48,457
Total Return	----- 302,902
Fuel	2,557,972
Purchased Power	0
Other Operating Revenues	(2,625)
Other Operation and Maintenance Exp	375,570
Depreciation Expense	494,430
Taxes Other Than Federal Income Tax	44,821
Federal Income Tax	301,544
TOTAL CURRENT UNIT POWER BILL	----- 4,074,614 -----

Prior Month's Adjustment:

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

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 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

SUMMARY

TOTAL

Current Month Bill:

Return on Common Equity	593,705
Return on Other Capital	113,066
Total Return	----- 706,771
Fuel	5,968,602
Purchased Power	0
Other Operating Revenues	(6,125)
Other Operation and Maintenance Exp	876,330
Depreciation Expense	1,153,670
Taxes Other Than Federal Income Tax	104,582
Federal Income Tax	703,598
TOTAL UNIT POWER BILL	----- 9,507,428 -----

Prior Month's Adjustment:

Return on Common Equity & Other Capital	0
Fuel	0
Other Expenses (Includes taxes & interest)	679,463

 TOTAL PRIOR MONTH'S ADJUSTMENTS 679,463

=====

TOTAL UNIT POWER BILL 10,186,891

=====

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

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
SUMMARY OF MONTHLY POWER BILL**

February, 2014

	<u>TOTAL UNIT 1 POWER BILL</u>	<u>KPCO SHARE</u>	<u>I&M SHARE</u>
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	8,526,574	2,557,972	5,968,602
+ Purchased Power	0	0	0
- Other Operating Revenues	(8,750)	(2,625)	(6,125)
+ Other Operation and Maintenance Exp	1,251,900	375,570	876,330
+ Depreciation Expense	1,648,100	494,430	1,153,670
+ Taxes Other Than Federal Income Tax	149,403	44,821	104,582
+ Federal and State Income Tax	1,005,141	301,544	703,598
= Total Unit 1 Monthly Power Bill	13,582,041	4,074,614	9,507,428
<u>Determination of Federal Income Tax :</u>			
Total Return (Line 3)	1,009,673	302,902	706,771
+ Unit 1 Schedule M Adjustments	264,777	79,433	185,344
+ Unit 1 Deferred Federal Income Taxes	264,973	79,493	185,481
- Unit 1 Interest Expense Deduction *	164,826	49,448	115,378
= Subtotal	1,374,596	412,380	962,218
x Gross-Up (FIT Rate / 1-FIT Rate)	0.538462	0.538462	0.538462
= Unit 1 Current Federal Income Tax	740,168	222,051	518,117
+ Unit 1 Def Fed & State Income Taxes	264,973	79,493	185,481
= Total Unit 1 Fed&State Income Taxes	1,005,141	301,544	703,598
<u>Proof of Federal Income Tax :</u>			
Total Unit 1 Monthly Power Bill	13,582,041	4,074,614	9,507,428
- Operation and Maintenance Expenses	9,778,474	2,933,542	6,844,932
- Depreciation Expense	1,648,100	494,430	1,153,670
- Taxes Other Than Federal Income Tax	149,403	44,821	104,582
- Unit 1 Interest Expense Deduction *	164,826	49,448	115,378
- Other Operating Revenues	(8,750)	(2,625)	(6,125)
= Pre-Tax Book Income	1,849,988	554,998	1,294,991
+ Unit 1 Schedule M Adjustments	264,777	79,433	185,344
= Unit 1 Taxable Income	2,114,765	634,431	1,480,335
x Current Federal Income Tax Rate	35%	35%	35%
= Unit 1 Current Federal Income Tax	740,168	222,051	518,117
+ Unit 1 Def Fed & State Income Taxes	264,974	79,493	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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<u>Line No.</u>		<u>UNIT 1 February, 2014</u>
1	<u>Operating Ratio:</u>	
2	<u>Net In-Service Investment:</u>	
3	Electric Plant In-Service	799,042,077
4	- Accumulated Depreciation	570,885,433
5	+ Materials & Supplies	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	+ Deferred ASH pond cost (A/C182.3)	2,855,786
12	- Asset Retirement Obligation (A/C 230)	4,367,416
13	- 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	<u>Non-In-Service Investment - CWIP :</u>	
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	<u>Non-In-Service Investment - Other :</u>	
23	Plant Held for Future Use (A/C 105) **	1,034,099
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	----- (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% -----
31	Total Investment	100.0000%
*	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	
****	Includes Rockport 1 and 2	

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

<u>Line No.</u>	<u>UNIT 1</u> <u>February, 2014</u>	
1	<u>Net In-Service Investment Ratio:</u>	
2	Unit 1 Net In-Service Investment:	
3	Electric Plant In-Service	657,232,168
4	- Accumulated Depreciation	433,764,688
5	+ Materials & Supplies	35,788,013
6	+ Prepayments	36,625
7	+ Plant Held For Future Use (A/C 105) *	0
8	+ Other Deferred Debits (A/C 186) *	0
9	+ Other Working Capital **	(3,789,401)
10	+ Unamortized Debt Expense (A/C 181)	71,037
11	+ Deferred ASH pond cost (A/C182.3)	1,427,893
12	- Asset Retirement Obligation (A/C 230)	2,183,708
13	- Other Deferred Credits (A/C 253)	0
14	- Accumulated Deferred FIT	43,340,852
15	- Accumulated Deferred ITC	13,538
16	Total Unit 1 Net In-Service Investment	----- 211,463,549
17	Unit 2 Net In-Service Investment:	
18	Electric Plant In-Service	141,809,910
19	- Accumulated Depreciation	137,120,744
20	+ Materials & Supplies	26,921,252
21	+ Prepayments	36,625
22	+ Plant Held For Future Use (A/C 105) *	0
23	+ Other Deferred Debits (A/C 186) *	0
24	+ Other Working Capital **	(5,935,673)
25	+ Unamortized Debt Expense (A/C 181)	71,037
26	+ Deferred ASH pond cost (A/C182.3)	1,427,893
27	- Asset Retirement Obligation (A/C 230)	2,183,708
28	- Other Deferred Credits (A/C 253)	49,301,656
29	- Accumulated Deferred FIT	(6,534,761)
30	- Accumulated Deferred ITC	17,401,567
31	Total Unit 2 Net In-Service Investment	----- (35,141,869)
32	Total Net In-Service Investment	----- 176,321,680 =====
33	<u>Net In-Service Investment Ratio:</u>	
34	Unit 1 (Line 16 / Line 32)	119.9300%
35	Unit 2 (Line 31 / Line 32)	-19.9300%
		----- 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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<u>Line No.</u>		<u>UNIT 1 February, 2014</u>
1	<u>Net Capitalization:</u>	
2	Long-Term Debt	64,834,718
3	+ Short-Term Debt	64,319,252
4	+ Preferred Stock	0
5	+ Common Equity	91,157,874
6	- Temporary Cash Investments	0
7	Net Capitalization	----- 220,311,844 =====
8	40% of Net Capitalization	88,124,738
9	<u>Return on Common Equity:</u>	
10	Lesser of Line 5 or Line 8	88,124,738
11	x Equity Return (Monthly Rate)	1.01333%
12	= Equity Return	892,994
13	x Operating Ratio	78.8863%
14	x Net In-Service Investment Ratio	119.9300%
15	= Subtotal	844,847
16	Excess of Line 5 Over Line 8	3,033,136
17	x Weighted Cost of Debt (Monthly Rate)	0.1151%
18	= Return on Equity over 40% of Capitalization	3,491
19	x Operating Ratio	78.8863%
20	x Net In-Service Investment Ratio	119.9300%
21	= Subtotal	----- 3,303 =====
22	Unit 1 Return on Equity (Line 15 + Line 21)	848,150
23	<u>Return on Other Capital:</u>	
24	Long-Term Debt Interest Expense (A/C 427-429)	132,903
25	+ Short-Term Debt Interest Expense (a/c 430)	37,825
26	+ Other Interest Expense (a/c 431)	0
27	- Temporary Cash Investment Income *	0
28	= Net Interest Expense	----- 170,728
29	+ Preferred Stock Dividends (a/c 437)	0
30	= Net Cost of Other Capital	----- 170,728
31	x Operating Ratio	78.8863%
32	x Net In-Service Investment Ratio	119.9300%
33	= Unit 1 Return on Other Capital	----- 161,523 =====
	* 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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<u>Line No.</u>	<u>UNIT 1 February, 2014</u>	
1	<u>Debt Balances (Prior Month Ending) :</u>	
2	Long-Term Debt (Accts 221 thru 226)	64,834,718
3	+ Short-Term Debt (Accts 231 + 233)	64,319,252
4	+ Other Debt (Accts 132 thru 136 + 145)	0

5	Total Debt Balances (Prior Month Ending)	129,153,970
		=====
6	<u>Weighting of Debt Balances :</u>	
7	Long-Term Debt (LTD bal/Total Debt bal)	50.1996%
8	+ Short-Term Debt (STD bal/Total Debt bal)	49.8004%
9	+ Other Debt	0.0000%

10	Total Debt Balances	100.0000%
		=====
11	<u>Debt Cost Rates :</u>	
12	Long-Term Debt (avg LTD int rate)	2.6722%
13	Short-Term Debt (avg Money Pool STD int rate)	0.3186%
14	Other Debt	0.0000%
15	<u>Weighted Cost of Debt :</u>	
16	Long-Term Debt (LTD % x avg LTD int rate)	1.3414%
17	+ Short-Term Debt (STD % x avg MP STD int rate)	0.1587%
18	+ Other Debt	0.0000%

19	Total Weighted Cost of Debt	1.5001%
		=====

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

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UNIT 1

<u>Line No.</u>		<u>February, 2014</u>
1	<u>Unit 1 Materials and Supplies:</u>	
2	Fuel Stock - Coal (per Line 23)	20,832,189
3	Fuel Stock Expenses - Undistributed (152)	619,548
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	<u>Support of Coal Inventory Value:</u>	
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	<u>Coal Inventory W/68 Day Supply Cap</u>	
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)	39.383
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	<u>Accumulated Deferred Inventory Return - Unit 1 (Memo Item):</u>	
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**

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UNIT 1

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<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**

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UNIT 1

February, 2014

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
1	500,502-508	Steam Power Generation - Operation	626,326
2	501	Fuel - Operation	8,526,574
3	510-515	Steam Power Generating - Maintenance	507,268
4		Total Steam Power Generation Expenses	9,660,168
5	555-557	Other Power Supply Expenses	5,991
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 - 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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**UNIT 1
February, 2014**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
	1 403	Depreciation Expense	1,628,442
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 Acquisition Adjustments	0
	5 407	Amortization of Property Losses, Unrecovered Plant and Regulatory Study Costs	0
	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**

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UNIT 1

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>February, 2014</u>
BS1			
1	408.1	Taxes Other Than Federal Income Taxes, 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**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>TOTAL</u>	<u>KPCO SHARE</u>	<u>I&M SHARE</u>
1		<u>Unit 1 Schedule `M' Adjustments*</u>			
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		<u>Unit 1 Deferred Federal Income Tax</u>			
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' Adj.-Utility	(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.

=====

=====

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

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**UNIT 1
February, 2014**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
1		<u>ELECTRIC PLANT IN SERVICE</u>	
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		<u>ACCUMULATED DEPRECIATION</u>	
14	108	Accumulated Provision for Depreciation of Electric Utility Plant	433,292,911
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	433,764,688
20		<u>MATERIAL AND SUPPLIES</u>	
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	155	Merchandise	0
26	156	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

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
OTHER WORKING CAPITAL, UNAMORTIZED DEBT EXPENSE
AND OTHER DEFERRED CREDITS**

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<u>Line No.</u>	<u>Account No.</u>	<u>Description *</u>	<u>UNIT 1 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	16,289,866
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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**UNIT 1
February, 2014**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
31		<u>ACCUMULATED DEFERRED INCOME TAXES</u>	
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 Tax Credits	----- 13,538 -----
40		Total Net In-Service Investment - 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
February, 2014**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
		<u>Non-In-Service Investment - CWIP</u>	
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		<u>ACCUMULATED DEFERRED INCOME TAXES</u>	
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	0
16		Total Accumulated Deferred Income Taxes (CWIP Portion)	----- 0
17		TOTAL NON-IN-SERVICE INVESTMENT - CWIP	----- 54,242,465 =====
		<u>Non-In-Service Investment - Other</u>	
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)
21		Total Non-In-Service Investment - Other	----- (7,050,543) =====
		* INCLUDES ROCKPORT 1 AND 2	
		UNIT 1	(8,866,760)
		UNIT 2	0
		TOTAL	----- (8,866,760) =====

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
DETAIL OF NET CAPITALIZATION**

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**UNIT 1
February, 2014**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
1		<u>COMMON CAPITAL STOCK</u>	
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		<u>OTHER PAID-IN CAPITAL</u>	
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		<u>RETAINED EARNINGS</u>	
18	215	Appropriated Retained Earnings	0
19	215.1	Appropriated Retained Earnings- 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		<u>PREFERRED CAPITAL STOCK</u>	
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
February, 2014**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
28		<u>LONG-TERM DEBT</u>	
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
		<u>SHORT-TERM DEBT</u>	
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		<u>TEMPORARY CASH INVESTMENTS</u>	
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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**UNIT 1
February, 2014**

Line No.

1	<u>Capitalization Balances (Prior Month Ending) :</u>	
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	<u>Weighting of Capitalization Balances :</u>	
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	<u>Rate of Return (Net of Tax) :</u>	
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	0.8794%
	(LTD Rate of Return + STD RR - Cap Offsets RR)	
29	+ Pre-Tax Common Equity (Line 25 / .65)	7.7406%
	(Common Equity Rate of Return grossed up for tax)	-----
30	= Rate of Return (Pre-Tax)	8.6200%
		=====

A E P GENERATING COMPANY

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

500	SUPERVISION AND ENGINEERING	128,016
501	FUEL	8,526,574
502	STEAM EXPENSES	53,716
503	STEAM FROM OTHER SOURCES	0
504	STEAM TRANSFERRED - CR	0
505	ELECTRIC EXPENSES	69,913
506	MISC. STEAM POWER EXPENSES	374,681
507	RENTS	0
508	OPERATION SUPPLIES AND EXPENSES	0
509	CARRYING CHARGES - ALLOWANCES	0

TOTAL OPERATION EXPENSE 9,152,900

510	MAINTENANCE SUPER. AND ENGINEERING	67,778
511	MAINTENANCE OF STRUCTURES	26,512
512	MAINTENANCE OF BOILER PLANT	246,409
513	MAINTENANCE OF ELECTRIC PLANT	134,656
514	MAINTENANCE OF MISC. STEAM PLANT	31,913
515	MAINTENANCE NORMALIZING	0

TOTAL MAINTENANCE EXPENSES 507,268

555	PURCHASED POWER	0
556	SYSTEM CONTROL AND LOAD DISPATCHING	2,535
557	OTHER POWER SUPPLY EXPENSES	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

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	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
	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	0
928	REGULATORY COMMISSION	0
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
	TOTAL AEG OPERATION & MAINTENANCE EXPENSES	9,778,474
	ACCOUNT 40190 TOTAL FOR CROSS FOOT	9,778,474
	-----DIFFERENCE-----	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
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

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

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

**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

<u>SUMMARY</u>	<u>TOTAL</u>
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	0
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 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
ROCKPORT POWER BILL
SUMMARY OF MONTHLY POWER BILL**

	TOTAL UNIT 2 POWER BILL	KPCO SHARE	I&M SHARE
Return on Common Equity	(141,600)	(42,480)	(99,120)
Return on Other Capital	(26,967)	(8,090)	(18,877)
Total Return	(168,567)	(50,570)	(117,997)
+ Fuel	8,817,359	2,645,208	6,172,151
+ Purchased Power	0	0	0
- Other Operating Revenues	(8,750)	(2,625)	(6,125)
+ Other Operation and Maintenance Exp	7,161,484	2,148,445	5,013,039
+ Depreciation Expense	1,020,635	306,190	714,445
+ Taxes Other Than Federal Income Tax	145,803	43,741	102,062
+ Federal and State Income Tax	116,616	34,984	81,631
= Total Unit 2 Monthly Power Bill	17,084,579	5,125,373	11,959,205
<u>Determination of Federal Income Tax :</u>			
Total Return (Line 3)	(168,567)	(50,570)	(117,997)
+ Unit 2 Schedule M Adjustments	109,483	32,845	76,638
+ Unit 2 Deferred Federal Income Taxes	86,850	26,055	60,795
- Unit 2 Interest Expense Deduction *	(27,518)	(8,255)	(19,263)
= Subtotal	55,283	16,584	38,698
x Gross-Up (FIT Rate / 1-FIT Rate)	0.538462	0.538462	0.538462
= 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	116,616	34,984	81,631
<u>Proof of Federal Income Tax :</u>			
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	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**

<u>Line No.</u>		<u>UNIT 2</u> <u>February, 2014</u>
1	Operating Ratio:	
2	<u>Net In-Service Investment:</u>	
3	Electric Plant In-Service	799,042,077
4	- Accumulated Depreciation	570,885,433
5	+ Materials & Supplies	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	+ Deferred ASH pond cost (A/C182.3)	2,855,786
12	- Asset Retirement Obligation (A/C 230)	4,367,416
13	- 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	<u>Non-In-Service Investment - CWIP :</u>	
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	<u>Non-In-Service Investment - Other :</u>	
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	----- 100.0000% =====
	* 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	

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

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**Line
No.**

**UNIT 2
February, 2014**

1 Net In-Service Investment Ratio:

2 Unit 2 Net In-Service Investment:

3	Electric Plant In-Service	141,809,910
4	- Accumulated Depreciation	137,120,744
5	+ Materials & Supplies	26,921,252
6	+ Prepayments	36,625
7	+ Plant Held For Future Use (A/C 105) *	0
8	+ Other Deferred Debits (A/C 186) *	0
9	+ Other Working Capital **	(5,935,673)
10	+ Unamortized Debt Expense (A/C 181)	71,037
11	+ Deferred ASH pond cost (A/C182.3)	1,427,893
12	- Asset Retirement Obligation (A/C 230)	2,183,708
13	- Other Deferred Credits (A/C 253)	49,301,656
14	- Accumulated Deferred FIT	(6,534,761)
15	- Accumulated Deferred ITC	17,401,567
16	Total Unit 2 Net In-Service Investment	(35,141,869)

17 Unit 1 Net In-Service Investment:

18	Electric Plant In-Service	657,232,168
19	- Accumulated Depreciation	433,764,688
20	+ Materials & Supplies	35,788,013
21	+ Prepayments	36,625
22	+ Plant Held For Future Use (A/C 105) *	0
23	+ Other Deferred Debits (A/C 186) *	0
24	+ Other Working Capital **	(3,789,401)
25	+ Unamortized Debt Expense (A/C 181)	71,037
26	+ Deferred ASH pond cost (A/C182.3)	1,427,893
27	- Asset Retirement Obligation (A/C 230)	2,183,708
28	- Other Deferred Credits (A/C 253)	0
29	- Accumulated Deferred FIT	43,340,852
30	- Accumulated Deferred ITC	13,538
31	Total Unit 1 Net In-Service Investment	211,463,549

32 Total Net In-Service Investment 176,321,680

33 Net In-Service Investment Ratio:

34 Unit 2 (Line 16 / Line 32) -19.9300%

35 Unit 1 (Line 31 / Line 32) 119.9300%

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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<u>Line No.</u>		<u>UNIT 2</u> <u>February, 2014</u>
1	Net Capitalization:	
2	Long-Term Debt	64,834,718
3	+ Short-Term Debt	64,319,252
4	+ Preferred Stock	0
5	+ Common Equity	91,157,874
6	- Temporary Cash Investments	0

7	Net Capitalization	220,311,844
		=====
8	40% of Net Capitalization	88,124,738
9	<u>Return on Common Equity:</u>	
10	Lesser of Line 5 or Line 8	88,124,738
11	x Equity Return (Monthly Rate)	1.01333%
12	= Equity Return	892,994
13	x Operating Ratio	79.2530%
14	x Net In-Service Investment Ratio	-19.9300%
15	= Subtotal	(141,049)
16	Excess of Line 5 Over Line 8	3,033,136
17	x Weighted Cost of Debt (Monthly Rate)	0.1151%
18	= Return on Equity over 40% of Capitalization	3,491
19	x Operating Ratio	79.2530%
20	x Net In-Service Investment Ratio	-19.9300%
21	= Subtotal	(551)

22	Unit 2 Return on Equity (Line 15 + Line 21)	(141,600)
		=====
23	<u>Return on Other Capital:</u>	
24	Long-Term Debt Interest Expense (A/C 427-429)	132,903
25	+ Short-Term Debt Interest Expense (a/c 430)	37,825
26	+ Other Interest Expense (a/c 431)	0
27	- Temporary Cash Investment Income *	0

28	= Net Interest Expense	170,728
29	+ Preferred Stock Dividends (a/c 437)	0

30	= Net Cost of Other Capital	170,728
31	x Operating Ratio	79.2530%
32	x Net In-Service Investment Ratio	-19.9300%
33	= Unit 2 Return on Other Capital	(26,967)
		=====

* 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 2
February, 2014**

1	Debt 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	+ Other Debt (Accts 132 thru 136 + 145)	0
5	Total Debt Balances (Prior Month Ending)	----- 129,153,970 =====
6	<u>Weighting of Debt Balances :</u>	
7	Long-Term Debt (LTD bal/Total Debt bal)	50.1996%
8	+ Short-Term Debt (STD bal/Total Debt bal)	49.8004%
9	+ Other Debt	0.0000%
10	Total Debt Balances	----- 100.0000% =====
11	<u>Debt Cost Rates :</u>	
12	Long-Term Debt (avg LTD int rate)	2.6722%
13	Short-Term Debt (avg Money Pool STD int rate)	0.3186%
14	Other Debt	0.0000%
15	<u>Weighted Cost of Debt :</u>	
16	Long-Term Debt (LTD % x avg LTD int rate)	1.3414%
17	+ Short-Term Debt (STD % x avg MP STD int rate)	0.1587%
18	+ Other Debt	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

INCLUDE A/C 431 ON PG 5

<u>Line No.</u>		<u>February, 2014</u>
1	Unit 2 Materials and Supplies:	
2	Fuel Stock - Coal (per Line 23)	11,965,429
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	26,921,252
		=====
9	<u>Support of Coal Inventory Value:</u>	
10	Actual Coal Inventory (a/c 151.10)	11,965,429
11	+ Equivalent Inventory re: Deferred Return	1,023,491,504

12	= Imputed Coal Inventory	1,035,456,933

13	<u>Coal Inventory W/68 Day Supply Cap</u>	
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)	39.383

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	<u>Accumulated Deferred Inventory Return - Unit 2 (Memo Item):</u>	
26	Beginning Balance	6,723,483
27	+ Current Month Return on Beginning Balance	44,460
28	+ Current Month Deferral	59,971
29	- Current Month Recovery	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	16,549,027
	Total Unit 2 Monthly Power Bill with 68 Day Capped	16,608,998
	Difference	59,971

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
DETAIL OF OTHER OPERATING REVENUES**

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UNIT 2
February, 2014

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<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**

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<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>February, 2014</u>
1	500,502-508	Steam Power Generation - Operation	6,374,703
2	501	Fuel - Operation	8,817,359
3	510-515	Steam Power Generating - Maintenance	676,412
4		Total Steam Power Generation Expenses	15,868,474
5	555-557	Other Power Supply Expenses	5,991
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 Expensese	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**

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**UNIT 2
February, 2014**

<u>Line No.</u>	<u>Account No.</u>	<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 Acquisition Adjustments	0
5	407	Amortization of Property Losses, Unrecovered Plant and Regulatory Study Costs	0
			—
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**

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Attachment 1

UNIT 2

February, 2014

<u>Line No.</u>	<u>Account No.</u>	<u>Description</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**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>TOTAL</u>	<u>KPCO SHARE</u>	<u>I&M SHARE</u>
1		<u>Unit 2 Schedule `M' Adjustments*</u>			
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		<u>Unit 2 Deferred Federal Income Tax</u>			
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' Adj.-Utility	110,985	33,295	77,689
12	***	Total Unit 2 Deferred Federal Income Tax	86,850	26,055	60,795

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

Check Figure on Tax Page for Sch M 109,483
Check Figure on Tax Page for DFIT 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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**UNIT 2
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Line No.	Account No.	Description	
1		<u>ELECTRIC PLANT IN SERVICE</u>	
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		<u>ACCUMULATED DEPRECIATION</u>	
14	108	Accumulated Provision for Depreciation of Electric Utility Plant	114,894,988
15	110	Accumulated Provision for Depreciation 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
19		Total Accumulated Depreciation	137,120,744
20		<u>MATERIAL AND SUPPLIES</u>	
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	156	Other Materials and Supplies	0
27	163	Stores Expense Undistributed	0
28		Total Materials and Supplies (In-Service Portion)	26,921,252
29	165	Prepayments	36,625
30	186	Other Deferred Debits	0

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
OTHER WORKING CAPITAL, UNAMORTIZED DEBT EXPENSE
AND OTHER DEFERRED CREDITS**

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<u>Line No.</u>	<u>Account No.</u>	<u>Description *</u>	<u>UNIT 2 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

*		debit <credit>	

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

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**UNIT 2
February, 2014**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
31		ACCUMULATED DEFERRED INCOME TAXES	
32	190	-Accumulated Deferred Income Taxes	20,846,001
33	281	+Accumulated Deferred Income Taxes - 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) =====

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

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**UNIT 2
February, 2014**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
		<u>Non-In-Service Investment - CWIP</u>	
1	107	Construction Work In Process	54,242,465
2		<u>MATERIAL AND SUPPLIES</u>	
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		<u>ACCUMULATED DEFERRED INCOME TAXES</u>	
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	0
16		Total Accumulated Deferred Income Taxes (CWIP Portion)	----- 0
17		TOTAL NON-IN-SERVICE INVESTMENT - CWIP	----- 54,242,465 =====
		<u>Non-In-Service Investment - Other</u>	
18	105	Plant Held for Future Use	0
19	186	Other Deferred Debits	782,118
20	151.10	Fuel Inventory Over Allowed Level *	(8,866,760)
21		Total Non-In-Service Investment - Other	----- (8,084,642) =====
		* INCLUDES ROCKPORT 1 AND 2	
		UNIT 1	(8,866,760)
		UNIT 2	0
		TOTAL	----- (8,866,760) =====

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
DETAIL OF NET CAPITALIZATION**

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**UNIT 2
February, 2014**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
1		<u>COMMON CAPITAL STOCK</u>	
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		<u>OTHER PAID-IN CAPITAL</u>	
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		<u>RETAINED EARNINGS</u>	
18	215	Appropriated Retained Earnings	0
19	215.1	Appropriated Retained Earnings- 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		<u>PREFERRED CAPITAL STOCK</u>	
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
February, 2014**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
28		<u>LONG-TERM DEBT</u>	
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 -----
		<u>SHORT-TERM DEBT</u>	
36a	231.02	Notes Payable (Short-Term Debt)	0
36b	231.03	Unamortized Discount	0
	233.00	Notes Payable, Assoc Co(Money Pool)	64,319,252
38		Total Short-Term Debt	----- 64,319,252 -----
39		<u>TEMPORARY CASH INVESTMENTS</u>	
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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**UNIT 2
February, 2014**

Line No.

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	<u>Weighting of Capitalization Balances :</u>	
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	<u>Rate of Return (Net of Tax) :</u>	
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	0.8794%
	(LTD Rate of Return + STD RR - Cap Offsets RR)	
29	+ Pre-Tax Common Equity (Line 25 / .65)	7.7406%
	(Common Equity Rate of Return grossed up for tax)	-----
30	= Rate of Return (Pre-Tax)	8.6200%
		=====

A E P GENERATING COMPANY

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

500	SUPERVISION AND ENGINEERING	128,187
501	FUEL	8,817,359
502	STEAM EXPENSES	38,017
503	STEAM FROM OTHER SOURCES	0
504	STEAM TRANSFERRED - CR	0
505	ELECTRIC EXPENSES	81,205
506	MISC. STEAM POWER EXPENSES	437,041
507	RENTS	5,690,253
508	OPERATION SUPPLIES AND EXPENSES	0
509	CARRYING CHARGES - ALLOWANCES	0
	TOTAL OPERATION EXPENSE	15,192,062
510	MAINTENANCE SUPER. AND ENGINEERING	69,383
511	MAINTENANCE OF STRUCTURES	7,986
512	MAINTENANCE OF BOILER PLANT	470,051
513	MAINTENANCE OF ELECTRIC PLANT	108,805
514	MAINTENANCE OF MISC. STEAM PLANT	20,186
515	MAINTENANCE NORMALIZING	0
	TOTAL MAINTENANCE EXPENSES	676,412
555	PURCHASED POWER	0
556	SYSTEM CONTROL AND LOAD DISPATCHING	2,535
557	OTHER POWER SUPPLY EXPENSES	3,456
	TOTAL OTHER SUPPLY EXPENSES	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

A E P GENERATING COMPANY

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

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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 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	35,082
921	OFFICE SUPPLIES AND EXPENSES	3,786
922	ADMINISTRATIVE EXPENSES TRANSF - CR	0
923	OUTSIDE SERVICES	(34,826)
924	PROPERTY INSURANCE	10,541
925	INJURIES AND DAMAGES	2,651
926	EMPLOYEE PENSIONS AND BENEFITS	71,214
927	FRANCHISE REQUIREMENTS	0
928	REGULATORY COMMISSION	0
929	DUPLICATE CHARGES-CREDIT	0
930	MISCELLANEOUS GENERAL EXPENSES	5,174
931	RENTS	759
933	TRANSPORTATION EXPENSE	0
	TOTAL ADM & GEN EXPENSES OPERATION	94,380
935	MAINTENANCE OF GENERAL PLANT	9,997
	TOTAL ADM & GEN EXPENSES	104,377
	TOTAL AEG OPERATION & MAINTENANCE EXPENSES	15,978,842
	ACCOUNT 40190 TOTAL FOR CROSS FOOT	15,978,842
	-----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
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

TOTAL

Current Month Bill:

Return on Common Equity	252,800
Return on Other Capital	119,135

Total Return	371,935
Fuel	3,345,188
Purchased Power	0
Other Operating Revenues	(2,625)
Other Operation and Maintenance Exp	420,658
Depreciation Expense	495,114
Taxes Other Than Federal Income Tax	44,111
Federal Income Tax	211,152

TOTAL CURRENT UNIT POWER BILL	4,885,533

Prior Month's Adjustment:

Return on Common Equity & Other Capital	0
Fuel Expense	0
Other Expenses (Includes taxes & interest)	(53,000)

TOTAL PRIOR MONTH'S ADJUSTMENTS	(53,000)

TOTAL UNIT POWER BILL	=====
	4,832,533
	=====

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

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

SUMMARY

TOTAL

Current Month Bill:

Return on Common Equity	589,866
Return on Other Capital	277,980
Total Return	----- 867,846
Fuel	7,805,440
Purchased Power	0
Other Operating Revenues	(6,125)
Other Operation and Maintenance Exp	981,535
Depreciation Expense	1,155,264
Taxes Other Than Federal Income Tax	102,926
Federal Income Tax	492,682
TOTAL UNIT POWER BILL	----- 11,399,568 -----

Prior Month's Adjustment:

Return on Common Equity & Other Capital	0
Fuel	0
Other Expenses (Includes taxes & interest)	(123,663)
TOTAL PRIOR MONTH'S ADJUSTMENTS	----- (123,663) -----

TOTAL UNIT POWER BILL	=====
	11,275,905
	=====

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

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
SUMMARY OF MONTHLY POWER BILL**

March, 2014

	<u>TOTAL UNIT 1 POWER BILL</u>	<u>KPCO SHARE</u>	<u>I&M SHARE</u>
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	11,150,628	3,345,188	7,805,440
+ Purchased Power	0	0	0
- Other Operating Revenues	(8,750)	(2,625)	(6,125)
+ Other Operation and Maintenance Exp	1,402,193	420,658	981,535
+ Depreciation Expense	1,650,378	495,114	1,155,264
+ Taxes Other Than Federal Income Tax	147,037	44,111	102,926
+ Federal and State Income Tax	703,835	211,152	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)	1,239,781	371,935	867,846
+ Unit 1 Schedule M Adjustments	636,203	190,861	445,342
+ Unit 1 Deferred Federal Income Taxes	(56,768)	(17,030)	(39,739)
- Unit 1 Interest Expense Deduction *	406,667	122,000	284,667
= Subtotal	1,412,549	423,766	988,782
x Gross-Up (FIT Rate / 1-FIT Rate)	0.538462	0.538462	0.538462
= Unit 1 Current Federal Income Tax	760,603	228,182	532,421
+ Unit 1 Def Fed & State Income Taxes	(56,768)	(17,030)	(39,739)
= Total Unit 1 Fed&State Income Taxes	703,835	211,152	492,682
<u>Proof of Federal Income Tax :</u>			
Total Unit 1 Monthly Power Bill	16,285,102	4,885,533	11,399,568
- Operation and Maintenance Expenses	12,552,821	3,765,846	8,786,975
- Depreciation Expense	1,650,378	495,114	1,155,264
- Taxes Other Than Federal Income Tax	147,037	44,111	102,926
- Unit 1 Interest Expense Deduction *	406,667	122,000	284,667
- Other Operating Revenues	(8,750)	(2,625)	(6,125)
= Pre-Tax Book Income	1,536,949	461,087	1,075,861
+ Unit 1 Schedule M Adjustments	636,203	190,861	445,342
= Unit 1 Taxable Income	2,173,152	651,948	1,521,203
x Current Federal Income Tax Rate	35%	35%	35%
= Unit 1 Current Federal Income Tax	760,603	228,182	532,421
+ Unit 1 Def Fed & State Income Taxes	(56,769)	(17,030)	(39,739)
= Total Unit 1 Fed&State Income Taxes	703,834	211,152	492,682

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

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<u>Line No.</u>		<u>UNIT 1 March, 2014</u>
1	<u>Operating Ratio:</u>	
2	<u>Net In-Service Investment:</u>	
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) *	0
9	+ Other Working Capital ***	(21,041,228)
10	+ Unamortized Debt Expense (A/C 181)	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	<u>Non-In-Service Investment - CWIP :</u>	
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	<u>Non-In-Service Investment - Other :</u>	
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%
31	Total Investment	----- 100.0000% =====
*	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	
****	Includes Rockport 1 and 2	

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

<u>Line No.</u>		<u>UNIT 1 March, 2014</u>
1	<u>Net In-Service Investment Ratio:</u>	
2	Unit 1 Net In-Service Investment:	
3	Electric Plant In-Service	657,472,786
4	- Accumulated Depreciation	433,892,257
5	+ Materials & Supplies	36,211,826
6	+ Prepayments	28,520
7	+ Plant Held For Future Use (A/C 105) *	0
8	+ Other Deferred Debits (A/C 186) *	0
9	+ Other Working Capital **	(6,370,228)
10	+ Unamortized Debt Expense (A/C 181)	65,272
11	+ Deferred ASH pond cost (A/C182.3)	1,423,981
12	- Asset Retirement Obligation (A/C 230)	2,197,598
13	- Other Deferred Credits (A/C 253)	0
14	- Accumulated Deferred FIT	43,572,752
15	- Accumulated Deferred ITC	13,302
16	Total Unit 1 Net In-Service Investment	----- 209,156,248
17	Unit 2 Net In-Service Investment:	
18	Electric Plant In-Service	141,946,451
19	- Accumulated Depreciation	139,047,367
20	+ Materials & Supplies	28,401,543
21	+ Prepayments	28,520
22	+ Plant Held For Future Use (A/C 105) *	0
23	+ Other Deferred Debits (A/C 186) *	0
24	+ Other Working Capital **	(14,670,999)
25	+ Unamortized Debt Expense (A/C 181)	65,272
26	+ Deferred ASH pond cost (A/C182.3)	1,423,981
27	- Asset Retirement Obligation (A/C 230)	2,197,598
28	- Other Deferred Credits (A/C 253)	48,837,410
29	- Accumulated Deferred FIT	(6,445,128)
30	- Accumulated Deferred ITC	17,237,402
31	Total Unit 2 Net In-Service Investment	----- (43,679,882)
32	Total Net In-Service Investment	----- 165,476,366 =====
33	<u>Net In-Service Investment Ratio:</u>	
34	Unit 1 (Line 16 / Line 32)	126.4000%
35	Unit 2 (Line 31 / Line 32)	-26.4000%
		----- 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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<u>Line No.</u>		<u>UNIT 1 March, 2014</u>
1	<u>Net Capitalization:</u>	
2	Long-Term Debt	64,834,718
3	+ Short-Term Debt	55,914,926
4	+ Preferred Stock	0
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	<u>Return on Common Equity:</u>	
10	Lesser of Line 5 or Line 8	85,399,632
11	x Equity Return (Monthly Rate)	1.01333%
12	= Equity Return	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	x Weighted Cost of Debt (Monthly Rate)	0.1350%
18	= Return on Equity over 40% of Capitalization	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	<u>Return on Other Capital:</u>	
24	Long-Term Debt Interest Expense (A/C 427-429)	147,922
25	+ Short-Term Debt Interest Expense (a/c 430)	264,573
26	+ Other Interest Expense (a/c 431)	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	x Operating Ratio	76.1641%
32	x Net In-Service Investment Ratio	126.4000%
33	= Unit 1 Return on Other Capital	397,115
	* 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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<u>Line No.</u>		UNIT 1 <u>March, 2014</u>
1	<u>Debt Balances (Prior Month Ending) :</u>	
2	Long-Term Debt (Accts 221 thru 226)	64,834,718
3	+ Short-Term Debt (Accts 231 + 233)	55,914,926
4	+ Other Debt (Accts 132 thru 136 + 145)	0

5	Total Debt Balances (Prior Month Ending)	120,749,644
		=====
6	<u>Weighting of Debt Balances :</u>	
7	Long-Term Debt (LTD bal/Total Debt bal)	53.6935%
8	+ Short-Term Debt (STD bal/Total Debt bal)	46.3065%
9	+ Other Debt	0.0000%

10	Total Debt Balances	100.0000%
		=====
11	<u>Debt Cost Rates :</u>	
12	Long-Term Debt (avg LTD int rate)	2.6863%
13	Short-Term Debt (avg Money Pool STD int rate)	0.3171%
14	Other Debt	0.0000%
15	<u>Weighted Cost of Debt :</u>	
16	Long-Term Debt (LTD % x avg LTD int rate)	1.4424%
17	+ Short-Term Debt (STD % x avg MP STD int rate)	0.1468%
18	+ Other Debt	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

<u>Line No.</u>		<u>March, 2014</u>
1	<u>Unit 1 Materials and Supplies:</u>	
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	<u>Support of Coal Inventory Value:</u>	
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	<u>Coal Inventory W/68 Day Supply Cap</u>	
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	<u>Accumulated Deferred Inventory Return - Unit 1 (Memo Item):</u>	
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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**UNIT 1
March, 2014**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</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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**UNIT 1
March, 2014**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
1	500,502-508	Steam Power Generation - Operation	718,117
2	501	Fuel - Operation	11,150,628
3	510-515	Steam Power Generating - Maintenance	597,491

4		Total Steam Power Generation Expenses	12,466,235

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 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	81,277
16	935	Administrative and General Expenses - Maintenance	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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**UNIT 1
March, 2014**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
	1 403	Depreciation Expense	1,630,629
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 Acquisition 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
DETAIL OF TAXES OTHER THAN FEDERAL INCOME TAXES**

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UNIT 1

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>March, 2014</u>
BS1			
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**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>TOTAL</u>	<u>KPCO SHARE</u>	<u>I&M SHARE</u>
1		<u>Unit 1 Schedule `M' Adjustments*</u>			
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	190,861	445,342
6		<u>Unit 1 Deferred Federal Income Tax</u>			
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' Adj.-Utility	(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.

=====

=====

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

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**UNIT 1
March, 2014**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
1		<u>ELECTRIC PLANT IN SERVICE</u>	
2	101	Electric Plant In Service	654,056,412
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	3,416,373
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	657,472,786
12	105	Plant Held For Future Use	0
13		<u>ACCUMULATED DEPRECIATION</u>	
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		<u>MATERIAL AND SUPPLIES</u>	
21	151	Fuel Stock	23,131,480
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)	36,211,826
29	165	Prepayments	28,520
30	186	Other Deferred Debits	0

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
OTHER WORKING CAPITAL, UNAMORTIZED DEBT EXPENSE
AND OTHER DEFERRED CREDITS**

<u>Line No.</u>	<u>Account No.</u>	<u>Description *</u>	UNIT 1 March, 2014
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	15,061,961
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	(14,301,847)
10	236	Taxes Accrued	(3,614,971)
11	237	Interest Accrued	(294,494)
12	238	Dividends Declared	0
13	241	Tax Collections Payable	0
14	242	Misc Current and Accrued Liabilities	(3,196,914)

15		Total Other Working Capital	(6,370,228)
			=====
16	181	Unamortized Debt Expense	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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<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
31		<u>ACCUMULATED DEFERRED INCOME TAXES</u>	
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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**UNIT 1
March, 2014**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
		<u>Non-In-Service Investment - CWIP</u>	
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		<u>ACCUMULATED DEFERRED INCOME TAXES</u>	
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	0
16		Total Accumulated Deferred Income Taxes (CWIP Portion)	----- 0
17		TOTAL NON-IN-SERVICE INVESTMENT - CWIP	58,141,178 =====
		<u>Non-In-Service Investment - Other</u>	
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) =====
		* INCLUDES 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
March, 2014**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
1		<u>COMMON CAPITAL STOCK</u>	
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		<u>OTHER PAID-IN CAPITAL</u>	
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		<u>RETAINED EARNINGS</u>	
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		<u>PREFERRED CAPITAL STOCK</u>	
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
March, 2014**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
28		<u>LONG-TERM DEBT</u>	
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 -----
		<u>SHORT-TERM DEBT</u>	
36a	231.02	Notes Payable (Short-Term Debt)	0
36b	231.03	Unamortized Discount	0
37	233.00	Notes Payable, Assoc Co(Money Pool)	55,914,926
38		Total Short-Term Debt	----- 55,914,926 -----
39		<u>TEMPORARY CASH INVESTMENTS</u>	
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 =====

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

**UNIT 1
March, 2014**

Line No.

1	<u>Capitalization Balances (Prior Month Ending) :</u>	
2	Long-Term Debt (Accts 221 thru 226)	64,834,718
3	+ Short-Term Debt (Accts 231 + 233)	55,914,926
4	+ Preferred Stock	0
5	+ Common Equity (Accts 201 thru 216)	92,749,435
6	- Capitalization Offsets	0

7	Total Capitalization Balances	213,499,080
		=====
8	<u>Weighting of Capitalization Balances :</u>	
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	<u>Rate of Return (Net of Tax) :</u>	
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%
	(LTD Rate of Return + STD RR - Cap Offsets RR)	
29	+ 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

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

500	SUPERVISION AND ENGINEERING	165,729
501	FUEL	11,150,628
502	STEAM EXPENSES	207,350
503	STEAM FROM OTHER SOURCES	0
504	STEAM TRANSFERRED - CR	0
505	ELECTRIC EXPENSES	52,164
506	MISC. STEAM POWER EXPENSES	292,874
507	RENTS	0
508	OPERATION SUPPLIES AND EXPENSES	0
509	CARRYING CHARGES - ALLOWANCES	0

TOTAL OPERATION EXPENSE 11,868,745

510	MAINTENANCE SUPER. AND ENGINEERING	72,774
511	MAINTENANCE OF STRUCTURES	33,384
512	MAINTENANCE OF BOILER PLANT	424,338
513	MAINTENANCE OF ELECTRIC PLANT	(12,127)
514	MAINTENANCE OF MISC. STEAM PLANT	79,123
515	MAINTENANCE NORMALIZING	0

TOTAL MAINTENANCE EXPENSES 597,491

555	PURCHASED POWER	0
556	SYSTEM CONTROL AND LOAD DISPATCHING	1,271
557	OTHER POWER SUPPLY EXPENSES	(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

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	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
	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	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	(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
	TOTAL AEG OPERATION & MAINTENANCE EXPENSES	12,552,821
	ACCOUNT 40190 TOTAL FOR CROSS FOOT	12,552,821
	-----DIFFERENCE-----	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

<u>SUMMARY</u>	<u>TOTAL</u>
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	0
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	0
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 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**

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**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

	<u>SUMMARY</u>	<u>TOTAL</u>
Current Month Bill:		
Return on Common Equity		(53,053)
Return on Other Capital		(25,001)
Total Return		----- (78,054)
Fuel		3,224,976
Purchased Power		0
Other Operating Revenues		(2,625)
Other Operation and Maintenance Exp		2,034,732
Depreciation Expense		306,506
Taxes Other Than Federal Income Tax		46,707
Federal Income Tax		8,710
TOTAL CURRENT UNIT POWER BILL		----- 5,540,952 =====
Prior Month's Adjustment:		
Return on Common Equity & Other Capital		0
Fuel Expense		0
Other Expenses (Includes taxes & interest)		4,116
TOTAL PRIOR MONTH'S ADJUSTMENTS		----- 4,116 -----
TOTAL UNIT POWER BILL		----- 5,545,068 =====

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

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
SUMMARY OF MONTHLY POWER BILL**

	TOTAL UNIT 2 POWER BILL	KPCO SHARE	I&M SHARE
Return on Common Equity	(176,842)	(53,053)	(123,789)
Return on Other Capital	(83,338)	(25,001)	(58,337)
Total Return	(260,180)	(78,054)	(182,126)
+ Fuel	10,749,920	3,224,976	7,524,944
+ Purchased Power	0	0	0
- Other Operating Revenues	(8,750)	(2,625)	(6,125)
+ Other Operation and Maintenance Exp	6,782,440	2,034,732	4,747,708
+ Depreciation Expense	1,021,685	306,506	715,179
+ Taxes Other Than Federal Income Tax	155,689	46,707	108,982
+ Federal and State Income Tax	29,035	8,710	20,325
= Total Unit 2 Monthly Power Bill	18,469,838	5,540,952	12,928,886
<u>Determination of Federal Income Tax :</u>			
Total Return (Line 3)	(260,180)	(78,054)	(182,126)
+ Unit 2 Schedule M Adjustments	(32,408)	(9,722)	(22,686)
+ Unit 2 Deferred Federal Income Taxes	91,409	27,423	63,986
- Unit 2 Interest Expense Deduction *	(85,343)	(25,603)	(59,740)
= Subtotal	(115,836)	(34,750)	(81,085)
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
<u>Proof of Federal Income Tax :</u>			
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	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**

<u>Line No.</u>		<u>UNIT 2</u> <u>March, 2014</u>
1	Operating Ratio:	
2	<u>Net In-Service Investment:</u>	
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) *	0
9	+ Other Working Capital ***	(21,041,228)
10	+ Unamortized Debt Expense (A/C 181)	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	<u>Non-In-Service Investment - CWIP :</u>	
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	<u>Non-In-Service Investment - Other :</u>	
23	Plant Held for Future Use (A/C 105) **	0
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	(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	100.0000%
	* 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	

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

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**Line
No.**

**UNIT 2
March, 2014**

1 Net In-Service Investment Ratio:

2 Unit 2 Net In-Service Investment:

3	Electric Plant In-Service	141,946,451
4	- Accumulated Depreciation	139,047,367
5	+ Materials & Supplies	28,401,543
6	+ Prepayments	28,520
7	+ Plant Held For Future Use (A/C 105) *	0
8	+ Other Deferred Debits (A/C 186) *	0
9	+ Other Working Capital **	(14,670,999)
10	+ Unamortized Debt Expense (A/C 181)	65,272
11	+ Deferred ASH pond cost (A/C182.3)	1,423,981
12	- Asset Retirement Obligation (A/C 230)	2,197,598
13	- Other Deferred Credits (A/C 253)	48,837,410
14	- Accumulated Deferred FIT	(6,445,128)
15	- Accumulated Deferred ITC	17,237,402
16	Total Unit 2 Net In-Service Investment	(43,679,882)

17 Unit 1 Net In-Service Investment:

18	Electric Plant In-Service	657,472,786
19	- Accumulated Depreciation	433,892,257
20	+ Materials & Supplies	36,211,826
21	+ Prepayments	28,520
22	+ Plant Held For Future Use (A/C 105) *	0
23	+ Other Deferred Debits (A/C 186) *	0
24	+ Other Working Capital **	(6,370,228)
25	+ Unamortized Debt Expense (A/C 181)	65,272
26	+ Deferred ASH pond cost (A/C182.3)	1,423,981
27	- Asset Retirement Obligation (A/C 230)	2,197,598
28	- Other Deferred Credits (A/C 253)	0
29	- Accumulated Deferred FIT	43,572,752
30	- Accumulated Deferred ITC	13,302
31	Total Unit 1 Net In-Service Investment	209,156,248

32 Total Net In-Service Investment 165,476,366

33 Net In-Service Investment Ratio:

34 Unit 2 (Line 16 / Line 32) -26.4000%

35 Unit 1 (Line 31 / Line 32) 126.4000%

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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<u>Line No.</u>		UNIT 2 March, 2014
1	Net Capitalization:	
2	Long-Term Debt	64,834,718
3	+ Short-Term Debt	55,914,926
4	+ Preferred Stock	0
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	<u>Return on Common Equity:</u>	
10	Lesser of Line 5 or Line 8	85,399,632
11	x Equity Return (Monthly Rate)	1.01333%
12	= Equity Return	865,380
13	x Operating Ratio	76.5283%
14	x Net In-Service Investment Ratio	-26.4000%
15	= Subtotal	(174,837)
16	Excess of Line 5 Over Line 8	7,349,803
17	x Weighted Cost of Debt (Monthly Rate)	0.1350%
18	= Return on Equity over 40% of Capitalization	9,922
19	x Operating Ratio	76.5283%
20	x Net In-Service Investment Ratio	-26.4000%
21	= Subtotal	(2,005)

22	Unit 2 Return on Equity (Line 15 + Line 21)	(176,842)
		=====
23	<u>Return on Other Capital:</u>	
24	Long-Term Debt Interest Expense (A/C 427-429)	147,922
25	+ Short-Term Debt Interest Expense (a/c 430)	264,573
26	+ Other Interest Expense (a/c 431)	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	x Operating Ratio	76.5283%
32	x Net In-Service Investment Ratio	-26.4000%
33	= Unit 2 Return on Other Capital	(83,338)
		=====

* 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 2
March, 2014**

1	Debt 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	+ Other Debt (Accts 132 thru 136 + 145)	0
5	Total Debt Balances (Prior Month Ending)	----- 120,749,644 =====
6	<u>Weighting of Debt Balances :</u>	
7	Long-Term Debt (LTD bal/Total Debt bal)	53.6935%
8	+ Short-Term Debt (STD bal/Total Debt bal)	46.3065%
9	+ Other Debt	0.0000%
10	Total Debt Balances	----- 100.0000% =====
11	<u>Debt Cost Rates :</u>	
12	Long-Term Debt (avg LTD int rate)	2.6863%
13	Short-Term Debt (avg Money Pool STD int rate)	0.3171%
14	Other Debt	0.0000%
15	<u>Weighted Cost of Debt :</u>	
16	Long-Term Debt (LTD % x avg LTD int rate)	1.4424%
17	+ Short-Term Debt (STD % x avg MP STD int rate)	0.1468%
18	+ Other Debt	0.0000%
19	Total Weighted Cost of Debt	----- 1.5892% =====

**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

<u>Line No.</u>		<u>March, 2014</u>
1	Unit 2 Materials and Supplies:	
2	Fuel Stock - Coal (per Line 23)	12,955,257
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	28,401,543
		=====
9	<u>Support of Coal Inventory Value:</u>	
10	Actual Coal Inventory (a/c 151.10)	12,955,257
11	+ Equivalent Inventory re: Deferred Return	897,522,260

12	= Imputed Coal Inventory	910,477,517

13	<u>Coal Inventory W/68 Day Supply Cap</u>	
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)	39.257

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	<u>Accumulated Deferred Inventory Return - Unit 2 (Memo Item):</u>	
26	Beginning Balance	6,827,914
27	+ Current Month Return on Beginning Balance	52,342
28	+ Current Month Deferral	61,542
29	- Current Month Recovery	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	16,413,251
	Total Unit 2 Monthly Power Bill with 68 Day Capped	16,474,793
	Difference	61,542

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
DETAIL OF OTHER OPERATING REVENUES**

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UNIT 2
March, 2014

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<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**

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UNIT 2

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<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 Expensese	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	141,510
16	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**

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**UNIT 2
March, 2014**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
1	403	Depreciation Expense *	448,699
1a	403.1	ARO Depreciation Expense	3,343
2	404	Amortization of Limited-Term Electric Plant **	553,236
3	405	Amortization of Other Electric Plant	0
4	406	Amortization of Electric Plant Acquisition Adjustments	0
5	407	Amortization of Property Losses, Unrecovered Plant and Regulatory Study Costs	0
			-
6		Total Depreciation Exp. & Amortization	1,005,279
			=
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**

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**UNIT 2
March, 2014**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</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**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>TOTAL</u>	<u>KPCO SHARE</u>	<u>I&M SHARE</u>
1		<u>Unit 2 Schedule `M' Adjustments*</u>			
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		<u>Unit 2 Deferred Federal Income Tax</u>			
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' Adj.-Utility	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.

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**

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**UNIT 2
March, 2014**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
1		<u>ELECTRIC PLANT IN SERVICE</u>	
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		<u>ACCUMULATED DEPRECIATION</u>	
14	108	Accumulated Provision for Depreciation of Electric Utility Plant	116,247,991
15	110	Accumulated Provision for Depreciation 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		<u>MATERIAL AND SUPPLIES</u>	
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

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
OTHER WORKING CAPITAL, UNAMORTIZED DEBT EXPENSE
AND OTHER DEFERRED CREDITS**

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<u>Line No.</u>	<u>Account No.</u>	<u>Description *</u>	UNIT 2 March, 2014
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

*		debit <credit>	

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

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UNIT 2
March, 2014

<u>Line No.</u>	<u>Account No.</u>	<u>Description</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 Credit	0
39		Total Accumulated Deferred Investment Tax Credits	----- 17,237,402 -----
40		Total Net In-Service Investment - Unit 2	----- (42,906,265) =====

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

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**UNIT 2
March, 2014**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
		<u>Non-In-Service Investment - CWIP</u>	
1	107	Construction Work In Process	58,141,178
2		<u>MATERIAL AND SUPPLIES</u>	
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		<u>ACCUMULATED DEFERRED INCOME TAXES</u>	
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	0
16		Total Accumulated Deferred Income Taxes (CWIP Portion)	----- 0
17		TOTAL NON-IN-SERVICE INVESTMENT - CWIP	----- 58,141,178 =====
		<u>Non-In-Service Investment - Other</u>	
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) =====
		* INCLUDES 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 3
March, 2014**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
1		<u>COMMON CAPITAL STOCK</u>	
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		<u>OTHER PAID-IN CAPITAL</u>	
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		<u>RETAINED EARNINGS</u>	
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		<u>PREFERRED CAPITAL STOCK</u>	
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
March, 2014**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
28		<u>LONG-TERM DEBT</u>	
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
		<u>SHORT-TERM DEBT</u>	
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		<u>TEMPORARY CASH INVESTMENTS</u>	
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

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

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<u>Line No.</u>		UNIT 2 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	+ Preferred Stock	0
5	+ Common Equity (Accts 201 thru 216)	92,749,435
6	- Capitalization Offsets	0

7	Total Capitalization Balances	213,499,080
		=====
8	<u>Weighting of Capitalization Balances :</u>	
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	<u>Rate of Return (Net of Tax) :</u>	
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%
	(LTD Rate of Return + STD RR - Cap Offsets RR)	
29	+ 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

**March, 2014
 ESTIMATE**

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

500	SUPERVISION AND ENGINEERING	152,140
501	FUEL	10,749,920
502	STEAM EXPENSES	66,181
503	STEAM FROM OTHER SOURCES	0
504	STEAM TRANSFERRED - CR	0
505	ELECTRIC EXPENSES	50,070
506	MISC. STEAM POWER EXPENSES	225,136
507	RENTS	5,690,253
508	OPERATION SUPPLIES AND EXPENSES	0
509	CARRYING CHARGES - ALLOWANCES	0
	TOTAL OPERATION EXPENSE	16,933,700

510	MAINTENANCE SUPER. AND ENGINEERING	73,519
511	MAINTENANCE OF STRUCTURES	10,395
512	MAINTENANCE OF BOILER PLANT	280,009
513	MAINTENANCE OF ELECTRIC PLANT	33,111
514	MAINTENANCE OF MISC. STEAM PLANT	54,806
515	MAINTENANCE NORMALIZING	0
	TOTAL MAINTENANCE EXPENSES	451,841

555	PURCHASED POWER	0
556	SYSTEM CONTROL AND LOAD DISPATCHING	1,271
557	OTHER POWER SUPPLY EXPENSES	(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

A E P GENERATING COMPANY

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

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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 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	OUTSIDE SERVICES	51,244
924	PROPERTY INSURANCE	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	(50,750)
931	RENTS	761
933	TRANSPORTATION EXPENSE	0
	TOTAL ADM & GEN EXPENSES OPERATION	141,510
935	MAINTENANCE OF GENERAL PLANT	4,867
	TOTAL ADM & GEN EXPENSES	146,377
	TOTAL AEG OPERATION & MAINTENANCE EXPENSES	17,532,360
	ACCOUNT 40190 TOTAL FOR CROSS FOOT	17,532,360
	-----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-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

TOTAL

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
Other Operating Revenues	(2,625)
Other Operation and Maintenance Exp	542,275
Depreciation Expense	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 Adjustment:

Return on Common Equity & Other Capital	0
Fuel Expense	0
Other Expenses (Includes taxes & interest)	(47,794)
TOTAL PRIOR MONTH'S ADJUSTMENTS	----- (47,794) -----

TOTAL UNIT POWER BILL	=====
	4,433,784
	=====

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

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

SUMMARY

TOTAL

Current Month Bill:

Return on Common Equity	593,436
Return on Other Capital	116,062
Total Return	----- 709,498
Fuel	6,741,013
Purchased Power	0
Other Operating Revenues	(6,125)
Other Operation and Maintenance Exp	1,265,307
Depreciation Expense	1,155,637
Taxes Other Than Federal Income Tax	96,032
Federal Income Tax	495,653
TOTAL UNIT POWER BILL	----- 10,457,014 -----

Prior Month's Adjustment:

Return on Common Equity & Other Capital	0
Fuel	0
Other Expenses (Includes taxes & interest)	(111,514)
TOTAL PRIOR MONTH'S ADJUSTMENTS	----- (111,514) -----

TOTAL UNIT POWER BILL	=====
	10,345,500
	=====

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

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
SUMMARY OF MONTHLY POWER BILL**

April, 2014

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

* 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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<u>Line No.</u>		<u>UNIT 1</u> <u>April, 2014</u>
1	<u>Operating Ratio:</u>	
2	<u>Net In-Service Investment:</u>	
3	Electric Plant In-Service	800,105,537
4	- Accumulated Depreciation	575,386,688
5	+ Materials & Supplies	64,972,045
6	+ Prepayments	42,781
7	+ Plant Held For Future Use (A/C 105) *	0
8	+ Other Deferred Debits (A/C 186) *	0
9	+ Other Working Capital ***	(22,107,737)
10	+ Unamortized Debt Expense (A/C 181)	119,013
11	+ Deferred ASH pond cost (A/C182.3)	2,840,138
12	- Asset Retirement Obligation (A/C 230)	4,423,159
13	- Other Deferred Credits (A/C 253)	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	<u>Non-In-Service Investment - CWIP :</u>	
18	Construction Work In Progress	63,389,481
19	+ Materials & Supplies	0
20	- Accumulated Deferred FIT	0
21	Total Non-In-Service Investment - CWIP	----- 63,389,481 -----
22	<u>Non-In-Service Investment - Other :</u>	
23	Plant Held for Future Use (A/C 105) **	1,034,099
24	+ Other Deferred Debits (A/C 186) **	3,059,194
25	+ Fuel Inventory Over Allowed Level ****	(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%
31	Total Investment	----- 100.0000% =====
*	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	
****	Includes Rockport 1 and 2	

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

<u>Line No.</u>	<u>UNIT 1</u> <u>April, 2014</u>	
1	<u>Net In-Service Investment Ratio:</u>	
2	Unit 1 Net In-Service Investment:	
3	Electric Plant In-Service	658,142,325
4	- Accumulated Depreciation	435,491,981
5	+ Materials & Supplies	36,567,538
6	+ Prepayments	21,390
7	+ Plant Held For Future Use (A/C 105) *	0
8	+ Other Deferred Debits (A/C 186) *	0
9	+ Other Working Capital **	(3,826,233)
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)	0
14	- Accumulated Deferred FIT	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	Electric Plant In-Service	141,963,211
19	- Accumulated Depreciation	139,894,707
20	+ Materials & Supplies	28,404,506
21	+ Prepayments	21,390
22	+ Plant Held For Future Use (A/C 105) *	0
23	+ Other Deferred Debits (A/C 186) *	0
24	+ Other Working Capital **	(18,281,503)
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)	48,373,164
29	- Accumulated Deferred FIT	(6,347,841)
30	- Accumulated Deferred ITC	17,073,237
31	Total Unit 2 Net In-Service Investment	----- (47,617,666)
32	Total Net In-Service Investment	----- 163,531,755 =====
33	<u>Net In-Service Investment Ratio:</u>	
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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<u>Line No.</u>		<u>UNIT 1 April, 2014</u>
1	<u>Net Capitalization:</u>	
2	Long-Term Debt	64,421,495
3	+ Short-Term Debt	61,140,909
4	+ Preferred Stock	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	<u>Return on Common Equity:</u>	
10	Lesser of Line 5 or Line 8	87,581,802
11	x Equity Return (Monthly Rate)	1.01333%
12	= Equity Return	887,493
13	x Operating Ratio	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	= Return on Equity over 40% of Capitalization	7,245
19	x Operating Ratio	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	<u>Return on Other Capital:</u>	
24	Long-Term Debt Interest Expense (A/C 427-429)	142,776
25	+ Short-Term Debt Interest Expense (a/c 430)	32,214
26	+ 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	x Operating Ratio	73.3815%
32	x Net In-Service Investment Ratio	129.1200%
33	= Unit 1 Return on Other Capital	165,803
	* 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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<u>Line No.</u>		UNIT 1 <u>April, 2014</u>
1	<u>Debt Balances (Prior Month Ending) :</u>	
2	Long-Term Debt (Accts 221 thru 226)	64,421,495
3	+ Short-Term Debt (Accts 231 + 233)	61,140,909
4	+ Other Debt (Accts 132 thru 136 + 145)	0

5	Total Debt Balances (Prior Month Ending)	125,562,404
		=====
6	<u>Weighting of Debt Balances :</u>	
7	Long-Term Debt (LTD bal/Total Debt bal)	51.3064%
8	+ Short-Term Debt (STD bal/Total Debt bal)	48.6936%
9	+ Other Debt	0.0000%

10	Total Debt Balances	100.0000%
		=====
11	<u>Debt Cost Rates :</u>	
12	Long-Term Debt (avg LTD int rate)	2.6965%
13	Short-Term Debt (avg Money Pool STD int rate)	0.2745%
14	Other Debt	0.0000%
15	<u>Weighted Cost of Debt :</u>	
16	Long-Term Debt (LTD % x avg LTD int rate)	1.3835%
17	+ Short-Term Debt (STD % x avg MP STD int rate)	0.1337%
18	+ Other Debt	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

<u>Line No.</u>		<u>April, 2014</u>
1	<u>Unit 1 Materials and Supplies:</u>	
2	Fuel Stock - Coal (per Line 23)	21,034,253
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	36,567,538
9	<u>Support of Coal Inventory Value:</u>	
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	<u>Coal Inventory W/68 Day Supply Cap</u>	
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	<u>Accumulated Deferred Inventory Return - Unit 1 (Memo Item):</u>	
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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**UNIT 1
April, 2014**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</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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**UNIT 1
April, 2014**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
1	500,502-508	Steam Power Generation - Operation	493,996
2	501	Fuel - Operation	9,630,018
3	510-515	Steam Power Generating - Maintenance	1,173,011
4		Total Steam Power Generation Expenses	11,297,025
5	555-557	Other Power Supply Expenses	2,572
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 - 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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**UNIT 1
April, 2014**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
	1 403	Depreciation Expense	1,631,068
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 Acquisition Adjustments	0
	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	Total Depreciation, Amortization & Accretion Expenses	1,650,910

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

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**UNIT 1
April, 2014**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
BS1			
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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<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>TOTAL</u>	<u>KPCO SHARE</u>	<u>I&M SHARE</u>
1		<u>Unit 1 Schedule `M' Adjustments*</u>			
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		<u>Unit 1 Deferred Federal Income Tax</u>			
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' Adj.-Utility	(75,675)	(22,703)	(52,972)
12	***	Total Unit 1 Deferred Federal Income Tax	(54,875)	(16,463)	(38,413)

*** 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
April, 2014

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
1		<u>ELECTRIC PLANT IN SERVICE</u>	
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		<u>ACCUMULATED DEPRECIATION</u>	
14	108	Accumulated Provision for Depreciation of Electric Utility Plant	435,020,203
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	435,491,981
20		<u>MATERIAL AND SUPPLIES</u>	
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

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
OTHER WORKING CAPITAL, UNAMORTIZED DEBT EXPENSE
AND OTHER DEFERRED CREDITS**

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<u>Line No.</u>	<u>Account No.</u>	<u>Description *</u>	<u>UNIT 1 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	21,387,986
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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<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
31		<u>ACCUMULATED DEFERRED INCOME TAXES</u>	
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 - 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 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
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<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
		<u>Non-In-Service Investment - CWIP</u>	
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	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		<u>ACCUMULATED DEFERRED INCOME TAXES</u>	
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	0
16		Total Accumulated Deferred Income Taxes (CWIP Portion)	----- 0
17		TOTAL NON-IN-SERVICE INVESTMENT - CWIP	----- 63,389,481 =====
		<u>Non-In-Service Investment - Other</u>	
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) =====
		* INCLUDES 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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<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
1		<u>COMMON CAPITAL STOCK</u>	
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		<u>OTHER PAID-IN CAPITAL</u>	
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		<u>RETAINED EARNINGS</u>	
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		<u>PREFERRED CAPITAL STOCK</u>	
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
April, 2014**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
28		<u>LONG-TERM DEBT</u>	
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
		<u>SHORT-TERM DEBT</u>	
36a	231.02	Notes Payable (Short-Term Debt)	0
36b	231.03	Unamortized Discount	0
37	233.00	Notes Payable, Assoc Co(Money Pool)	61,140,909
38		Total Short-Term Debt	61,140,909
39		<u>TEMPORARY CASH INVESTMENTS</u>	
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

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

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**UNIT 1
April, 2014**

Line No.

1	<u>Capitalization Balances (Prior Month Ending) :</u>	
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	<u>Weighting of Capitalization Balances :</u>	
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	<u>Rate of Return (Net of Tax) :</u>	
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)	7.9795%
	(Common Equity Rate of Return grossed up for tax)	-----
30	= Rate of Return (Pre-Tax)	8.8496%
		=====

A E P GENERATING COMPANY

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

500	SUPERVISION AND ENGINEERING	139,549
501	FUEL	9,630,018
502	STEAM EXPENSES	118,030
503	STEAM FROM OTHER SOURCES	0
504	STEAM TRANSFERRED - CR	0
505	ELECTRIC EXPENSES	80,579
506	MISC. STEAM POWER EXPENSES	155,838
507	RENTS	0
508	OPERATION SUPPLIES AND EXPENSES	0
509	CARRYING CHARGES - ALLOWANCES	0

TOTAL OPERATION EXPENSE 10,124,014

510	MAINTENANCE SUPER. AND ENGINEERING	72,227
511	MAINTENANCE OF STRUCTURES	42,813
512	MAINTENANCE OF BOILER PLANT	734,592
513	MAINTENANCE OF ELECTRIC PLANT	259,049
514	MAINTENANCE OF MISC. STEAM PLANT	64,331
515	MAINTENANCE NORMALIZING	0

TOTAL MAINTENANCE EXPENSES 1,173,011

555	PURCHASED POWER	0
556	SYSTEM CONTROL AND LOAD DISPATCHING	582
557	OTHER POWER SUPPLY EXPENSES	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 30
 NO OF DAYS IN CURRENT YEAR 365
 CURRENT YEAR IS 2014
 CURRENT MONTH IS 4
 THIS BILLING IS FOR MONTH OF April, 2014

A E P GENERATING COMPANY

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	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
	TOTAL SALES EXPENSES	0
920	ADMIN. & GENERAL SALARIES	41,097
921	OFFICE SUPPLIES AND EXPENSES	7,115
922	ADMINISTRATIVE EXPENSES TRANSF - CR	0
923	OUTSIDE SERVICES	11,727
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	130,422
935	MAINTENANCE OF GENERAL PLANT	7,580
	TOTAL ADM & GEN EXPENSES	138,003
	TOTAL AEG OPERATION & MAINTENANCE EXPENSES	11,437,600
	ACCOUNT 40190 TOTAL FOR CROSS FOOT	11,437,600
	-----DIFFERENCE-----	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
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

<u>SUMMARY</u>	<u>TOTAL</u>
Current Month Bill:	
Return on Common Equity	(134,459)
Return on Other Capital	(26,297)
Total Return	----- (160,756)
Fuel	5,715,516
Purchased Power	0
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**

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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

	<u>SUMMARY</u>	<u>TOTAL</u>
Current Month Bill:		
Return on Common Equity		(57,626)
Return on Other Capital		(11,270)
Total Return		----- (68,896)
Fuel		2,449,507
Purchased Power		0
Other Operating Revenues		(2,625)
Other Operation and Maintenance Exp		2,090,139
Depreciation Expense		306,386
Taxes Other Than Federal Income Tax		43,752
Federal Income Tax		6,190
TOTAL CURRENT UNIT POWER BILL		----- 4,824,453 =====
Prior Month's Adjustment:		
Return on Common Equity & Other Capital		0
Fuel Expense		0
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.

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
ROCKPORT POWER BILL
SUMMARY OF MONTHLY POWER BILL**

	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	8,165,023	2,449,507	5,715,516
+ Purchased Power	0	0	0
- Other Operating Revenues	(8,750)	(2,625)	(6,125)
+ Other Operation and Maintenance Exp	6,967,130	2,090,139	4,876,991
+ Depreciation Expense	1,021,287	306,386	714,901
+ Taxes Other Than Federal Income Tax	145,840	43,752	102,088
+ Federal and State Income Tax	20,634	6,190	14,443
= Total Unit 2 Monthly Power Bill	16,081,512	4,824,453	11,257,058
<u>Determination of Federal Income Tax :</u>			
Total Return (Line 3)	(229,652)	(68,896)	(160,756)
+ Unit 2 Schedule M Adjustments	(49,225)	(14,767)	(34,457)
+ Unit 2 Deferred Federal Income Taxes	97,326	29,198	68,128
- Unit 2 Interest Expense Deduction *	(39,122)	(11,737)	(27,385)
= Subtotal	(142,428)	(42,728)	(99,700)
x Gross-Up (FIT Rate / 1-FIT Rate)	0.538462	0.538462	0.538462
= Unit 2 Current Federal Income Tax	(76,692)	(23,007)	(53,685)
+ Unit 2 Def Fed & State Income Taxes	97,326	29,198	68,128
= Total Unit 2 Fed&State Income Taxes	20,634	6,190	14,443
<u>Proof of Federal Income Tax :</u>			
Total Unit 2 Monthly Power Bill	16,081,512	4,824,453	11,257,058
- Operation and Maintenance Expenses	15,132,153	4,539,646	10,592,507
- Depreciation Expense	1,021,287	306,386	714,901
- Taxes Other Than Federal Income Tax	145,840	43,752	102,088
- Unit 2 Interest Expense Deduction *	(39,122)	(11,737)	(27,385)
- Other Operating Revenues	(8,750)	(2,625)	(6,125)
= Pre-Tax Book Income	(169,896)	(50,969)	(118,928)
+ Unit 2 Schedule M Adjustments	(49,225)	(14,767)	(34,457)
= Unit 2 Taxable Income	(219,121)	(65,736)	(153,385)
x Current Federal Income Tax Rate	35%	35%	35%
= Unit 2 Current Federal Income Tax	(76,693)	(23,008)	(53,685)
+ Unit 2 Def Fed & State Income Taxes	97,326	29,198	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**

<u>Line No.</u>		<u>UNIT 2 April, 2014</u>
1	Operating Ratio:	
2	<u>Net In-Service Investment:</u>	
3	Electric Plant In-Service	800,105,537
4	- Accumulated Depreciation	575,386,688
5	+ Materials & Supplies	64,972,045
6	+ Prepayments	42,781
7	+ Plant Held For Future Use (A/C 105) *	0
8	+ Other Deferred Debits (A/C 186) *	0
9	+ Other Working Capital ***	(22,107,737)
10	+ Unamortized Debt Expense (A/C 181)	119,013
11	+ Deferred ASH pond cost (A/C182.3)	2,840,138
12	- Asset Retirement Obligation (A/C 230)	4,423,159
13	- Other Deferred Credits (A/C 253)	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	<u>Non-In-Service Investment - CWIP :</u>	
18	Construction Work In Progress	63,389,481
19	+ Materials & Supplies	0
20	- Accumulated Deferred FIT	0
21	Total Non-In-Service Investment - CWIP	----- 63,389,481 -----
22	<u>Non-In-Service Investment - Other :</u>	
23	Plant Held for Future Use (A/C 105) **	0
24	+ Other Deferred Debits (A/C 186) **	3,059,194
25	+ Fuel Inventory Over Allowed Level ****	(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	----- 100.0000% =====
	* 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	

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

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<u>Line No.</u>		UNIT 2 April, 2014
1	Net In-Service Investment Ratio:	
2	<u>Unit 2 Net In-Service Investment:</u>	
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	+ Other Deferred Debits (A/C 186) *	0
9	+ 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	<u>Unit 1 Net In-Service Investment:</u>	
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	+ Other Deferred Debits (A/C 186) *	0
24	+ Other Working Capital **	(3,826,233)
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
33	<u>Net In-Service Investment Ratio:</u>	
34	Unit 2 (Line 16 / Line 32)	-29.1200%
35	Unit 1 (Line 31 / Line 32)	129.1200%
		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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<u>Line No.</u>		UNIT 2 April, 2014
1	Net Capitalization:	
2	Long-Term Debt	64,421,495
3	+ Short-Term Debt	61,140,909
4	+ Preferred Stock	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	<u>Return on Common Equity:</u>	
10	Lesser of Line 5 or Line 8	87,581,802
11	x Equity Return (Monthly Rate)	1.01333%
12	= Equity Return	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	x Weighted Cost of Debt (Monthly Rate)	0.1247%
18	= Return on Equity over 40% of Capitalization	7,245
19	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	<u>Return on Other Capital:</u>	
24	Long-Term Debt Interest Expense (A/C 427-429)	142,776
25	+ Short-Term Debt Interest Expense (a/c 430)	32,214
26	+ 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	x Operating Ratio	73.7236%
32	x Net In-Service Investment Ratio	-29.1200%
33	= Unit 2 Return on Other Capital	(37,567)
		=====

* 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 2
April, 2014**

1	Debt 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	+ Other Debt (Accts 132 thru 136 + 145)	0
5	Total Debt Balances (Prior Month Ending)	----- 125,562,404 =====
6	<u>Weighting of Debt Balances :</u>	
7	Long-Term Debt (LTD bal/Total Debt bal)	51.3064%
8	+ Short-Term Debt (STD bal/Total Debt bal)	48.6936%
9	+ Other Debt	0.0000%
10	Total Debt Balances	----- 100.0000% =====
11	<u>Debt Cost Rates :</u>	
12	Long-Term Debt (avg LTD int rate)	2.6965%
13	Short-Term Debt (avg Money Pool STD int rate)	0.2745%
14	Other Debt	0.0000%
15	<u>Weighted Cost of Debt :</u>	
16	Long-Term Debt (LTD % x avg LTD int rate)	1.3835%
17	+ Short-Term Debt (STD % x avg MP STD int rate)	0.1337%
18	+ Other Debt	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

INCLUDE A/C 431 ON PG 5

<u>Line No.</u>		<u>April, 2014</u>
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	<u>Support of Coal Inventory Value:</u>	
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	<u>Coal Inventory W/68 Day Supply Cap</u>	
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
		=====
25	<u>Accumulated Deferred Inventory Return - Unit 2 (Memo Item):</u>	
26	Beginning Balance	6,941,798
27	+ Current Month Return on Beginning Balance	50,492
28	+ Current Month Deferral	55,319
29	- Current Month Recovery	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	18,666,409
	Total Unit 2 Monthly Power Bill with 68 Day Capped	18,721,728
	Difference	55,319

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
DETAIL OF OTHER OPERATING REVENUES**

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UNIT 2
April, 2014

<u>Line No.</u>	<u>Account No.</u>	<u>Description</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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**UNIT 2
April, 2014**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
1	500,502-508	Steam Power Generation - Operation	6,128,791
2	501	Fuel - Operation	8,165,023
3	510-515	Steam Power Generating - Maintenance	666,392
4		Total Steam Power Generation Expenses	14,960,205
5	555-557	Other Power Supply Expenses	2,572
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 Expensese	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**

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<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>UNIT 2 April, 2014</u>
1	403	Depreciation Expense *	448,338
1a	403.1	ARO Depreciation Expense	3,343
2	404	Amortization of Limited-Term Electric Plant **	553,108
3	405	Amortization of Other Electric Plant	0
4	406	Amortization of Electric Plant Acquisition Adjustments	0
5	407	Amortization of Property Losses, Unrecovered Plant and Regulatory Study Costs	0
			-
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

* 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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**UNIT 2
April, 2014**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</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**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>TOTAL</u>	<u>KPCO SHARE</u>	<u>I&M SHARE</u>
1		<u>Unit 2 Schedule `M' Adjustments*</u>			
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		<u>Unit 2 Deferred Federal Income Tax</u>			
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' Adj.-Utility	143,642	43,093	100,549
12	***	Total Unit 2 Deferred Federal Income Tax	97,326	29,198	68,128

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

Check Figure on Tax Page for Sch M (49,225)
Check Figure on Tax Page for DFIT 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

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

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**UNIT 2
April, 2014**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
1		<u>ELECTRIC PLANT IN SERVICE</u>	
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		<u>ACCUMULATED DEPRECIATION</u>	
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		<u>MATERIAL AND SUPPLIES</u>	
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
30	186	Other Deferred Debits	0

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
OTHER WORKING CAPITAL, UNAMORTIZED DEBT EXPENSE
AND OTHER DEFERRED CREDITS**

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<u>Line No.</u>	<u>Account No.</u>	<u>Description *</u>	<u>UNIT 2 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 <credit>	

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

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**UNIT 2
April, 2014**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</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
DETAIL OF NON-IN-SERVICE INVESTMENT - CWIP AND OTHER**

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**UNIT 2
April, 2014**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
		<u>Non-In-Service Investment - CWIP</u>	
1	107	Construction Work In Process	63,389,481
2		<u>MATERIAL AND SUPPLIES</u>	
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		<u>ACCUMULATED DEFERRED INCOME TAXES</u>	
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	0
16		Total Accumulated Deferred Income Taxes (CWIP Portion)	----- 0
17		TOTAL NON-IN-SERVICE INVESTMENT - CWIP	----- 63,389,481 =====
		<u>Non-In-Service Investment - Other</u>	
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) =====
		* INCLUDES 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 2
April, 2014**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
1		<u>COMMON CAPITAL STOCK</u>	
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		<u>OTHER PAID-IN CAPITAL</u>	
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		<u>RETAINED EARNINGS</u>	
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		<u>PREFERRED CAPITAL STOCK</u>	
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
April, 2014**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
28		<u>LONG-TERM DEBT</u>	
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
		<u>SHORT-TERM DEBT</u>	
36a	231.02	Notes Payable (Short-Term Debt)	0
36b	231.03	Unamortized Discount	0
	233.00	Notes Payable, Assoc Co(Money Pool)	61,140,909
38		Total Short-Term Debt	61,140,909
39		<u>TEMPORARY CASH INVESTMENTS</u>	
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

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

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<u>Line No.</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	<u>Weighting of Capitalization Balances :</u>
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	<u>Rate of Return (Net of Tax) :</u>
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) 7.9795%
	(Common Equity Rate of Return grossed up for tax) -----
30	= Rate of Return (Pre-Tax) 8.8496%
	=====

A E P GENERATING COMPANY

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

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

A E P GENERATING COMPANY

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

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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 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	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
	TOTAL AEG OPERATION & MAINTENANCE EXPENSES	15,132,153
	ACCOUNT 40190 TOTAL FOR CROSS FOOT	15,132,153
	-----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
06-Jun-14

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 0

	<u>SUMMARY</u>	<u>TOTAL</u>
Current Month Bill:		
Return on Common Equity		258,229
Return on Other Capital		55,412
Total Return		----- 313,641
Fuel		46,273
Purchased Power		0
Other Operating Revenues		(2,625)
Other Operation and Maintenance Exp		1,274,909
Depreciation Expense		495,325
Taxes Other Than Federal Income Tax		48,152
Federal Income Tax		213,269
TOTAL CURRENT UNIT POWER BILL		----- 2,388,944 -----
Prior Month's Adjustment:		
Return on Common Equity & Other Capital		0
Fuel Expense		0
Other Expenses (Includes taxes & interest)		6,393
TOTAL PRIOR MONTH'S ADJUSTMENTS		----- 6,393 -----
TOTAL UNIT POWER BILL		=====
		2,395,337
		=====

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
 Diane Keegan - Columbus

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 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 0

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

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
SUMMARY OF MONTHLY POWER BILL**

May, 2014

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

* 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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<u>Line No.</u>		<u>UNIT 1 May, 2014</u>
1	<u>Operating Ratio:</u>	
2	<u>Net In-Service Investment:</u>	
3	Electric Plant In-Service	800,156,616
4	- Accumulated Depreciation	577,852,789
5	+ Materials & Supplies	65,222,266
6	+ Prepayments	28,520
7	+ Plant Held For Future Use (A/C 105) *	0
8	+ Other Deferred Debits (A/C 186) *	0
9	+ Other Working Capital ***	(31,763,980)
10	+ Unamortized Debt Expense (A/C 181)	118,578
11	+ Deferred ASH pond cost (A/C182.3)	2,832,314
12	- Asset Retirement Obligation (A/C 230)	4,451,307
13	- Other Deferred Credits (A/C 253)	47,908,918
14	- Accumulated Deferred FIT	37,218,195
15	- Accumulated Deferred ITC	16,921,902
16	Total Net In-Service Investment	----- 152,241,204 -----
17	<u>Non-In-Service Investment - CWIP :</u>	
18	Construction Work In Progress	67,394,104
19	+ Materials & Supplies	0
20	- Accumulated Deferred FIT	0
21	Total Non-In-Service Investment - CWIP	----- 67,394,104 -----
22	<u>Non-In-Service Investment - Other :</u>	
23	Plant Held for Future Use (A/C 105) **	1,034,099
24	+ Other Deferred Debits (A/C 186) **	2,796,939
25	+ Fuel Inventory Over Allowed Level ****	(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%
31	Total Investment	----- 100.0000% =====
*	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	
****	Includes Rockport 1 and 2	

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

<u>Line No.</u>	<u>UNIT 1 May, 2014</u>	
1		<u>Net In-Service Investment Ratio:</u>
2		Unit 1 Net In-Service Investment:
3		Electric Plant In-Service 658,169,003
4		- Accumulated Depreciation 436,993,399
5		+ Materials & Supplies 37,782,667
6		+ Prepayments 14,260
7		+ Plant Held For Future Use (A/C 105) * 0
8		+ Other Deferred Debits (A/C 186) * 0
9		+ Other Working Capital ** (2,499,856)
10		+ Unamortized Debt Expense (A/C 181) 59,289
11		+ Deferred ASH pond cost (A/C182.3) 1,416,157
12		- Asset Retirement Obligation (A/C 230) 2,225,653
13		- Other Deferred Credits (A/C 253) 0
14		- Accumulated Deferred FIT 43,464,280
15		- Accumulated Deferred ITC 12,830
16		Total Unit 1 Net In-Service Investment 212,245,358
17		Unit 2 Net In-Service Investment:
18		Electric Plant In-Service 141,987,613
19		- Accumulated Depreciation 140,859,390
20		+ Materials & Supplies 27,439,599
21		+ Prepayments 14,260
22		+ Plant Held For Future Use (A/C 105) * 0
23		+ Other Deferred Debits (A/C 186) * 0
24		+ Other Working Capital ** (29,264,124)
25		+ Unamortized Debt Expense (A/C 181) 59,289
26		+ Deferred ASH pond cost (A/C182.3) 1,416,157
27		- Asset Retirement Obligation (A/C 230) 2,225,653
28		- Other Deferred Credits (A/C 253) 47,908,918
29		- Accumulated Deferred FIT (6,246,085)
30		- Accumulated Deferred ITC 16,909,072
31		Total Unit 2 Net In-Service Investment (60,004,154)
32		Total Net In-Service Investment 152,241,204
33		<u>Net In-Service Investment Ratio:</u>
34		Unit 1 (Line 16 / Line 32) 139.4100%
35		Unit 2 (Line 31 / Line 32) -39.4100%
		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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<u>Line No.</u>		<u>UNIT 1 May, 2014</u>
1	<u>Net Capitalization:</u>	
2	Long-Term Debt	64,421,495
3	+ Short-Term Debt	50,984,194
4	+ Preferred Stock	0
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	<u>Return on Common Equity:</u>	
10	Lesser of Line 5 or Line 8	83,805,291
11	x Equity Return (Monthly Rate)	1.01333%
12	= Equity Return	849,224
13	x Operating Ratio	71.4334%
14	x Net In-Service Investment Ratio	139.4100%
15	= Subtotal	845,702
16	Excess of Line 5 Over Line 8	10,302,247
17	x Weighted Cost of Debt (Monthly Rate)	0.1468%
18	= Return on Equity over 40% of Capitalization	15,124
19	x Operating Ratio	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	<u>Return on Other Capital:</u>	
24	Long-Term Debt Interest Expense (A/C 427-429)	158,630
25	+ Short-Term Debt Interest Expense (a/c 430)	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	x Operating Ratio	71.4334%
32	x Net In-Service Investment Ratio	139.4100%
33	= Unit 1 Return on Other Capital	184,708
	* 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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<u>Line No.</u>		<u>UNIT 1 May, 2014</u>
1	<u>Debt Balances (Prior Month Ending) :</u>	
2	Long-Term Debt (Accts 221 thru 226)	64,421,495
3	+ Short-Term Debt (Accts 231 + 233)	50,984,194
4	+ Other Debt (Accts 132 thru 136 + 145)	0

5	Total Debt Balances (Prior Month Ending)	115,405,689
		=====
6	<u>Weighting of Debt Balances :</u>	
7	Long-Term Debt (LTD bal/Total Debt bal)	55.8218%
8	+ Short-Term Debt (STD bal/Total Debt bal)	44.1782%
9	+ Other Debt	0.0000%

10	Total Debt Balances	100.0000%
		=====
11	<u>Debt Cost Rates :</u>	
12	Long-Term Debt (avg LTD int rate)	2.8993%
13	Short-Term Debt (avg Money Pool STD int rate)	0.2499%
14	Other Debt	0.0000%
15	<u>Weighted Cost of Debt :</u>	
16	Long-Term Debt (LTD % x avg LTD int rate)	1.6184%
17	+ Short-Term Debt (STD % x avg MP STD int rate)	0.1104%
18	+ Other Debt	0.0000%

19	Total Weighted Cost of Debt	1.7288%
		=====

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

<u>Line No.</u>		<u>May, 2014</u>
1	<u>Unit 1 Materials and Supplies:</u>	
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	<u>Support of Coal Inventory Value:</u>	
10	Actual Coal Inventory (a/c 151.10)	12,236,818
11	+ Equivalent Inventory re: Deferred Return	19,089,387,199
12	= Imputed Coal Inventory	19,101,624,017
13	<u>Coal Inventory W/68 Day Supply Cap</u>	
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	<u>Accumulated Deferred Inventory Return - Unit 1 (Memo Item):</u>	
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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**UNIT 1
May, 2014**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</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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**UNIT 1
May, 2014**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
1	500,502-508	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 - Operation	112,113
16	935	Administrative and General Expenses - 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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**UNIT 1
May, 2014**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
	1 403	Depreciation Expense	1,631,148
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 Acquisition 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
DETAIL OF TAXES OTHER THAN FEDERAL INCOME TAXES**

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UNIT 1

May, 2014

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
BS1			
1	408.1	Taxes Other Than Federal Income Taxes, Utility Operating Income	155,506
2	409.1	State Income Taxes	5,000
3		Total Taxes Other than FIT	----- 160,506 =====

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

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>TOTAL</u>	<u>KPCO SHARE</u>	<u>I&M SHARE</u>
1		<u>Unit 1 Schedule `M' Adjustments*</u>			
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		<u>Unit 1 Deferred Federal Income Tax</u>			
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' Adj.-Utility	(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.

=====

=====

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

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UNIT 1
May, 2014

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
1		<u>ELECTRIC PLANT IN SERVICE</u>	
2	101	Electric Plant In Service	653,974,053
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	4,194,951
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	658,169,003
12	105	Plant Held For Future Use	0
13		<u>ACCUMULATED DEPRECIATION</u>	
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	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	436,993,399
20		<u>MATERIAL AND SUPPLIES</u>	
21	151	Fuel Stock	24,634,398
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)	37,782,667
29	165	Prepayments	14,260
30	186	Other Deferred Debits	0

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
OTHER WORKING CAPITAL, UNAMORTIZED DEBT EXPENSE
AND OTHER DEFERRED CREDITS**

<u>Line No.</u>	<u>Account No.</u>	<u>Description *</u>	UNIT 1 May, 2014
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)
			=====
16	181	Unamortized Debt Expense	59,289

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
May, 2014**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
31		<u>ACCUMULATED DEFERRED INCOME TAXES</u>	
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 - Other Property	44,827,807
35	283	+Accumulated Deferred Income Taxes - Other	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	----- 12,830 -----
40		Total Net In-Service Investment - Unit 1	----- 213,054,854 =====

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

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**UNIT 1
May, 2014**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
		<u>Non-In-Service Investment - CWIP</u>	
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		<u>ACCUMULATED DEFERRED INCOME TAXES</u>	
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	0
16		Total Accumulated Deferred Income Taxes (CWIP Portion)	----- 0
17		TOTAL NON-IN-SERVICE INVESTMENT - CWIP	67,394,104 =====
		<u>Non-In-Service Investment - Other</u>	
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) =====
		* INCLUDES 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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**UNIT 1
May, 2014**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
1		<u>COMMON CAPITAL STOCK</u>	
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		<u>OTHER PAID-IN CAPITAL</u>	
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		<u>RETAINED EARNINGS</u>	
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		<u>PREFERRED CAPITAL STOCK</u>	
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
May, 2014**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
28		<u>LONG-TERM DEBT</u>	
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
		<u>SHORT-TERM DEBT</u>	
36a	231.02	Notes Payable (Short-Term Debt)	0
36b	231.03	Unamortized Discount	0
37	233.00	Notes Payable, Assoc Co(Money Pool)	50,984,194
38		Total Short-Term Debt	50,984,194
39		<u>TEMPORARY CASH INVESTMENTS</u>	
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)**

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<u>Line No.</u>		UNIT 1 <u>May, 2014</u>
1	<u>Capitalization Balances (Prior Month Ending) :</u>	
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	<u>Weighting of Capitalization Balances :</u>	
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	<u>Capitalization Cost Rates :</u>	
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	<u>Rate of Return (Net of Tax) :</u>	
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%
	(LTD Rate of Return + STD RR - Cap Offsets RR)	
29	+ Pre-Tax Common Equity (Line 25 / .65)	8.4029%
	(Common Equity Rate of Return grossed up for tax)	
30	= Rate of Return (Pre-Tax)	9.3552%
		=====

A E P GENERATING COMPANY

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
513	MAINTENANCE OF ELECTRIC PLANT	882,667
514	MAINTENANCE OF MISC. STEAM PLANT	61,381
515	MAINTENANCE NORMALIZING	0
	TOTAL MAINTENANCE EXPENSES	3,651,909
555	PURCHASED POWER	0
556	SYSTEM CONTROL AND LOAD DISPATCHING	(4,718)
557	OTHER POWER SUPPLY EXPENSES	(10,294)
	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

**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	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
	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	FRANCHISE REQUIREMENTS	0
928	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
	TOTAL AEG OPERATION & MAINTENANCE EXPENSES	4,403,940
	ACCOUNT 40190 TOTAL FOR CROSS FOOT	4,403,940
	-----DIFFERENCE-----	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
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

<u>SUMMARY</u>	<u>TOTAL</u>
Current Month Bill:	
Return on Common Equity	(171,161)
Return on Other Capital	(36,729)
Total Return	----- (207,890)
Fuel	8,748,453
Purchased Power	0
Other Operating Revenues	(6,125)
Other Operation and Maintenance Exp	4,595,812
Depreciation Expense	715,210
Taxes Other Than Federal Income Tax	118,411
Federal Income Tax	(4,126)
TOTAL CURRENT UNIT POWER BILL	----- 13,959,745 -----
Prior Month's Adjustment:	
Return on Common Equity & Other Capital	0
Fuel Expense	0
Other Expenses (Includes taxes & interest)	2,772
TOTAL PRIOR MONTH'S ADJUSTMENTS	----- 2,772 -----
TOTAL UNIT POWER BILL	=====
	13,962,517 =====

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

**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**

**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 137,998,000

<u>SUMMARY</u>	<u>TOTAL</u>
Current Month Bill:	
Return on Common Equity	(73,355)
Return on Other Capital	(15,741)
Total Return	----- (89,096)
Fuel	3,749,337
Purchased Power	0
Other Operating Revenues	(2,625)
Other Operation and Maintenance Exp	1,969,633
Depreciation Expense	306,518
Taxes Other Than Federal Income Tax	50,747
Federal Income Tax	(1,768)
TOTAL CURRENT UNIT POWER BILL	----- 5,982,746 =====
Prior Month's Adjustment:	
Return on Common Equity & Other Capital	0
Fuel Expense	0
Other Expenses (Includes taxes & interest)	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

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
SUMMARY OF MONTHLY POWER BILL**

	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	12,497,791	3,749,337	8,748,453
+ Purchased Power	0	0	0
- Other Operating Revenues	(8,750)	(2,625)	(6,125)
+ Other Operation and Maintenance Exp	6,565,445	1,969,633	4,595,812
+ Depreciation Expense	1,021,728	306,518	715,210
+ Taxes Other Than Federal Income Tax	169,158	50,747	118,411
+ Federal and State Income Tax	(5,895)	(1,768)	(4,126)
= Total Unit 2 Monthly Power Bill	19,942,490	5,982,746	13,959,745
<u>Determination of Federal Income Tax :</u>			
Total Return (Line 3)	(296,986)	(89,096)	(207,890)
+ Unit 2 Schedule M Adjustments	(71,105)	(21,331)	(49,773)
+ Unit 2 Deferred Federal Income Taxes	105,137	31,541	73,596
- Unit 2 Interest Expense Deduction *	(56,748)	(17,024)	(39,724)
= Subtotal	(206,205)	(61,862)	(144,343)
x Gross-Up (FIT Rate / 1-FIT Rate)	0.538462	0.538462	0.538462
= Unit 2 Current Federal Income Tax	(111,033)	(33,310)	(77,723)
+ Unit 2 Def Fed & State Income Taxes	105,137	31,541	73,596
= Total Unit 2 Fed&State Income Taxes	(5,895)	(1,768)	(4,126)
<u>Proof of Federal Income Tax :</u>			
Total Unit 2 Monthly Power Bill	19,942,490	5,982,746	13,959,745
- Operation and Maintenance Expenses	19,063,235	5,718,970	13,344,265
- Depreciation Expense	1,021,728	306,518	715,210
- Taxes Other Than Federal Income Tax	169,158	50,747	118,411
- Unit 2 Interest Expense Deduction *	(56,748)	(17,024)	(39,724)
- Other Operating Revenues	(8,750)	(2,625)	(6,125)
= Pre-Tax Book Income	(246,133)	(73,840)	(172,292)
+ Unit 2 Schedule M Adjustments	(71,105)	(21,331)	(49,773)
= Unit 2 Taxable Income	(317,238)	(95,171)	(222,065)
x Current Federal Income Tax Rate	35%	35%	35%
= Unit 2 Current Federal Income Tax	(111,033)	(33,310)	(77,723)
+ Unit 2 Def Fed & State Income Taxes	105,137	31,541	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**

<u>Line No.</u>		<u>UNIT 2</u> <u>May, 2014</u>
1	Operating Ratio:	
2	<u>Net In-Service Investment:</u>	
3	Electric Plant In-Service	800,156,616
4	- Accumulated Depreciation	577,852,789
5	+ Materials & Supplies	65,222,266
6	+ Prepayments	28,520
7	+ Plant Held For Future Use (A/C 105) *	0
8	+ Other Deferred Debits (A/C 186) *	0
9	+ Other Working Capital ***	(31,763,980)
10	+ Unamortized Debt Expense (A/C 181)	118,578
11	+ Deferred ASH pond cost (A/C182.3)	2,832,314
12	- Asset Retirement Obligation (A/C 230)	4,451,307
13	- Other Deferred Credits (A/C 253)	47,908,918
14	- Accumulated Deferred FIT	37,218,195
15	- Accumulated Deferred ITC	16,921,902
16	Total Net In-Service Investment	152,241,204
17	<u>Non-In-Service Investment - CWIP :</u>	
18	Construction Work In Progress	67,394,104
19	+ Materials & Supplies	0
20	- Accumulated Deferred FIT	0
21	Total Non-In-Service Investment - CWIP	67,394,104
22	<u>Non-In-Service Investment - Other :</u>	
23	Plant Held for Future Use (A/C 105) **	0
24	+ Other Deferred Debits (A/C 186) **	2,796,939
25	+ Fuel Inventory Over Allowed Level ****	(10,343,068)
26	Total Non-In-Service Investment - Other	(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	100.0000%
	* 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	

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

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**Line
No.**

**UNIT 2
May, 2014**

1 Net In-Service Investment Ratio:

2 Unit 2 Net In-Service Investment:

3	Electric Plant In-Service	141,987,613
4	- Accumulated Depreciation	140,859,390
5	+ Materials & Supplies	27,439,599
6	+ Prepayments	14,260
7	+ Plant Held For Future Use (A/C 105) *	0
8	+ Other Deferred Debits (A/C 186) *	0
9	+ Other Working Capital **	(29,264,124)
10	+ Unamortized Debt Expense (A/C 181)	59,289
11	+ Deferred ASH pond cost (A/C182.3)	1,416,157
12	- Asset Retirement Obligation (A/C 230)	2,225,653
13	- Other Deferred Credits (A/C 253)	47,908,918
14	- Accumulated Deferred FIT	(6,246,085)
15	- Accumulated Deferred ITC	16,909,072
16	Total Unit 2 Net In-Service Investment	(60,004,154)

17 Unit 1 Net In-Service Investment:

18	Electric Plant In-Service	658,169,003
19	- Accumulated Depreciation	436,993,399
20	+ Materials & Supplies	37,782,667
21	+ Prepayments	14,260
22	+ Plant Held For Future Use (A/C 105) *	0
23	+ Other Deferred Debits (A/C 186) *	0
24	+ Other Working Capital **	(2,499,856)
25	+ Unamortized Debt Expense (A/C 181)	59,289
26	+ Deferred ASH pond cost (A/C182.3)	1,416,157
27	- Asset Retirement Obligation (A/C 230)	2,225,653
28	- Other Deferred Credits (A/C 253)	0
29	- Accumulated Deferred FIT	43,464,280
30	- Accumulated Deferred ITC	12,830
31	Total Unit 1 Net In-Service Investment	212,245,358

32 Total Net In-Service Investment 152,241,204

33 Net In-Service Investment Ratio:

34 Unit 2 (Line 16 / Line 32) -39.4100%

35 Unit 1 (Line 31 / Line 32) 139.4100%

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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<u>Line No.</u>		<u>UNIT 2</u> <u>May, 2014</u>
1	Net Capitalization:	
2	Long-Term Debt	64,421,495
3	+ Short-Term Debt	50,984,194
4	+ Preferred Stock	0
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	<u>Return on Common Equity:</u>	
10	Lesser of Line 5 or Line 8	83,805,291
11	x Equity Return (Monthly Rate)	1.01333%
12	= Equity Return	849,224
13	x Operating Ratio	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	x Weighted Cost of Debt (Monthly Rate)	0.1468%
18	= Return on Equity over 40% of Capitalization	15,124
19	x Operating Ratio	71.7817%
20	x Net In-Service Investment Ratio	-39.4100%
21	= Subtotal	(4,278)

22	Unit 2 Return on Equity (Line 15 + Line 21)	(244,516)
		=====
23	<u>Return on Other Capital:</u>	
24	Long-Term Debt Interest Expense (A/C 427-429)	158,630
25	+ Short-Term Debt Interest Expense (a/c 430)	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	x Operating Ratio	71.7817%
32	x Net In-Service Investment Ratio	-39.4100%
33	= Unit 2 Return on Other Capital	(52,470)
		=====

* 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 2
May, 2014**

1	Debt 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	+ Other Debt (Accts 132 thru 136 + 145)	0
5	Total Debt Balances (Prior Month Ending)	----- 115,405,689 =====
6	<u>Weighting of Debt Balances :</u>	
7	Long-Term Debt (LTD bal/Total Debt bal)	55.8218%
8	+ Short-Term Debt (STD bal/Total Debt bal)	44.1782%
9	+ Other Debt	0.0000%
10	Total Debt Balances	----- 100.0000% =====
11	<u>Debt Cost Rates :</u>	
12	Long-Term Debt (avg LTD int rate)	2.8993%
13	Short-Term Debt (avg Money Pool STD int rate)	0.2499%
14	Other Debt	0.0000%
15	<u>Weighted Cost of Debt :</u>	
16	Long-Term Debt (LTD % x avg LTD int rate)	1.6184%
17	+ Short-Term Debt (STD % x avg MP STD int rate)	0.1104%
18	+ Other Debt	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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INCLUDE A/C 431 ON PG 5

UNIT 2

<u>Line No.</u>		<u>May, 2014</u>
1	Unit 2 Materials and Supplies:	
2	Fuel Stock - Coal (per Line 23)	12,236,818
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	27,439,599
		=====
9	<u>Support of Coal Inventory Value:</u>	
10	Actual Coal Inventory (a/c 151.10)	12,236,818
11	+ Equivalent Inventory re: Deferred Return	894,040,003

12	= Imputed Coal Inventory	906,276,821

13	<u>Coal Inventory W/68 Day Supply Cap</u>	
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)	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	<u>Accumulated Deferred Inventory Return - Unit 2 (Memo Item):</u>	
26	Beginning Balance	7,047,609
27	+ Current Month Return on Beginning Balance	55,997
28	+ Current Month Deferral	71,646
29	- Current Month Recovery	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	19,942,255
	Total Unit 2 Monthly Power Bill with 68 Day Capped	20,013,901
	Difference	71,646

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
DETAIL OF OTHER OPERATING REVENUES**

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**UNIT 2
May, 2014**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</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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**UNIT 2
May, 2014**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
1	500,502-508	Steam Power Generation - Operation	5,992,447
2	501	Fuel - Operation	12,497,791
3	510-515	Steam Power Generating - Maintenance	447,112
4		Total Steam Power Generation Expenses	18,937,350
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 Expennse - Maintenance	0
11		Total Distribution Expensese	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**

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<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>UNIT 2 May, 2014</u>
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 Acquisition Adjustments	0
5	407	Amortization of Property Losses, Unrecovered Plant and Regulatory Study Costs	0
			-
6		Total Depreciation Exp. & Amortization	1,005,136
			=
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**

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UNIT 2

May, 2014

<u>Line No.</u>	<u>Account No.</u>	<u>Description</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**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>TOTAL</u>	<u>KPCO SHARE</u>	<u>I&M SHARE</u>
1		<u>Unit 2 Schedule `M' Adjustments*</u>			
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		<u>Unit 2 Deferred Federal Income Tax</u>			
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' Adj.-Utility	151,453	45,436	106,017
12	***	Total Unit 2 Deferred Federal Income Tax	105,137	31,541	73,596

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

Check Figure on Tax Page for Sch M (71,105)
Check Figure on Tax Page for DFIT 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**

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**UNIT 2
May, 2014**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
1		<u>ELECTRIC PLANT IN SERVICE</u>	
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		<u>ACCUMULATED DEPRECIATION</u>	
14	108	Accumulated Provision for Depreciation of Electric Utility Plant	116,995,321
15	110	Accumulated Provision for Depreciation 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 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		<u>MATERIAL AND SUPPLIES</u>	
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

**AEP GENERATING COMPANY
 ROCKPORT POWER BILL
 OTHER WORKING CAPITAL, UNAMORTIZED DEBT EXPENSE
 AND OTHER DEFERRED CREDITS**

<u>Line No.</u>	<u>Account No.</u>	<u>Description *</u>	UNIT 2 May, 2014
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

*		debit <credit>	

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

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**UNIT 2
May, 2014**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
31		ACCUMULATED DEFERRED INCOME TAXES	
32	190	-Accumulated Deferred Income Taxes	20,348,849
33	281	+Accumulated Deferred Income Taxes - 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	----- (59,194,658) =====

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

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**UNIT 2
May, 2014**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
		<u>Non-In-Service Investment - CWIP</u>	
1	107	Construction Work In Process	67,394,104
2		<u>MATERIAL AND SUPPLIES</u>	
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		<u>ACCUMULATED DEFERRED INCOME TAXES</u>	
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	0
16		Total Accumulated Deferred Income Taxes (CWIP Portion)	0
17		TOTAL NON-IN-SERVICE INVESTMENT - CWIP	67,394,104
		<u>Non-In-Service Investment - Other</u>	
18	105	Plant Held for Future Use	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	(7,546,129)
		* INCLUDES 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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**UNIT 2
May, 2014**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
1		<u>COMMON CAPITAL STOCK</u>	
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		<u>OTHER PAID-IN CAPITAL</u>	
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		<u>RETAINED EARNINGS</u>	
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		<u>PREFERRED CAPITAL STOCK</u>	
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
May, 2014**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
28		<u>LONG-TERM DEBT</u>	
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
		<u>SHORT-TERM DEBT</u>	
36a	231.02	Notes Payable (Short-Term Debt)	0
36b	231.03	Unamortized Discount	0
	233.00	Notes Payable, Assoc Co(Money Pool)	50,984,194
38		Total Short-Term Debt	50,984,194
39		<u>TEMPORARY CASH INVESTMENTS</u>	
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)**

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<u>Line No.</u>		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	<u>Weighting of Capitalization Balances :</u>	
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	<u>Capitalization Cost Rates :</u>	
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	<u>Rate of Return (Net of Tax) :</u>	
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%
	(LTD Rate of Return + STD RR - Cap Offsets RR)	
29	+ Pre-Tax Common Equity (Line 25 / .65)	8.4029%
	(Common Equity Rate of Return grossed up for tax)	-----
30	= Rate of Return (Pre-Tax)	9.3552%
		=====

A E P GENERATING COMPANY

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

May, 2014
 ESTIMATE

500	SUPERVISION AND ENGINEERING	125,080
501	FUEL	12,497,791
502	STEAM EXPENSES	62,170
503	STEAM FROM OTHER SOURCES	0
504	STEAM TRANSFERRED - CR	0
505	ELECTRIC EXPENSES	60,795
506	MISC. STEAM POWER EXPENSES	54,149
507	RENTS	5,690,253
508	OPERATION SUPPLIES AND EXPENSES	0
509	CARRYING CHARGES - ALLOWANCES	0
	TOTAL OPERATION EXPENSE	18,490,237
510	MAINTENANCE SUPER. AND ENGINEERING	100,248
511	MAINTENANCE OF STRUCTURES	14
512	MAINTENANCE OF BOILER PLANT	254,431
513	MAINTENANCE OF ELECTRIC PLANT	56,411
514	MAINTENANCE OF MISC. STEAM PLANT	36,008
515	MAINTENANCE NORMALIZING	0
	TOTAL MAINTENANCE EXPENSES	447,112
555	PURCHASED POWER	0
556	SYSTEM CONTROL AND LOAD DISPATCHING	(4,718)
557	OTHER POWER SUPPLY EXPENSES	(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	May, 2014

A E P GENERATING COMPANY

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

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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 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	41,938
921	OFFICE SUPPLIES AND EXPENSES	4,978
922	ADMINISTRATIVE EXPENSES TRANSF - CR	0
923	OUTSIDE SERVICES	(11,609)
924	PROPERTY INSURANCE	10,753
925	INJURIES AND DAMAGES	1,800
926	EMPLOYEE PENSIONS AND BENEFITS	73,823
927	FRANCHISE REQUIREMENTS	0
928	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	122,673
935	MAINTENANCE OF GENERAL PLANT	18,224
	TOTAL ADM & GEN EXPENSES	140,897
	TOTAL AEG OPERATION & MAINTENANCE EXPENSES	19,063,235
	ACCOUNT 40190 TOTAL FOR CROSS FOOT	19,063,235
	-----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-Jul-14

UNIT 1
POWER BILL - - June, 2014

IN ACCORDANCE WITH POWER AGREEMENT DATED OCTOBER 1, 1984 (AS AMENDED)
 ENERGY DELIVERED FOR THE MONTH OF June, 2014
 KWH FOR THE MONTH 103,458,450

SUMMARY

TOTAL

Current Month Bill:

Return on Common Equity	250,878
Return on Other Capital	(17,641)

Total Return	233,237
Fuel	2,857,653
Purchased Power	0
Other Operating Revenues	(2,625)
Other Operation and Maintenance Exp	437,316
Depreciation Expense	495,830
Taxes Other Than Federal Income Tax	365,556
Federal Income Tax	208,571

TOTAL CURRENT UNIT POWER BILL	4,595,538

Prior Month's Adjustment:

Return on Common Equity & Other Capital	0
Fuel Expense	0
Other Expenses (Includes taxes & interest)	29,319

TOTAL PRIOR MONTH'S ADJUSTMENTS	29,319

TOTAL UNIT POWER BILL	4,624,857
	=====

AMOUNTS WILL BE PAID DIRECT FROM GENERAL FUNDS.

DUE DATE - - - June 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

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-Jul-14

UNIT 1
POWER BILL - - June, 2014

IN ACCORDANCE WITH POWER AGREEMENT DATED OCTOBER 1, 1984 (AS AMENDED)
 ENERGY DELIVERED FOR THE MONTH OF June, 2014
 KWH FOR THE MONTH 241,403,040

SUMMARY

TOTAL

Current Month Bill:

Return on Common Equity	585,383
Return on Other Capital	(41,162)
Total Return	----- 544,221
Fuel	6,667,858
Purchased Power	0
Other Operating Revenues	(6,125)
Other Operation and Maintenance Exp	1,020,405
Depreciation Expense	1,156,936
Taxes Other Than Federal Income Tax	852,965
Federal Income Tax	486,667
TOTAL UNIT POWER BILL	----- 10,722,926 -----

Prior Month's Adjustment:

Return on Common Equity & Other Capital	0
Fuel	0
Other Expenses (Includes taxes & interest)	68,413

 TOTAL PRIOR MONTH'S ADJUSTMENTS 68,413

=====

TOTAL UNIT POWER BILL 10,791,339

=====

AMOUNTS WILL BE PAID DIRECT FROM GENERAL FUNDS.

DUE DATE - - - June 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
 Sid Lyons - Columbus Michelle Howell - Columbus

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
SUMMARY OF MONTHLY POWER BILL**

June, 2014

	<u>TOTAL UNIT 1 POWER BILL</u>	<u>KPCO SHARE</u>	<u>I&M SHARE</u>
Return on Common Equity	836,261	250,878	585,383
Return on Other Capital	(58,803)	(17,641)	(41,162)
<hr/>			
Total Return	777,458	233,237	544,221
+ Fuel	9,525,511	2,857,653	6,667,858
+ Purchased Power	0	0	0
- Other Operating Revenues	(8,750)	(2,625)	(6,125)
+ Other Operation and Maintenance Exp	1,457,721	437,316	1,020,405
+ Depreciation Expense	1,652,766	495,830	1,156,936
+ Taxes Other Than Federal Income Tax	1,218,521	365,556	852,965
+ Federal and State Income Tax	695,238	208,571	486,667
<hr/>			
= Total Unit 1 Monthly Power Bill	15,318,465	4,595,538	10,722,926
<hr/>			
<u>Determination of Federal Income Tax :</u>			
Total Return (Line 3)	777,458	233,237	544,221
+ Unit 1 Schedule M Adjustments	2,015,091	604,527	1,410,564
+ Unit 1 Deferred Federal Income Taxes	(539,185)	(161,756)	(377,430)
- Unit 1 Interest Expense Deduction *	(39,139)	(11,742)	(27,397)
<hr/>			
= Subtotal	2,292,502	687,750	1,604,752
x Gross-Up (FIT Rate / 1-FIT Rate)	0.538462	0.538462	0.538462
= Unit 1 Current Federal Income Tax	1,234,424	370,327	864,097
+ Unit 1 Def Fed & State Income Taxes	(539,185)	(161,756)	(377,430)
<hr/>			
= Total Unit 1 Fed&State Income Taxes	695,238	208,571	486,667
<hr/>			
<u>Proof of Federal Income Tax :</u>			
Total Unit 1 Monthly Power Bill	15,318,465	4,595,538	10,722,926
- Operation and Maintenance Expenses	10,983,232	3,294,969	7,688,263
- Depreciation Expense	1,652,766	495,830	1,156,936
- Taxes Other Than Federal Income Tax	1,218,521	365,556	852,965
- Unit 1 Interest Expense Deduction *	(39,139)	(11,742)	(27,397)
- Other Operating Revenues	(8,750)	(2,625)	(6,125)
<hr/>			
= Pre-Tax Book Income	1,511,835	453,550	1,058,285
+ Unit 1 Schedule M Adjustments	2,015,091	604,527	1,410,564
<hr/>			
= Unit 1 Taxable Income	3,526,926	1,058,077	2,468,849
x Current Federal Income Tax Rate	35%	35%	35%
= Unit 1 Current Federal Income Tax	1,234,424	370,327	864,097
+ Unit 1 Def Fed & State Income Taxes	(539,186)	(161,756)	(377,430)
<hr/>			
= Total Unit 1 Fed&State Income Taxes	695,238	208,571	486,667
<hr/>			

* 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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<u>Line No.</u>		<u>UNIT 1</u> <u>June, 2014</u>
1	<u>Operating Ratio:</u>	
2	<u>Net In-Service Investment:</u>	
3	Electric Plant In-Service	800,215,881
4	- Accumulated Depreciation	580,338,077
5	+ Materials & Supplies	68,606,044
6	+ Prepayments	14,260
7	+ Plant Held For Future Use (A/C 105) *	0
8	+ Other Deferred Debits (A/C 186) *	0
9	+ Other Working Capital ***	(47,973,768)
10	+ Unamortized Debt Expense (A/C 181)	95,951
11	+ Deferred ASH pond cost (A/C182.3)	2,824,490
12	- Asset Retirement Obligation (A/C 230)	4,479,640
13	- Other Deferred Credits (A/C 253)	47,444,672
14	- Accumulated Deferred FIT	37,347,209
15	- Accumulated Deferred ITC	16,757,501
16	Total Net In-Service Investment	----- 137,415,758 -----
17	<u>Non-In-Service Investment - CWIP :</u>	
18	Construction Work In Progress	74,009,318
19	+ Materials & Supplies	0
20	- Accumulated Deferred FIT	0
21	Total Non-In-Service Investment - CWIP	----- 74,009,318 -----
22	<u>Non-In-Service Investment - Other :</u>	
23	Plant Held for Future Use (A/C 105) **	1,034,099
24	+ Other Deferred Debits (A/C 186) **	2,527,124
25	+ Fuel Inventory Over Allowed Level ****	(6,652,160)
26	Total Non-In-Service Investment - Other	----- (3,090,936) -----
27	Total Investment (Lines 16+21+26)	----- 208,334,140 =====
28	Operating Ratio (Line 16/Line 27)	65.9593%
29	Non-In-Service Investment-CWIP Ratio (Line 21/Line 27)	35.5243%
30	Non-In-Service Investment-Other Ratio (Line 26/Line 27)	----- -1.4836% -----
31	Total Investment	100.0000%
*	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	
****	Includes Rockport 1 and 2	

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

<u>Line No.</u>	<u>UNIT 1</u> <u>June, 2014</u>	
1		<u>Net In-Service Investment Ratio:</u>
2		Unit 1 Net In-Service Investment:
3	658,211,648	Electric Plant In-Service
4	438,507,481	- Accumulated Depreciation
5	38,033,357	+ Materials & Supplies
6	7,130	+ Prepayments
7	0	+ Plant Held For Future Use (A/C 105) *
8	0	+ Other Deferred Debits (A/C 186) *
9	(7,527,500)	+ Other Working Capital **
10	47,975	+ Unamortized Debt Expense (A/C 181)
11	1,412,245	+ Deferred ASH pond cost (A/C182.3)
12	2,239,820	- Asset Retirement Obligation (A/C 230)
13	0	- Other Deferred Credits (A/C 253)
14	43,449,012	- Accumulated Deferred FIT
15	12,594	- Accumulated Deferred ITC
16	205,975,947	Total Unit 1 Net In-Service Investment
17		Unit 2 Net In-Service Investment:
18	142,004,233	Electric Plant In-Service
19	141,830,596	- Accumulated Depreciation
20	30,572,687	+ Materials & Supplies
21	7,130	+ Prepayments
22	0	+ Plant Held For Future Use (A/C 105) *
23	0	+ Other Deferred Debits (A/C 186) *
24	(40,446,268)	+ Other Working Capital **
25	47,975	+ Unamortized Debt Expense (A/C 181)
26	1,412,245	+ Deferred ASH pond cost (A/C182.3)
27	2,239,820	- Asset Retirement Obligation (A/C 230)
28	47,444,672	- Other Deferred Credits (A/C 253)
29	(6,101,803)	- Accumulated Deferred FIT
30	16,744,907	- Accumulated Deferred ITC
31	(68,560,189)	Total Unit 2 Net In-Service Investment
32	137,415,758	Total Net In-Service Investment
33		<u>Net In-Service Investment Ratio:</u>
34	149.8900%	Unit 1 (Line 16 / Line 32)
35	-49.8900%	Unit 2 (Line 31 / Line 32)
	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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<u>Line No.</u>		<u>UNIT 1 June, 2014</u>
1	<u>Net Capitalization:</u>	
2	Long-Term Debt	64,421,495
3	+ Short-Term Debt	44,476,401
4	+ Preferred Stock	0
5	+ Common Equity	94,875,830
6	- Temporary Cash Investments	0
7	Net Capitalization	----- 203,773,726 =====
8	40% of Net Capitalization	81,509,490
9	<u>Return on Common Equity:</u>	
10	Lesser of Line 5 or Line 8	81,509,490
11	x Equity Return (Monthly Rate)	1.01333%
12	= Equity Return	825,960
13	x Operating Ratio	65.9593%
14	x Net In-Service Investment Ratio	149.8900%
15	= Subtotal	816,597
16	Excess of Line 5 Over Line 8	13,366,340
17	x Weighted Cost of Debt (Monthly Rate)	0.1488%
18	= Return on Equity over 40% of Capitalization	19,889
19	x Operating Ratio	65.9593%
20	x Net In-Service Investment Ratio	149.8900%
21	= Subtotal	----- 19,664 =====
22	Unit 1 Return on Equity (Line 15 + Line 21)	836,261
23	<u>Return on Other Capital:</u>	
24	Long-Term Debt Interest Expense (A/C 427-429)	152,687
25	+ Short-Term Debt Interest Expense (a/c 430)	(212,164)
26	+ Other Interest Expense (a/c 431)	0
27	- Temporary Cash Investment Income *	0
28	= Net Interest Expense	----- (59,477)
29	+ Preferred Stock Dividends (a/c 437)	0
30	= Net Cost of Other Capital	----- (59,477)
31	x Operating Ratio	65.9593%
32	x Net In-Service Investment Ratio	149.8900%
33	= Unit 1 Return on Other Capital	----- (58,803) =====
	* 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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<u>Line No.</u>		<u>UNIT 1 June, 2014</u>
1	<u>Debt Balances (Prior Month Ending) :</u>	
2	Long-Term Debt (Accts 221 thru 226)	64,421,495
3	+ Short-Term Debt (Accts 231 + 233)	44,476,401
4	+ Other Debt (Accts 132 thru 136 + 145)	0

5	Total Debt Balances (Prior Month Ending)	108,897,896
		=====
6	<u>Weighting of Debt Balances :</u>	
7	Long-Term Debt (LTD bal/Total Debt bal)	59.1577%
8	+ Short-Term Debt (STD bal/Total Debt bal)	40.8423%
9	+ Other Debt	0.0000%

10	Total Debt Balances	100.0000%
		=====
11	<u>Debt Cost Rates :</u>	
12	Long-Term Debt (avg LTD int rate)	2.8836%
13	Short-Term Debt (avg Money Pool STD int rate)	0.2553%
14	Other Debt	0.0000%
15	<u>Weighted Cost of Debt :</u>	
16	Long-Term Debt (LTD % x avg LTD int rate)	1.7059%
17	+ Short-Term Debt (STD % x avg MP STD int rate)	0.1043%
18	+ Other Debt	0.0000%

19	Total Weighted Cost of Debt	1.8102%
		=====

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

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UNIT 1

<u>Line No.</u>		<u>June, 2014</u>
1	<u>Unit 1 Materials and Supplies:</u>	
2	Fuel Stock - Coal (per Line 23)	22,727,996
3	Fuel Stock Expenses - Undistributed (152)	787,553
4	Fuel Stock - Oil (151)	2,085,286
5	Plant Materials & Operating Supplies	12,432,522
6	Merchandise	0
7	Undistributed Stores Expense	0
8	Total Materials & Supplies	38,033,357
9	<u>Support of Coal Inventory Value:</u>	
10	Actual Coal Inventory (a/c 151.10)	15,267,326
11	+ Equivalent Inventory re: Deferred Return	19,211,177,548
12	= Imputed Coal Inventory	19,226,444,874
13	<u>Coal Inventory W/68 Day Supply Cap</u>	
14	Tons Consumed - CHANGE ANNUALLY FROM DEC PG 24	2,573,388
15	/ Hours Available * CHG ANNUALLY FROM GADS RPT 511	8232.6
16	= Tons Consumed per Hour	312.59
17	x 24 Hours per Day	24
18	= Tons Consumed Per Day	7502.16
19	x 68 days	68
20	= 68 day Supply (Tons)	510,147
21	x Coal Cost per Ton (per a/c 151.10 at End of Prior Month)	42.967
22	= 68 day Coal Inventory	21,919,486
23	Lesser of Imputed or Capped Coal Inventory	21,919,486
24	Imputed Inventory Minus Line 23	19,204,525,388
25	<u>Accumulated Deferred Inventory Return - Unit 1 (Memo Item):</u>	
26	Beginning Balance	151,601,953
27	+ Current Month Return on Beginning Balance	1,205,859
28	+ Current Month Deferral	0
29	- Current Month Recovery	44,924
30	= Ending Balance **	152,762,888

* 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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**UNIT 1
June, 2014**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</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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**UNIT 1
June, 2014**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>June, 2014</u>
1	500,502-508	Steam Power Generation - Operation	426,823
2	501	Fuel - Operation	9,525,511
3	510-515	Steam Power Generating - Maintenance	667,896
4		Total Steam Power Generation Expenses	10,620,230
5	555-557	Other Power Supply Expenses	14,842
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 - Operation	352,787
16	935	Administrative and General Expenses - Maintenance	(4,626)
17		Total Administrative & General Exp.	348,160
18		Total Operation & Maintenance Expenses	10,983,232

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

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**UNIT 1
June, 2014**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
	1 403	Depreciation Expense	1,632,738
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 Acquisition Adjustments	0
	5 407	Amortization of Property Losses, Unrecovered Plant and Regulatory Study Costs	0
	6	Total Depreciation Exp. & Amortization	1,636,081
			=====
	7 411.10	ARO Accretion Expense	16,685
	8	Total Depreciation, Amortization & Accretion Expenses	1,652,766

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

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UNIT 1

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>June, 2014</u>
BS1			
1	408.1	Taxes Other Than Federal Income Taxes, Utility Operating Income	(68,979)
2	409.1	State Income Taxes	1,287,500
3		Total Taxes Other than FIT	----- 1,218,521 =====

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

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<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>TOTAL</u>	<u>KPCO SHARE</u>	<u>I&M SHARE</u>
1		<u>Unit 1 Schedule `M' Adjustments*</u>			
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	2,024,591	607,377	1,417,214
5	***	Total Unit 1 Schedule `M' Adjustments	2,015,091	604,527	1,410,564
6		<u>Unit 1 Deferred Federal Income Tax</u>			
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' Adj.-Utility	(559,985)	(167,996)	(391,989)
12	***	Total Unit 1 Deferred Federal Income Tax	(539,185)	(161,756)	(377,430)

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

=====

=====

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

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UNIT 1
June, 2014

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
1		<u>ELECTRIC PLANT IN SERVICE</u>	
2	101	Electric Plant In Service	654,728,468
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	3,483,179
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	658,211,648
12	105	Plant Held For Future Use	0
13		<u>ACCUMULATED DEPRECIATION</u>	
14	108	Accumulated Provision for Depreciation of Electric Utility Plant	438,035,703
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	438,507,481
20		<u>MATERIAL AND SUPPLIES</u>	
21	151	Fuel Stock	24,813,282
22	152	Fuel Stock Expenses - Undistributed	787,553
23	153	Residuals	0
24	154	Plant Materials and Operating Supplies	12,432,522
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)	38,033,357
29	165	Prepayments	7,130
30	186	Other Deferred Debits	0

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
OTHER WORKING CAPITAL, UNAMORTIZED DEBT EXPENSE
AND OTHER DEFERRED CREDITS**

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<u>Line No.</u>	<u>Account No.</u>	<u>Description *</u>	<u>UNIT 1 June, 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	12,911,799
6	171	Interest and Dividends Receivable	81
7	174	Miscellaneous Current and Accrued Assets	0
8	232	Accounts Payable-General	(24,897)
9	234	Accounts Payable-Associated Company	(15,443,695)
10	236	Taxes Accrued	(4,737,456)
11	237	Interest Accrued	(137,235)
12	238	Dividends Declared	0
13	241	Tax Collections Payable	0
14	242	Misc Current and Accrued Liabilities	(96,099)

15		Total Other Working Capital	(7,527,500)
			=====
16	181	Unamortized Debt Expense	47,975

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
June, 2014

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
31		<u>ACCUMULATED DEFERRED INCOME TAXES</u>	
32	190	-Accumulated Deferred Income Taxes	2,234,204
33	281	+Accumulated Deferred Income Taxes - Accelerated Amortization Property	0
34	282	+Accumulated Deferred Income Taxes - Other Property	44,842,751
35	283	+Accumulated Deferred Income Taxes - Other	840,465
36		Total Accumulated Deferred Income Taxes (In-Service Portion)	----- 43,449,012 -----
37	255	+Accumulated Deferred Investment Tax Credits	12,594
38	186.50	-Accumulated Deferred Investment Tax Credit	0
39		Total Accumulated Deferred Investment Tax Credits	----- 12,594 -----
40		Total Net In-Service Investment - Unit 1	----- 206,803,522 =====

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

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**UNIT 1
June, 2014**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
		<u>Non-In-Service Investment - CWIP</u>	
1	107	Construction Work In Process	74,009,318
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		<u>ACCUMULATED DEFERRED INCOME TAXES</u>	
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	0
16		Total Accumulated Deferred Income Taxes (CWIP Portion)	----- 0
17		TOTAL NON-IN-SERVICE INVESTMENT - CWIP	----- 74,009,318 =====
		<u>Non-In-Service Investment - Other</u>	
18	105	Plant Held for Future Use	1,034,099
19	186	Other Deferred Debits	2,527,124
20	151.10	Fuel Inventory Over Allowed Level *	(6,652,160)
21		Total Non-In-Service Investment - Other	----- (3,090,936) =====
		* INCLUDES ROCKPORT 1 AND 2	
		UNIT 1	(6,652,160)
		UNIT 2	0
		TOTAL	----- (6,652,160) =====

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
DETAIL OF NET CAPITALIZATION**

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**UNIT 1
June, 2014**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
1		<u>COMMON CAPITAL STOCK</u>	
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		<u>OTHER PAID-IN CAPITAL</u>	
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		<u>RETAINED EARNINGS</u>	
18	215	Appropriated Retained Earnings	0
19	215.1	Appropriated Retained Earnings- Amortization Reserve, Federal	0
20	216	Unappropriated Retained Earnings	5,013,842
21		Total Retained Earnings	5,013,842
22		Total Common Equity	94,875,830
23		<u>PREFERRED CAPITAL STOCK</u>	
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
June, 2014**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
28		<u>LONG-TERM DEBT</u>	
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
		<u>SHORT-TERM DEBT</u>	
36a	231.02	Notes Payable (Short-Term Debt)	0
36b	231.03	Unamortized Discount	0
37	233.00	Notes Payable, Assoc Co(Money Pool)	44,476,401
38		Total Short-Term Debt	44,476,401
39		<u>TEMPORARY CASH INVESTMENTS</u>	
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	203,773,726

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

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**UNIT 1
June, 2014**

Line No.

1	<u>Capitalization Balances (Prior Month Ending) :</u>	
2	Long-Term Debt (Accts 221 thru 226)	64,421,495
3	+ Short-Term Debt (Accts 231 + 233)	44,476,401
4	+ Preferred Stock	0
5	+ Common Equity (Accts 201 thru 216)	94,875,830
6	- Capitalization Offsets	0

7	Total Capitalization Balances	203,773,726
		=====
8	<u>Weighting of Capitalization Balances :</u>	
9	Long-Term Debt (LTD/Total Capital)	31.6142%
10	+ Short-Term Debt (STD/Total Capital)	21.8264%
11	+ Preferred Stock	0.0000%
12	+ Common Equity (Common Equity/Total Capital)	46.5594%
13	- Capitalization Offsets	0.0000%

14	Total Capitalization	100.0000%
		=====
15	<u>Capitalization Cost Rates :</u>	
16	Long-Term Debt (avg LTD int rate)	2.8836%
17	Short-Term Debt (avg money pool STD int rate)	0.2553%
18	Preferred Stock	0.0000%
19	Common Equity (FERC fixed rate)	12.1600%
20	Capitalization Offsets (sum of weighted costs of debt)	1.8102%
21	<u>Rate of Return (Net of Tax) :</u>	
22	Long-Term Debt (LTD % x avg LTD int rate)	0.9116%
23	+ Short-Term Debt (STD % x avg MP STD int rate)	0.0557%
24	+ Preferred Stock	0.0000%
25	+ Common Equity (CE % x FERC fixed rate)	5.6616%
26	- Capitalization Offsets	0.0000%

27	Total Rate of Return (Net of Tax)	6.6289%
		=====
28	Weighted Net Cost of Debt	0.9673%
	(LTD Rate of Return + STD RR - Cap Offsets RR)	
29	+ Pre-Tax Common Equity (Line 25 / .65)	8.7102%
	(Common Equity Rate of Return grossed up for tax)	-----
30	= Rate of Return (Pre-Tax)	9.6775%
		=====

A E P GENERATING COMPANY

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

500	SUPERVISION AND ENGINEERING	114,565
501	FUEL	9,525,511
502	STEAM EXPENSES	142,245
503	STEAM FROM OTHER SOURCES	0
504	STEAM TRANSFERRED - CR	0
505	ELECTRIC EXPENSES	65,176
506	MISC. STEAM POWER EXPENSES	104,838
507	RENTS	0
508	OPERATION SUPPLIES AND EXPENSES	0
509	CARRYING CHARGES - ALLOWANCES	0

TOTAL OPERATION EXPENSE 9,952,334

510	MAINTENANCE SUPER. AND ENGINEERING	74,432
511	MAINTENANCE OF STRUCTURES	136,887
512	MAINTENANCE OF BOILER PLANT	418,592
513	MAINTENANCE OF ELECTRIC PLANT	(39,590)
514	MAINTENANCE OF MISC. STEAM PLANT	77,575
515	MAINTENANCE NORMALIZING	0

TOTAL MAINTENANCE EXPENSES 667,896

555	PURCHASED POWER	0
556	SYSTEM CONTROL AND LOAD DISPATCHING	473
557	OTHER POWER SUPPLY EXPENSES	14,369

TOTAL OTHER SUPPLY EXPENSES 14,842

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 2014
 CURRENT MONTH IS 6
 THIS BILLING IS FOR MONTH OF June, 2014

A E P GENERATING COMPANY

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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	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
	TOTAL SALES EXPENSES	0
920	ADMIN. & GENERAL SALARIES	32,568
921	OFFICE SUPPLIES AND EXPENSES	3,308
922	ADMINISTRATIVE EXPENSES TRANSF - CR	0
923	OUTSIDE SERVICES	3,026
924	PROPERTY INSURANCE	10,003
925	INJURIES AND DAMAGES	6,210
926	EMPLOYEE PENSIONS AND BENEFITS	62,231
927	FRANCHISE REQUIREMENTS	0
928	REGULATORY COMMISSION	0
929	DUPLICATE CHARGES-CREDIT	0
930	MISCELLANEOUS GENERAL EXPENSES	234,904
931	RENTS	536
933	TRANSPORTATION EXPENSE	0
	TOTAL ADM & GEN EXPENSES OPERATION	352,787
935	MAINTENANCE OF GENERAL PLANT	(4,626)
	TOTAL ADM & GEN EXPENSES	348,160
	TOTAL AEG OPERATION & MAINTENANCE EXPENSES	10,983,232
	ACCOUNT 40190 TOTAL FOR CROSS FOOT	10,983,232
	-----DIFFERENCE-----	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
07-Jul-14

UNIT 2
POWER BILL - - June, 2014

IN ACCORDANCE WITH POWER AGREEMENT DATED OCTOBER 1, 1984 (AS AMENDED)
 ENERGY DELIVERED FOR THE MONTH OF June, 2014
 KWH FOR THE MONTH 262,089,430

<u>SUMMARY</u>	<u>TOTAL</u>
Current Month Bill:	
Return on Common Equity	(195,813)
Return on Other Capital	13,769
Total Return	----- (182,044)
Fuel	7,073,995
Purchased Power	0
Other Operating Revenues	(6,125)
Other Operation and Maintenance Exp	4,754,681
Depreciation Expense	715,819
Taxes Other Than Federal Income Tax	862,631
Federal Income Tax	(16,525)
TOTAL CURRENT UNIT POWER BILL	----- 13,202,431 -----
Prior Month's Adjustment:	
Return on Common Equity & Other Capital	0
Fuel Expense	0
Other Expenses (Includes taxes & interest)	(19,116)
TOTAL PRIOR MONTH'S ADJUSTMENTS	----- (19,116) -----
TOTAL UNIT POWER BILL	=====
	13,183,315 =====

AMOUNTS WILL BE PAID DIRECT FROM GENERAL FUNDS.

DUE DATE - - June 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**

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

**ESTIMATE
07-Jul-14**

**UNIT 2
POWER BILL - - June, 2014**

IN ACCORDANCE WITH POWER AGREEMENT DATED OCTOBER 1, 1984 (AS AMENDED)
ENERGY DELIVERED FOR THE MONTH OF June, 2014
KWH FOR THE MONTH 112,324,060

<u>SUMMARY</u>	<u>TOTAL</u>
Current Month Bill:	
Return on Common Equity	(83,920)
Return on Other Capital	5,901
Total Return	----- (78,019)
Fuel	3,031,712
Purchased Power	0
Other Operating Revenues	(2,625)
Other Operation and Maintenance Exp	2,037,720
Depreciation Expense	306,779
Taxes Other Than Federal Income Tax	369,699
Federal Income Tax	(7,083)
TOTAL CURRENT UNIT POWER BILL	----- 5,658,183 =====
Prior Month's Adjustment:	
Return on Common Equity & Other Capital	0
Fuel Expense	0
Other Expenses (Includes taxes & interest)	(8,193)
TOTAL PRIOR MONTH'S ADJUSTMENTS	----- (8,193) -----
TOTAL UNIT POWER BILL	=====
	5,649,990 =====

AMOUNTS WILL BE PAID DIRECT FROM GENERAL FUNDS.

DUE DATE - - June 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
ROCKPORT POWER BILL
SUMMARY OF MONTHLY POWER BILL**

June, 2014

	TOTAL UNIT 2 POWER BILL	KPCO SHARE	I&M SHARE
Return on Common Equity	(279,733)	(83,920)	(195,813)
Return on Other Capital	19,670	5,901	13,769
Total Return	(260,063)	(78,019)	(182,044)
+ Fuel	10,105,708	3,031,712	7,073,995
+ Purchased Power	0	0	0
- Other Operating Revenues	(8,750)	(2,625)	(6,125)
+ Other Operation and Maintenance Exp	6,792,401	2,037,720	4,754,681
+ Depreciation Expense	1,022,598	306,779	715,819
+ Taxes Other Than Federal Income Tax	1,232,330	369,699	862,631
+ Federal and State Income Tax	(23,608)	(7,083)	(16,525)
= Total Unit 2 Monthly Power Bill	18,860,615	5,658,183	13,202,431
<u>Determination of Federal Income Tax :</u>			
Total Return (Line 3)	(260,063)	(78,019)	(182,044)
+ Unit 2 Schedule M Adjustments	1,322,027	396,608	925,419
+ Unit 2 Deferred Federal Income Taxes	(382,450)	(114,735)	(267,715)
- Unit 2 Interest Expense Deduction *	13,092	3,928	9,164
= Subtotal	666,421	199,925	466,495
x Gross-Up (FIT Rate / 1-FIT Rate)	0.538462	0.538462	0.538462
= Unit 2 Current Federal Income Tax	358,842	107,652	251,190
+ Unit 2 Def Fed & State Income Taxes	(382,450)	(114,735)	(267,715)
= Total Unit 2 Fed&State Income Taxes	(23,608)	(7,083)	(16,525)
<u>Proof of Federal Income Tax :</u>			
Total Unit 2 Monthly Power Bill	18,860,615	5,658,183	13,202,431
- Operation and Maintenance Expenses	16,898,108	5,069,432	11,828,676
- Depreciation Expense	1,022,598	306,779	715,819
- Taxes Other Than Federal Income Tax	1,232,330	369,699	862,631
- Unit 2 Interest Expense Deduction *	13,092	3,928	9,164
- Other Operating Revenues	(8,750)	(2,625)	(6,125)
= Pre-Tax Book Income	(296,763)	(89,030)	(207,733)
+ Unit 2 Schedule M Adjustments	1,322,027	396,608	925,419
= Unit 2 Taxable Income	1,025,264	307,578	717,686
x Current Federal Income Tax Rate	35%	35%	35%
= Unit 2 Current Federal Income Tax	358,842	107,652	251,190
+ Unit 2 Def Fed & State Income Taxes	(382,450)	(114,735)	(267,715)
= Total Unit 2 Fed&State Income Taxes	(23,608)	(7,083)	(16,525)

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

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

<u>Line No.</u>		<u>UNIT 2 June, 2014</u>
1	Operating Ratio:	
2	<u>Net In-Service Investment:</u>	
3	Electric Plant In-Service	800,215,881
4	- Accumulated Depreciation	580,338,077
5	+ Materials & Supplies	68,606,044
6	+ Prepayments	14,260
7	+ Plant Held For Future Use (A/C 105) *	0
8	+ Other Deferred Debits (A/C 186) *	0
9	+ Other Working Capital ***	(47,973,768)
10	+ Unamortized Debt Expense (A/C 181)	95,951
11	+ Deferred ASH pond cost (A/C182.3)	2,824,490
12	- Asset Retirement Obligation (A/C 230)	4,479,640
13	- Other Deferred Credits (A/C 253)	47,444,672
14	- Accumulated Deferred FIT	37,347,209
15	- Accumulated Deferred ITC	16,757,501
16	Total Net In-Service Investment	137,415,758
17	<u>Non-In-Service Investment - CWIP :</u>	
18	Construction Work In Progress	74,009,318
19	+ Materials & Supplies	0
20	- Accumulated Deferred FIT	0
21	Total Non-In-Service Investment - CWIP	74,009,318
22	<u>Non-In-Service Investment - Other :</u>	
23	Plant Held for Future Use (A/C 105) **	0
24	+ Other Deferred Debits (A/C 186) **	2,527,124
25	+ Fuel Inventory Over Allowed Level ****	(6,652,160)
26	Total Non-In-Service Investment - Other	(4,125,036)
27	Total Investment (Lines 16+21+26)	207,300,040
28	Operating Ratio (Line 16/Line 27)	66.2883%
29	Non-In-Service Investment-CWIP Ratio (Line 21/Line 27)	35.7015%
30	Non-In-Service Investment-Other Ratio (Line 26/Line 27)	-1.9898%
31	Total Investment	100.0000%
	* 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	

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

**Line
No.**

**UNIT 2
June, 2014**

1 Net In-Service Investment Ratio:

2 Unit 2 Net In-Service Investment:

3	Electric Plant In-Service	142,004,233
4	- Accumulated Depreciation	141,830,596
5	+ Materials & Supplies	30,572,687
6	+ Prepayments	7,130
7	+ Plant Held For Future Use (A/C 105) *	0
8	+ Other Deferred Debits (A/C 186) *	0
9	+ Other Working Capital **	(40,446,268)
10	+ Unamortized Debt Expense (A/C 181)	47,975
11	+ Deferred ASH pond cost (A/C182.3)	1,412,245
12	- Asset Retirement Obligation (A/C 230)	2,239,820
13	- Other Deferred Credits (A/C 253)	47,444,672
14	- Accumulated Deferred FIT	(6,101,803)
15	- Accumulated Deferred ITC	16,744,907

16 Total Unit 2 Net In-Service Investment (68,560,189)

17 Unit 1 Net In-Service Investment:

18	Electric Plant In-Service	658,211,648
19	- Accumulated Depreciation	438,507,481
20	+ Materials & Supplies	38,033,357
21	+ Prepayments	7,130
22	+ Plant Held For Future Use (A/C 105) *	0
23	+ Other Deferred Debits (A/C 186) *	0
24	+ Other Working Capital **	(7,527,500)
25	+ Unamortized Debt Expense (A/C 181)	47,975
26	+ Deferred ASH pond cost (A/C182.3)	1,412,245
27	- Asset Retirement Obligation (A/C 230)	2,239,820
28	- Other Deferred Credits (A/C 253)	0
29	- Accumulated Deferred FIT	43,449,012
30	- Accumulated Deferred ITC	12,594

31 Total Unit 1 Net In-Service Investment 205,975,947

32 Total Net In-Service Investment 137,415,758

33 Net In-Service Investment Ratio:

34 Unit 2 (Line 16 / Line 32) -49.8900%

35 Unit 1 (Line 31 / Line 32) 149.8900%

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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<u>Line No.</u>		UNIT 2 June, 2014
1	Net Capitalization:	
2	Long-Term Debt	64,421,495
3	+ Short-Term Debt	44,476,401
4	+ Preferred Stock	0
5	+ Common Equity	94,875,830
6	- Temporary Cash Investments	0

7	Net Capitalization	203,773,726
		=====
8	40% of Net Capitalization	81,509,490
9	<u>Return on Common Equity:</u>	
10	Lesser of Line 5 or Line 8	81,509,490
11	x Equity Return (Monthly Rate)	1.01333%
12	= Equity Return	825,960
13	x Operating Ratio	66.2883%
14	x Net In-Service Investment Ratio	-49.8900%
15	= Subtotal	(273,155)
16	Excess of Line 5 Over Line 8	13,366,340
17	x Weighted Cost of Debt (Monthly Rate)	0.1488%
18	= Return on Equity over 40% of Capitalization	19,889
19	x Operating Ratio	66.2883%
20	x Net In-Service Investment Ratio	-49.8900%
21	= Subtotal	(6,578)

22	Unit 2 Return on Equity (Line 15 + Line 21)	(279,733)
		=====
23	<u>Return on Other Capital:</u>	
24	Long-Term Debt Interest Expense (A/C 427-429)	152,687
25	+ Short-Term Debt Interest Expense (a/c 430)	(212,164)
26	+ Other Interest Expense (a/c 431)	0
27	- Temporary Cash Investment Income *	0

28	= Net Interest Expense	(59,477)
29	+ Preferred Stock Dividends (a/c 437)	0

30	= Net Cost of Other Capital	(59,477)
31	x Operating Ratio	66.2883%
32	x Net In-Service Investment Ratio	-49.8900%
33	= Unit 2 Return on Other Capital	19,670
		=====

* 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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<u>Line No.</u>		<u>UNIT 2 June, 2014</u>
1	Debt Balances (Prior Month Ending) :	
2	Long-Term Debt (Accts 221 thru 226)	64,421,495
3	+ Short-Term Debt (Accts 231 + 233)	44,476,401
4	+ Other Debt (Accts 132 thru 136 + 145)	0
5	Total Debt Balances (Prior Month Ending)	----- 108,897,896 =====
6	<u>Weighting of Debt Balances :</u>	
7	Long-Term Debt (LTD bal/Total Debt bal)	59.1577%
8	+ Short-Term Debt (STD bal/Total Debt bal)	40.8423%
9	+ Other Debt	0.0000%
10	Total Debt Balances	----- 100.0000% =====
11	<u>Debt Cost Rates :</u>	
12	Long-Term Debt (avg LTD int rate)	2.8836%
13	Short-Term Debt (avg Money Pool STD int rate)	0.2553%
14	Other Debt	0.0000%
15	<u>Weighted Cost of Debt :</u>	
16	Long-Term Debt (LTD % x avg LTD int rate)	1.7059%
17	+ Short-Term Debt (STD % x avg MP STD int rate)	0.1043%
18	+ Other Debt	0.0000%
19	Total Weighted Cost of Debt	----- 1.8102% =====

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

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UNIT 2

INCLUDE A/C 431 ON PG 5

<u>Line No.</u>		<u>June, 2014</u>
1	Unit 2 Materials and Supplies:	
2	Fuel Stock - Coal (per Line 23)	15,267,326
3	Fuel Stock Expenses - Undistributed (152)	787,553
4	Fuel Stock - Oil (151)	2,085,286
5	Plant Materials & Operating Supplies	12,432,522
6	Merchandise	0
7	Undistributed Stores Expense	0

8	Total Materials & Supplies	30,572,687
		=====
9	<u>Support of Coal Inventory Value:</u>	
10	Actual Coal Inventory (a/c 151.10)	15,267,326
11	+ Equivalent Inventory re: Deferred Return	909,256,361

12	= Imputed Coal Inventory	924,523,687

13	<u>Coal Inventory W/68 Day Supply Cap</u>	
14	Tons Consumed - CHANGE ANNUALLY FROM DEC PG 24	1,793,019
15	/ Hours Available * CHG ANNUALLY FROM GADS RPT 511	5871.3
16	= Tons Consumed per Hour	305.39
17	x 24 Hours per Day	24
18	= Tons Consumed Per Day	7329.36
19	x 68 days	68
20	= 68 day Supply (Tons)	498,396
21	x Coal Cost per Ton (per a/c 151.10 at End of Prior Month)	42.967

22	= 68 day Coal Inventory	21,414,581

23	Lesser of Imputed or Capped Coal Inventory	21,414,581

24	Imputed Inventory Minus Line 23	903,109,106
		=====
25	<u>Accumulated Deferred Inventory Return - Unit 2 (Memo Item):</u>	
26	Beginning Balance	7,175,252
27	+ Current Month Return on Beginning Balance	57,073
28	+ Current Month Deferral	42,901
29	- Current Month Recovery	0

30	= Ending Balance **	7,275,226
		=====
	* Excludes Forced Outages, Scheduled Outages, and Curtailments	
	** May Not Be Less Than Zero	
	Total Unit 2 Monthly Power Bill with Actual	17,576,509
	Total Unit 2 Monthly Power Bill with 68 Day Capped	17,619,410
	Difference	42,901

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
DETAIL OF OTHER OPERATING REVENUES**

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**UNIT 2
June, 2014**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>June, 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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UNIT 2

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>June, 2014</u>
1	500,502-508	Steam Power Generation - Operation	6,020,637
2	501	Fuel - Operation	10,105,708
3	510-515	Steam Power Generating - Maintenance	354,853
4		Total Steam Power Generation Expenses	16,481,197
5	555-557	Other Power Supply Expenses	14,842
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 Expensese	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	406,696
16	935	Administrative and General Expenses - Maintenance	(4,626)
17		Total Administrative & General Exp.	402,069
18		Total Operation & Maintenance Expenses	16,898,108

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

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<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>UNIT 2 June, 2014</u>
1	403	Depreciation Expense *	448,983
1a	403.1	ARO Depreciation Expense	3,343
2	404	Amortization of Limited-Term Electric Plant **	553,586
3	405	Amortization of Other Electric Plant	0
4	406	Amortization of Electric Plant Acquisition Adjustments	0
5	407	Amortization of Property Losses, Unrecovered Plant and Regulatory Study Costs	0
			-
6		Total Depreciation Exp. & Amortization	1,005,912
			=
7	411.10	ARO Accretion Expense	16,685
8		Total Depreciation, Amortization & Accretion Expenses	1,022,598

* 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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**UNIT 2
June, 2014**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>June, 2014</u>
1	408.1	Taxes Other Than Federal Income Taxes, Utility Operating Income	(55,170)
2	409.1	State Income Taxes	1,287,500
3		Total Taxes Other than Federal Income Taxes	----- 1,232,330 =====

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

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>TOTAL</u>	<u>KPCO SHARE</u>	<u>I&M SHARE</u>
1		<u>Unit 2 Schedule `M' Adjustments*</u>			
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	940,527	282,158	658,369
5	***	Total Unit 2 Schedule `M' Adjustments	1,322,027	396,608	925,419
6		<u>Unit 2 Deferred Federal Income Tax</u>			
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' Adj.-Utility	(336,134)	(100,840)	(235,294)
12	***	Total Unit 2 Deferred Federal Income Tax	(382,450)	(114,735)	(267,715)

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

Check Figure on Tax Page for Sch M 1,322,027
Check Figure on Tax Page for DFIT (382,450)

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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**UNIT 2
June, 2014**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
1		<u>ELECTRIC PLANT IN SERVICE</u>	
2	101	Electric Plant In Service	139,427,019
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	2,577,214
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	142,004,233
12	105	Plant Held For Future Use	0
13		<u>ACCUMULATED DEPRECIATION</u>	
14	108	Accumulated Provision for Depreciation of Electric Utility Plant	117,422,071
15	110	Accumulated Provision for Depreciation and Amort. of Elec. Utility Plant	0
16	111	Accumulated Provision for Amortization of Electric Utility Plant	24,408,525
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	141,830,596
20		<u>MATERIAL AND SUPPLIES</u>	
21	151	Fuel Stock	17,352,612
22	152	Fuel Stock Expenses - Undistributed	787,553
23	153	Residuals	0
24	154	Plant Materials and Operating Supplies	12,432,522
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)	30,572,687
29	165	Prepayments	7,130
30	186	Other Deferred Debits	0

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
OTHER WORKING CAPITAL, UNAMORTIZED DEBT EXPENSE
AND OTHER DEFERRED CREDITS**

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<u>Line No.</u>	<u>Account No.</u>	<u>Description *</u>	<u>UNIT 2 June, 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	13,233,624
6	171	Interest and Dividends Receivable	81
7	174	Miscellaneous Current and Accrued Assets	0
8	232	Accounts Payable-General	(24,897)
9	234	Accounts Payable-Associated Company	(15,383,693)
10	236	Taxes Accrued	(2,357,032)
11	237	Interest Accrued	(137,235)
12	238	Dividends Declared	0
13	241	Tax Collections Payable	0
14	242	Misc Current and Accrued Liabilities	(35,777,116)

15		Total Other Working Capital	(40,446,268)
			=====
16	181	Unamortized Debt Expense	47,975

17	253	Other Deferred Credits	47,444,672

*		debit <credit>	

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

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**UNIT 2
June, 2014**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
31		ACCUMULATED DEFERRED INCOME TAXES	
32	190	-Accumulated Deferred Income Taxes	20,169,018
33	281	+Accumulated Deferred Income Taxes - Accelerated Amortization Property	0
34	282	+Accumulated Deferred Income Taxes - Other Property	13,121,454
35	283	+Accumulated Deferred Income Taxes - Other	945,761
36		Total Accumulated Deferred Income Taxes (In-Service Portion)	----- (6,101,803) -----
37	255	+Accumulated Deferred Investment Tax Credits	16,744,907
38	186.50	-Accumulated Deferred Investment Tax Credit	0
39		Total Accumulated Deferred Investment Tax Credits	----- 16,744,907 -----
40		Total Net In-Service Investment - Unit 2	----- (67,732,614) =====

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

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**UNIT 2
June, 2014**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
		<u>Non-In-Service Investment - CWIP</u>	
1	107	Construction Work In Process	74,009,318
2		<u>MATERIAL AND SUPPLIES</u>	
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		<u>ACCUMULATED DEFERRED INCOME TAXES</u>	
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	0
16		Total Accumulated Deferred Income Taxes (CWIP Portion)	----- 0
17		TOTAL NON-IN-SERVICE INVESTMENT - CWIP	----- 74,009,318 =====
		<u>Non-In-Service Investment - Other</u>	
18	105	Plant Held for Future Use	0
19	186	Other Deferred Debits	2,527,124
20	151.10	Fuel Inventory Over Allowed Level *	(6,652,160)
21		Total Non-In-Service Investment - Other	----- (4,125,036) =====
		* INCLUDES ROCKPORT 1 AND 2	
		UNIT 1	(6,652,160)
		UNIT 2	0
		TOTAL	----- (6,652,160) =====

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
DETAIL OF NET CAPITALIZATION**

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**UNIT 2
June, 2014**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
1		<u>COMMON CAPITAL STOCK</u>	
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		<u>OTHER PAID-IN CAPITAL</u>	
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		<u>RETAINED EARNINGS</u>	
18	215	Appropriated Retained Earnings	0
19	215.1	Appropriated Retained Earnings- Amortization Reserve, Federal	0
20	216	Unappropriated Retained Earnings	5,013,842
21		Total Retained Earnings	5,013,842
22		Total Common Equity	94,875,830
23		<u>PREFERRED CAPITAL STOCK</u>	
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
June, 2014**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
28		<u>LONG-TERM DEBT</u>	
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
		<u>SHORT-TERM DEBT</u>	
36a	231.02	Notes Payable (Short-Term Debt)	0
36b	231.03	Unamortized Discount	0
	233.00	Notes Payable, Assoc Co(Money Pool)	44,476,401
38		Total Short-Term Debt	44,476,401
39		<u>TEMPORARY CASH INVESTMENTS</u>	
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	203,773,726

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

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<u>Line No.</u>		UNIT 2 <u>June, 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)	44,476,401
4	+ Preferred Stock	0
5	+ Common Equity (Accts 201 thru 216)	94,875,830
6	- Capitalization Offsets	0

7	Total Capitalization Balances	203,773,726
		=====
8	<u>Weighting of Capitalization Balances :</u>	
9	Long-Term Debt (LTD/Total Capital)	31.6142%
10	+ Short-Term Debt (STD/Total Capital)	21.8264%
11	+ Preferred Stock	0.0000%
12	+ Common Equity (Common Equity/Total Capital)	46.5594%
13	- Capitalization Offsets	0.0000%

14	Total Capitalization	100.0000%
		=====
15	<u>Capitalization Cost Rates :</u>	
16	Long-Term Debt (avg LTD int rate)	2.8836%
17	Short-Term Debt (avg money pool STD int rate)	0.2553%
18	Preferred Stock	0.0000%
19	Common Equity (FERC fixed rate)	12.1600%
20	Capitalization Offsets (sum of weighted costs of debt)	1.8102%
21	<u>Rate of Return (Net of Tax) :</u>	
22	Long-Term Debt (LTD % x avg LTD int rate)	0.9116%
23	+ Short-Term Debt (STD % x avg MP STD int rate)	0.0557%
24	+ Preferred Stock	0.0000%
25	+ Common Equity (CE % x FERC fixed rate)	5.6616%
26	- Capitalization Offsets	0.0000%

27	Total Rate of Return (Net of Tax)	6.6289%
		=====
28	Weighted Net Cost of Debt	0.9673%
	(LTD Rate of Return + STD RR - Cap Offsets RR)	
29	+ Pre-Tax Common Equity (Line 25 / .65)	8.7102%
	(Common Equity Rate of Return grossed up for tax)	-----
30	= Rate of Return (Pre-Tax)	9.6775%
		=====

A E P GENERATING COMPANY

**June 2014
 ESTIMATE**

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

500	SUPERVISION AND ENGINEERING	115,487
501	FUEL	10,105,708
502	STEAM EXPENSES	58,433
503	STEAM FROM OTHER SOURCES	0
504	STEAM TRANSFERRED - CR	0
505	ELECTRIC EXPENSES	54,158
506	MISC. STEAM POWER EXPENSES	102,314
507	RENTS	5,690,244
508	OPERATION SUPPLIES AND EXPENSES	0
509	CARRYING CHARGES - ALLOWANCES	0
	TOTAL OPERATION EXPENSE	16,126,344
510	MAINTENANCE SUPER. AND ENGINEERING	70,328
511	MAINTENANCE OF STRUCTURES	17,171
512	MAINTENANCE OF BOILER PLANT	186,752
513	MAINTENANCE OF ELECTRIC PLANT	43,253
514	MAINTENANCE OF MISC. STEAM PLANT	37,349
515	MAINTENANCE NORMALIZING	0
	TOTAL MAINTENANCE EXPENSES	354,853
555	PURCHASED POWER	0
556	SYSTEM CONTROL AND LOAD DISPATCHING	473
557	OTHER POWER SUPPLY EXPENSES	14,369
	TOTAL OTHER SUPPLY EXPENSES	14,842

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	6
THIS BILLING IS FOR MONTH OF	June, 2014

A E P GENERATING COMPANY

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

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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 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	47,777
921	OFFICE SUPPLIES AND EXPENSES	3,309
922	ADMINISTRATIVE EXPENSES TRANSF - CR	0
923	OUTSIDE SERVICES	41,725
924	PROPERTY INSURANCE	10,003
925	INJURIES AND DAMAGES	6,210
926	EMPLOYEE PENSIONS AND BENEFITS	62,231
927	FRANCHISE REQUIREMENTS	0
928	REGULATORY COMMISSION	0
929	DUPLICATE CHARGES-CREDIT	0
930	MISCELLANEOUS GENERAL EXPENSES	234,904
931	RENTS	536
933	TRANSPORTATION EXPENSE	0
	TOTAL ADM & GEN EXPENSES OPERATION	406,696
935	MAINTENANCE OF GENERAL PLANT	(4,626)
	TOTAL ADM & GEN EXPENSES	402,069
	TOTAL AEG OPERATION & MAINTENANCE EXPENSES	16,898,108
	ACCOUNT 40190 TOTAL FOR CROSS FOOT	16,898,108
	-----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-Aug-14

UNIT 1
POWER BILL - - July, 2014

IN ACCORDANCE WITH POWER AGREEMENT DATED OCTOBER 1, 1984 (AS AMENDED)
 ENERGY DELIVERED FOR THE MONTH OF July, 2014
 KWH FOR THE MONTH 86,104,000

SUMMARY

TOTAL

Current Month Bill:

Return on Common Equity	243,646
Return on Other Capital	160,946
Total Return	----- 404,592
Fuel	2,358,315
Purchased Power	0
Other Operating Revenues	(2,625)
Other Operation and Maintenance Exp	320,040
Depreciation Expense	495,523
Taxes Other Than Federal Income Tax	39,484
Federal Income Tax	207,772
TOTAL CURRENT UNIT POWER BILL	----- 3,823,101 -----

Prior Month's Adjustment:

Return on Common Equity & Other Capital	(7,734)
Fuel Expense	0
Other Expenses (Includes taxes & interest)	316,371
TOTAL PRIOR MONTH'S ADJUSTMENTS	----- 308,637 -----

=====

TOTAL UNIT POWER BILL 4,131,738

=====

AMOUNTS WILL BE PAID DIRECT FROM GENERAL FUNDS.

DUE DATE - - - August 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

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-Aug-14

UNIT 1
POWER BILL - - July, 2014

IN ACCORDANCE WITH POWER AGREEMENT DATED OCTOBER 1, 1984 (AS AMENDED)
 ENERGY DELIVERED FOR THE MONTH OF July, 2014
 KWH FOR THE MONTH 200,909,000

SUMMARY

TOTAL

Current Month Bill:

Return on Common Equity	568,508
Return on Other Capital	375,541
Total Return	----- 944,049
Fuel	5,502,734
Purchased Power	0
Other Operating Revenues	(6,125)
Other Operation and Maintenance Exp	746,759
Depreciation Expense	1,156,221
Taxes Other Than Federal Income Tax	92,129
Federal Income Tax	484,798
TOTAL UNIT POWER BILL	----- 8,920,565 -----

Prior Month's Adjustment:

Return on Common Equity & Other Capital	(18,041)
Fuel	0
Other Expenses (Includes taxes & interest)	738,197

 TOTAL PRIOR MONTH'S ADJUSTMENTS 720,156

=====

TOTAL UNIT POWER BILL 9,640,721

=====

AMOUNTS WILL BE PAID DIRECT FROM GENERAL FUNDS.

DUE DATE - - - August 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
 Sid Lyons - Columbus Michelle Howell - Columbus

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
SUMMARY OF MONTHLY POWER BILL**

July, 2014

	<u>TOTAL UNIT 1 POWER BILL</u>	<u>KPCO SHARE</u>	<u>I&M SHARE</u>
Return on Common Equity	812,154	243,646	568,508
Return on Other Capital	536,487	160,946	375,541
Total Return	1,348,641	404,592	944,049
+ Fuel	7,861,049	2,358,315	5,502,734
+ Purchased Power	0	0	0
- Other Operating Revenues	(8,750)	(2,625)	(6,125)
+ Other Operation and Maintenance Exp	1,066,799	320,040	746,759
+ Depreciation Expense	1,651,744	495,523	1,156,221
+ Taxes Other Than Federal Income Tax	131,613	39,484	92,129
+ Federal and State Income Tax	692,571	207,772	484,798
= Total Unit 1 Monthly Power Bill	12,743,667	3,823,101	8,920,565
<u>Determination of Federal Income Tax :</u>			
Total Return (Line 3)	1,348,641	404,592	944,049
+ Unit 1 Schedule M Adjustments	622,474	186,742	435,732
+ Unit 1 Deferred Federal Income Taxes	(51,948)	(15,584)	(36,365)
- Unit 1 Interest Expense Deduction *	536,487	160,946	375,541
= Subtotal	1,382,680	414,804	967,875
x Gross-Up (FIT Rate / 1-FIT Rate)	0.538462	0.538462	0.538462
= Unit 1 Current Federal Income Tax	744,519	223,356	521,163
+ Unit 1 Def Fed & State Income Taxes	(51,948)	(15,584)	(36,365)
= Total Unit 1 Fed&State Income Taxes	692,571	207,772	484,798
<u>Proof of Federal Income Tax :</u>			
Total Unit 1 Monthly Power Bill	12,743,667	3,823,101	8,920,565
- Operation and Maintenance Expenses	8,927,849	2,678,355	6,249,494
- Depreciation Expense	1,651,744	495,523	1,156,221
- Taxes Other Than Federal Income Tax	131,613	39,484	92,129
- Unit 1 Interest Expense Deduction *	536,487	160,946	375,541
- Other Operating Revenues	(8,750)	(2,625)	(6,125)
= Pre-Tax Book Income	1,504,725	451,418	1,053,306
+ Unit 1 Schedule M Adjustments	622,474	186,742	435,732
= Unit 1 Taxable Income	2,127,199	638,160	1,489,038
x Current Federal Income Tax Rate	35%	35%	35%
= Unit 1 Current Federal Income Tax	744,519	223,356	521,163
+ Unit 1 Def Fed & State Income Taxes	(51,949)	(15,584)	(36,365)
= Total Unit 1 Fed&State Income Taxes	692,570	207,772	484,798

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

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<u>Line No.</u>		<u>UNIT 1 July, 2014</u>
1	<u>Operating Ratio:</u>	
2	<u>Net In-Service Investment:</u>	
3	Electric Plant In-Service	800,288,275
4	- Accumulated Depreciation	582,456,319
5	+ Materials & Supplies	61,416,154
6	+ Prepayments	0
7	+ Plant Held For Future Use (A/C 105) *	0
8	+ Other Deferred Debits (A/C 186) *	0
9	+ Other Working Capital ***	(3,405,963)
10	+ Unamortized Debt Expense (A/C 181)	84,419
11	+ Deferred ASH pond cost (A/C182.3)	2,816,666
12	- Asset Retirement Obligation (A/C 230)	4,508,160
13	- Other Deferred Credits (A/C 253)	46,980,426
14	- Accumulated Deferred FIT	36,699,493
15	- Accumulated Deferred ITC	16,593,100
16	Total Net In-Service Investment	----- 173,962,052
17	<u>Non-In-Service Investment - CWIP :</u>	
18	Construction Work In Progress	78,427,503
19	+ Materials & Supplies	0
20	- Accumulated Deferred FIT	0
21	Total Non-In-Service Investment - CWIP	----- 78,427,503
22	<u>Non-In-Service Investment - Other :</u>	
23	Plant Held for Future Use (A/C 105) **	1,034,099
24	+ Other Deferred Debits (A/C 186) **	2,424,433
25	+ Fuel Inventory Over Allowed Level ****	(8,313,277)
26	Total Non-In-Service Investment - Other	----- (4,854,745)
27	Total Investment (Lines 16+21+26)	----- 247,534,810 =====
28	Operating Ratio (Line 16/Line 27)	70.2778%
29	Non-In-Service Investment-CWIP Ratio (Line 21/Line 27)	31.6834%
30	Non-In-Service Investment-Other Ratio (Line 26/Line 27)	-1.9612%
31	Total Investment	----- 100.0000% =====
*	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	
****	Includes Rockport 1 and 2	

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

<u>Line No.</u>	<u>UNIT 1</u> <u>July, 2014</u>	
1		<u>Net In-Service Investment Ratio:</u>
2		Unit 1 Net In-Service Investment:
3	658,419,868	Electric Plant In-Service
4	441,091,909	- Accumulated Depreciation
5	34,864,715	+ Materials & Supplies
6	0	+ Prepayments
7	0	+ Plant Held For Future Use (A/C 105) *
8	0	+ Other Deferred Debits (A/C 186) *
9	(629,845)	+ Other Working Capital **
10	42,210	+ Unamortized Debt Expense (A/C 181)
11	1,408,333	+ Deferred ASH pond cost (A/C182.3)
12	2,254,080	- Asset Retirement Obligation (A/C 230)
13	0	- Other Deferred Credits (A/C 253)
14	43,040,960	- Accumulated Deferred FIT
15	12,358	- Accumulated Deferred ITC
16	207,705,973	Total Unit 1 Net In-Service Investment
17		Unit 2 Net In-Service Investment:
18	141,868,407	Electric Plant In-Service
19	141,364,410	- Accumulated Depreciation
20	26,551,438	+ Materials & Supplies
21	0	+ Prepayments
22	0	+ Plant Held For Future Use (A/C 105) *
23	0	+ Other Deferred Debits (A/C 186) *
24	(2,776,117)	+ Other Working Capital **
25	42,210	+ Unamortized Debt Expense (A/C 181)
26	1,408,333	+ Deferred ASH pond cost (A/C182.3)
27	2,254,080	- Asset Retirement Obligation (A/C 230)
28	46,980,426	- Other Deferred Credits (A/C 253)
29	(6,341,467)	- Accumulated Deferred FIT
30	16,580,742	- Accumulated Deferred ITC
31	(33,743,921)	Total Unit 2 Net In-Service Investment
32	173,962,052	Total Net In-Service Investment
33		<u>Net In-Service Investment Ratio:</u>
34	119.4000%	Unit 1 (Line 16 / Line 32)
35	-19.4000%	Unit 2 (Line 31 / Line 32)
	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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<u>Line No.</u>		<u>UNIT 1 July, 2014</u>
1	<u>Net Capitalization:</u>	
2	Long-Term Debt	64,421,495
3	+ Short-Term Debt	85,145,530
4	+ Preferred Stock	0
5	+ Common Equity	95,513,477
6	- Temporary Cash Investments	0
7	Net Capitalization	----- 245,080,503 =====
8	40% of Net Capitalization	98,032,201
9	<u>Return on Common Equity:</u>	
10	Lesser of Line 5 or Line 8	95,513,477
11	x Equity Return (Monthly Rate)	1.01333%
12	= Equity Return	967,867
13	x Operating Ratio	70.2778%
14	x Net In-Service Investment Ratio	119.4000%
15	= Subtotal	812,154
16	Excess of Line 5 Over Line 8	0
17	x Weighted Cost of Debt (Monthly Rate)	0.0975%
18	= Return on Equity over 40% of Capitalization	0
19	x Operating Ratio	70.2778%
20	x Net In-Service Investment Ratio	119.4000%
21	= Subtotal	0
22	Unit 1 Return on Equity (Line 15 + Line 21)	----- 812,154 =====
23	<u>Return on Other Capital:</u>	
24	Long-Term Debt Interest Expense (A/C 427-429)	126,473
25	+ Short-Term Debt Interest Expense (a/c 430)	16,126
26	+ Other Interest Expense (a/c 431)	496,748
27	- Temporary Cash Investment Income *	0
28	= Net Interest Expense	----- 639,347
29	+ Preferred Stock Dividends (a/c 437)	0
30	= Net Cost of Other Capital	----- 639,347
31	x Operating Ratio	70.2778%
32	x Net In-Service Investment Ratio	119.4000%
33	= Unit 1 Return on Other Capital	536,487
	* 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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<u>Line No.</u>		UNIT 1 <u>July, 2014</u>
1	<u>Debt Balances (Prior Month Ending) :</u>	
2	Long-Term Debt (Accts 221 thru 226)	64,421,495
3	+ Short-Term Debt (Accts 231 + 233)	85,145,530
4	+ Other Debt (Accts 132 thru 136 + 145)	0

5	Total Debt Balances (Prior Month Ending)	149,567,025
		=====
6	<u>Weighting of Debt Balances :</u>	
7	Long-Term Debt (LTD bal/Total Debt bal)	43.0720%
8	+ Short-Term Debt (STD bal/Total Debt bal)	56.9280%
9	+ Other Debt	0.0000%

10	Total Debt Balances	100.0000%
		=====
11	<u>Debt Cost Rates :</u>	
12	Long-Term Debt (avg LTD int rate)	2.3115%
13	Short-Term Debt (avg Money Pool STD int rate)	0.2685%
14	Other Debt	0.0000%
15	<u>Weighted Cost of Debt :</u>	
16	Long-Term Debt (LTD % x avg LTD int rate)	0.9956%
17	+ Short-Term Debt (STD % x avg MP STD int rate)	0.1529%
18	+ Other Debt	0.0000%

19	Total Weighted Cost of Debt	1.1485%
		=====

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

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UNIT 1

<u>Line No.</u>		<u>July, 2014</u>
1	<u>Unit 1 Materials and Supplies:</u>	
2	Fuel Stock - Coal (per Line 23)	20,908,375
3	Fuel Stock Expenses - Undistributed (152)	755,863
4	Fuel Stock - Oil (151)	1,996,621
5	Plant Materials & Operating Supplies	11,203,856
6	Merchandise	0
7	Undistributed Stores Expense	0
8	Total Materials & Supplies	34,864,715
9	<u>Support of Coal Inventory Value:</u>	
10	Actual Coal Inventory (a/c 151.10)	12,595,098
11	+ Equivalent Inventory re: Deferred Return	22,659,361,113
12	= Imputed Coal Inventory	22,671,956,211
13	<u>Coal Inventory W/68 Day Supply Cap</u>	
14	Tons Consumed - CHANGE ANNUALLY FROM DEC PG 24	2,573,388
15	/ Hours Available * CHG ANNUALLY FROM GADS RPT 511	8232.6
16	= Tons Consumed per Hour	312.59
17	x 24 Hours per Day	24
18	= Tons Consumed Per Day	7502.16
19	x 68 days	68
20	= 68 day Supply (Tons)	510,147
21	x Coal Cost per Ton (per a/c 151.10 at End of Prior Month)	40.985
22	= 68 day Coal Inventory	20,908,375
23	Lesser of Imputed or Capped Coal Inventory	20,908,375
24	Imputed Inventory Minus Line 23	22,651,047,836
25	<u>Accumulated Deferred Inventory Return - Unit 1 (Memo Item):</u>	
26	Beginning Balance	152,762,888
27	+ Current Month Return on Beginning Balance	1,036,874
28	+ Current Month Deferral	0
29	- Current Month Recovery	70,697
30	= Ending Balance **	153,729,065

* 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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**UNIT 1
July, 2014**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</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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**UNIT 1
July, 2014**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
1	500,502-508	Steam Power Generation - Operation	443,026
2	501	Fuel - Operation	7,861,049
3	510-515	Steam Power Generating - Maintenance	663,898
4		Total Steam Power Generation Expenses	8,967,974
5	555-557	Other Power Supply Expenses	14,939
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 - Operation	(63,761)
16	935	Administrative and General Expenses - Maintenance	8,698
17		Total Administrative & General Exp.	(55,064)
18		Total Operation & Maintenance Expenses	8,927,849

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

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**UNIT 1
July, 2014**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
	1 403	Depreciation Expense	1,631,621
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 Acquisition Adjustments	0
	5 407	Amortization of Property Losses, Unrecovered Plant and Regulatory Study Costs	0
	6	Total Depreciation Exp. & Amortization	1,634,964
			=====
	7 411.10	ARO Accretion Expense	16,779
	8	Total Depreciation, Amortization & Accretion Expenses	1,651,744

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

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**UNIT 1
July, 2014**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
BS1			
1	408.1	Taxes Other Than Federal Income Taxes, Utility Operating Income	133,113
2	409.1	State Income Taxes	(1,500)
3		Total Taxes Other than FIT	----- 131,613 =====

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

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>TOTAL</u>	<u>KPCO SHARE</u>	<u>I&M SHARE</u>
1		<u>Unit 1 Schedule `M' Adjustments*</u>			
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	631,974	189,592	442,382
5	***	Total Unit 1 Schedule `M' Adjustments	622,474	186,742	435,732
			=====	=====	=====
6		<u>Unit 1 Deferred Federal Income Tax</u>			
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' Adj.-Utility	(72,748)	(21,824)	(50,924)
			-----	-----	-----
12	***	Total Unit 1 Deferred Federal Income Tax	(51,948)	(15,584)	(36,365)
			=====	=====	=====

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

=====

=====

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

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UNIT 1
July, 2014

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
1		<u>ELECTRIC PLANT IN SERVICE</u>	
2	101	Electric Plant In Service	654,873,155
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	3,546,713
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	658,419,868
12	105	Plant Held For Future Use	0
13		<u>ACCUMULATED DEPRECIATION</u>	
14	108	Accumulated Provision for Depreciation of Electric Utility Plant	440,620,132
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	441,091,909
20		<u>MATERIAL AND SUPPLIES</u>	
21	151	Fuel Stock	22,904,996
22	152	Fuel Stock Expenses - Undistributed	755,863
23	153	Residuals	0
24	154	Plant Materials and Operating Supplies	11,203,856
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)	34,864,715
29	165	Prepayments	0
30	186	Other Deferred Debits	0

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
OTHER WORKING CAPITAL, UNAMORTIZED DEBT EXPENSE
AND OTHER DEFERRED CREDITS**

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<u>Line No.</u>	<u>Account No.</u>	<u>Description *</u>	<u>UNIT 1 July, 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	16,923,039
6	171	Interest and Dividends Receivable	0
7	174	Miscellaneous Current and Accrued Assets	0
8	232	Accounts Payable-General	(17,997)
9	234	Accounts Payable-Associated Company	(10,693,396)
10	236	Taxes Accrued	(6,527,884)
11	237	Interest Accrued	(233,514)
12	238	Dividends Declared	0
13	241	Tax Collections Payable	0
14	242	Misc Current and Accrued Liabilities	(80,094)

15		Total Other Working Capital	(629,845)
			=====
16	181	Unamortized Debt Expense	42,210

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
July, 2014**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
31		<u>ACCUMULATED DEFERRED INCOME TAXES</u>	
32	190	-Accumulated Deferred Income Taxes	2,621,786
33	281	+Accumulated Deferred Income Taxes - Accelerated Amortization Property	0
34	282	+Accumulated Deferred Income Taxes - Other Property	44,826,545
35	283	+Accumulated Deferred Income Taxes - Other	836,202
36		Total Accumulated Deferred Income Taxes (In-Service Portion)	----- 43,040,960 -----
37	255	+Accumulated Deferred Investment Tax Credits	12,358
38	186.50	-Accumulated Deferred Investment Tax Credit	0
39		Total Accumulated Deferred Investment Tax Credits	----- 12,358 -----
40		Total Net In-Service Investment - Unit 1	----- 208,551,720 =====

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

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**UNIT 1
July, 2014**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
		<u>Non-In-Service Investment - CWIP</u>	
1	107	Construction Work In Process	78,427,503
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		<u>ACCUMULATED DEFERRED INCOME TAXES</u>	
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	0
16		Total Accumulated Deferred Income Taxes (CWIP Portion)	----- 0
17		TOTAL NON-IN-SERVICE INVESTMENT - CWIP	----- 78,427,503 =====
		<u>Non-In-Service Investment - Other</u>	
18	105	Plant Held for Future Use	1,034,099
19	186	Other Deferred Debits	2,424,433
20	151.10	Fuel Inventory Over Allowed Level *	(8,313,277)
21		Total Non-In-Service Investment - Other	----- (4,854,745) =====
		* INCLUDES ROCKPORT 1 AND 2	
		UNIT 1	(8,313,277)
		UNIT 2	0
		TOTAL	----- (8,313,277) =====

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
DETAIL OF NET CAPITALIZATION**

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July, 2014

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
1		<u>COMMON CAPITAL STOCK</u>	
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		<u>OTHER PAID-IN CAPITAL</u>	
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		<u>RETAINED EARNINGS</u>	
18	215	Appropriated Retained Earnings	0
19	215.1	Appropriated Retained Earnings- Amortization Reserve, Federal	0
20	216	Unappropriated Retained Earnings	5,651,490
21		Total Retained Earnings	5,651,490
22		Total Common Equity	95,513,477
23		<u>PREFERRED CAPITAL STOCK</u>	
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
July, 2014**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
28		<u>LONG-TERM DEBT</u>	
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
		<u>SHORT-TERM DEBT</u>	
36a	231.02	Notes Payable (Short-Term Debt)	0
36b	231.03	Unamortized Discount	0
37	233.00	Notes Payable, Assoc Co(Money Pool)	85,145,530
38		Total Short-Term Debt	85,145,530
39		<u>TEMPORARY CASH INVESTMENTS</u>	
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	245,080,503

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

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**UNIT 1
July, 2014**

Line No.

1	<u>Capitalization Balances (Prior Month Ending) :</u>	
2	Long-Term Debt (Accts 221 thru 226)	64,421,495
3	+ Short-Term Debt (Accts 231 + 233)	85,145,530
4	+ Preferred Stock	0
5	+ Common Equity (Accts 201 thru 216)	95,513,477
6	- Capitalization Offsets	0

7	Total Capitalization Balances	245,080,503
		=====
8	<u>Weighting of Capitalization Balances :</u>	
9	Long-Term Debt (LTD/Total Capital)	26.2859%
10	+ Short-Term Debt (STD/Total Capital)	34.7419%
11	+ Preferred Stock	0.0000%
12	+ Common Equity (Common Equity/Total Capital)	38.9723%
13	- Capitalization Offsets	0.0001%

14	Total Capitalization	100.0000%
		=====
15	<u>Capitalization Cost Rates :</u>	
16	Long-Term Debt (avg LTD int rate)	2.3115%
17	Short-Term Debt (avg money pool STD int rate)	0.2685%
18	Preferred Stock	0.0000%
19	Common Equity (FERC fixed rate)	12.1600%
20	Capitalization Offsets (sum of weighted costs of debt)	1.1485%
21	<u>Rate of Return (Net of Tax) :</u>	
22	Long-Term Debt (LTD % x avg LTD int rate)	0.6076%
23	+ Short-Term Debt (STD % x avg MP STD int rate)	0.0933%
24	+ Preferred Stock	0.0000%
25	+ Common Equity (CE % x FERC fixed rate)	4.7390%
26	- Capitalization Offsets	0.0000%

27	Total Rate of Return (Net of Tax)	5.4399%
		=====
28	Weighted Net Cost of Debt	0.7009%
	(LTD Rate of Return + STD RR - Cap Offsets RR)	
29	+ Pre-Tax Common Equity (Line 25 / .65)	7.2908%
	(Common Equity Rate of Return grossed up for tax)	-----
30	= Rate of Return (Pre-Tax)	7.9917%
		=====

A E P GENERATING COMPANY

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

500	SUPERVISION AND ENGINEERING	144,226
501	FUEL	7,861,049
502	STEAM EXPENSES	76,371
503	STEAM FROM OTHER SOURCES	0
504	STEAM TRANSFERRED - CR	0
505	ELECTRIC EXPENSES	65,234
506	MISC. STEAM POWER EXPENSES	157,195
507	RENTS	0
508	OPERATION SUPPLIES AND EXPENSES	0
509	CARRYING CHARGES - ALLOWANCES	0

TOTAL OPERATION EXPENSE 8,304,075

510	MAINTENANCE SUPER. AND ENGINEERING	74,976
511	MAINTENANCE OF STRUCTURES	68,443
512	MAINTENANCE OF BOILER PLANT	389,290
513	MAINTENANCE OF ELECTRIC PLANT	73,613
514	MAINTENANCE OF MISC. STEAM PLANT	57,576
515	MAINTENANCE NORMALIZING	0

TOTAL MAINTENANCE EXPENSES 663,898

555	PURCHASED POWER	0
556	SYSTEM CONTROL AND LOAD DISPATCHING	2,019
557	OTHER POWER SUPPLY EXPENSES	12,920

TOTAL OTHER SUPPLY EXPENSES 14,939

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 7
 THIS BILLING IS FOR MONTH OF July, 2014

A E P GENERATING COMPANY

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	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
	TOTAL SALES EXPENSES	0
920	ADMIN. & GENERAL SALARIES	37,549
921	OFFICE SUPPLIES AND EXPENSES	11,642
922	ADMINISTRATIVE EXPENSES TRANSF - CR	0
923	OUTSIDE SERVICES	45,348
924	PROPERTY INSURANCE	8,341
925	INJURIES AND DAMAGES	(502)
926	EMPLOYEE PENSIONS AND BENEFITS	58,967
927	FRANCHISE REQUIREMENTS	0
928	REGULATORY COMMISSION	0
929	DUPLICATE CHARGES-CREDIT	0
930	MISCELLANEOUS GENERAL EXPENSES	(225,906)
931	RENTS	799
933	TRANSPORTATION EXPENSE	0
	TOTAL ADM & GEN EXPENSES OPERATION	(63,761)
935	MAINTENANCE OF GENERAL PLANT	8,698
	TOTAL ADM & GEN EXPENSES	(55,064)
	TOTAL AEG OPERATION & MAINTENANCE EXPENSES	8,927,849
	ACCOUNT 40190 TOTAL FOR CROSS FOOT	8,927,849
	-----DIFFERENCE-----	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
07-Aug-14**

**UNIT 2
POWER BILL - - July, 2014**

IN ACCORDANCE WITH POWER AGREEMENT DATED OCTOBER 1, 1984 (AS AMENDED)
ENERGY DELIVERED FOR THE MONTH OF July, 2014
KWH FOR THE MONTH 271,985,000

<u>SUMMARY</u>	<u>TOTAL</u>
Current Month Bill:	
Return on Common Equity	(92,758)
Return on Other Capital	(61,274)
Total Return	----- (154,032)
Fuel	7,053,854
Purchased Power	0
Other Operating Revenues	(6,125)
Other Operation and Maintenance Exp	4,540,889
Depreciation Expense	715,446
Taxes Other Than Federal Income Tax	98,186
Federal Income Tax	36,294
TOTAL CURRENT UNIT POWER BILL	----- 12,284,511 -----
Prior Month's Adjustment:	
Return on Common Equity & Other Capital	3,686
Fuel Expense	0
Other Expenses (Includes taxes & interest)	(500,805)
TOTAL PRIOR MONTH'S ADJUSTMENTS	----- (497,119) -----
TOTAL UNIT POWER BILL	=====
	11,787,392 =====

AMOUNTS WILL BE PAID DIRECT FROM GENERAL FUNDS.

DUE DATE - - August 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**

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

**ESTIMATE
07-Aug-14**

**UNIT 2
POWER BILL - - July, 2014**

IN ACCORDANCE WITH POWER AGREEMENT DATED OCTOBER 1, 1984 (AS AMENDED)
ENERGY DELIVERED FOR THE MONTH OF July, 2014
KWH FOR THE MONTH 116,565,000

<u>SUMMARY</u>	<u>TOTAL</u>
Current Month Bill:	
Return on Common Equity	(39,753)
Return on Other Capital	(26,260)
Total Return	----- (66,013)
Fuel	3,023,080
Purchased Power	0
Other Operating Revenues	(2,625)
Other Operation and Maintenance Exp	1,946,095
Depreciation Expense	306,620
Taxes Other Than Federal Income Tax	42,079
Federal Income Tax	15,555
TOTAL CURRENT UNIT POWER BILL	----- 5,264,791 =====
Prior Month's Adjustment:	
Return on Common Equity & Other Capital	1,580
Fuel Expense	0
Other Expenses (Includes taxes & interest)	(214,629)
TOTAL PRIOR MONTH'S ADJUSTMENTS	----- (213,049) -----
TOTAL UNIT POWER BILL	----- 5,051,742 =====

AMOUNTS WILL BE PAID DIRECT FROM GENERAL FUNDS.

DUE DATE - - August 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
ROCKPORT POWER BILL
SUMMARY OF MONTHLY POWER BILL**

	TOTAL UNIT 2 POWER BILL	KPCO SHARE	I&M SHARE
Return on Common Equity	(132,511)	(39,753)	(92,758)
Return on Other Capital	(87,534)	(26,260)	(61,274)
Total Return	(220,045)	(66,013)	(154,032)
+ Fuel	10,076,934	3,023,080	7,053,854
+ Purchased Power	0	0	0
- Other Operating Revenues	(8,750)	(2,625)	(6,125)
+ Other Operation and Maintenance Exp	6,486,984	1,946,095	4,540,889
+ Depreciation Expense	1,022,066	306,620	715,446
+ Taxes Other Than Federal Income Tax	140,265	42,079	98,186
+ Federal and State Income Tax	51,850	15,555	36,294
= Total Unit 2 Monthly Power Bill	17,549,303	5,264,791	12,284,511
<u>Determination of Federal Income Tax :</u>			
Total Return (Line 3)	(220,045)	(66,013)	(154,032)
+ Unit 2 Schedule M Adjustments	(69,103)	(20,731)	(48,372)
+ Unit 2 Deferred Federal Income Taxes	104,267	31,280	72,987
- Unit 2 Interest Expense Deduction *	(87,534)	(26,260)	(61,274)
= Subtotal	(97,347)	(29,203)	(68,143)
x Gross-Up (FIT Rate / 1-FIT Rate)	0.538462	0.538462	0.538462
= Unit 2 Current Federal Income Tax	(52,417)	(15,725)	(36,692)
+ Unit 2 Def Fed & State Income Taxes	104,267	31,280	72,987
= Total Unit 2 Fed&State Income Taxes	51,850	15,555	36,294
<u>Proof of Federal Income Tax :</u>			
Total Unit 2 Monthly Power Bill	17,549,303	5,264,791	12,284,511
- Operation and Maintenance Expenses	16,563,918	4,969,175	11,594,743
- Depreciation Expense	1,022,066	306,620	715,446
- Taxes Other Than Federal Income Tax	140,265	42,079	98,186
- Unit 2 Interest Expense Deduction *	(87,534)	(26,260)	(61,274)
- Other Operating Revenues	(8,750)	(2,625)	(6,125)
= Pre-Tax Book Income	(80,661)	(24,198)	(56,464)
+ Unit 2 Schedule M Adjustments	(69,103)	(20,731)	(48,372)
= Unit 2 Taxable Income	(149,764)	(44,929)	(104,836)
x Current Federal Income Tax Rate	35%	35%	35%
= Unit 2 Current Federal Income Tax	(52,418)	(15,725)	(36,693)
+ Unit 2 Def Fed & State Income Taxes	104,267	31,280	72,987
= Total Unit 2 Fed&State Income Taxes	51,849	15,555	36,294

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

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

<u>Line No.</u>	<u>UNIT 2</u> <u>July, 2014</u>
1	Operating Ratio:
2	<u>Net In-Service Investment:</u>
3	Electric Plant In-Service 800,288,275
4	- Accumulated Depreciation 582,456,319
5	+ Materials & Supplies 61,416,154
6	+ Prepayments 0
7	+ Plant Held For Future Use (A/C 105) * 0
8	+ Other Deferred Debits (A/C 186) * 0
9	+ Other Working Capital *** (3,405,963)
10	+ Unamortized Debt Expense (A/C 181) 84,419
11	+ Deferred ASH pond cost (A/C182.3) 2,816,666
12	- Asset Retirement Obligation (A/C 230) 4,508,160
13	- Other Deferred Credits (A/C 253) 46,980,426
14	- Accumulated Deferred FIT 36,699,493
15	- Accumulated Deferred ITC 16,593,100
16	Total Net In-Service Investment 173,962,052
17	<u>Non-In-Service Investment - CWIP :</u>
18	Construction Work In Progress 78,427,503
19	+ Materials & Supplies 0
20	- Accumulated Deferred FIT 0
21	Total Non-In-Service Investment - CWIP 78,427,503
22	<u>Non-In-Service Investment - Other :</u>
23	Plant Held for Future Use (A/C 105) ** 0
24	+ Other Deferred Debits (A/C 186) ** 2,424,433
25	+ Fuel Inventory Over Allowed Level **** (8,313,277)
26	Total Non-In-Service Investment - Other (5,888,844)
27	Total Investment (Lines 16+21+26) 246,500,710
28	Operating Ratio (Line 16/Line 27) 70.5726%
29	Non-In-Service Investment-CWIP Ratio (Line 21/Line 27) 31.8163%
30	Non-In-Service Investment-Other Ratio (Line 26/Line 27) -2.3889%
31	Total Investment 100.0000%
	* 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

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

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<u>Line No.</u>		<u>UNIT 2 July, 2014</u>
1	Net In-Service Investment Ratio:	
2	<u>Unit 2 Net In-Service Investment:</u>	
3	Electric Plant In-Service	141,868,407
4	- Accumulated Depreciation	141,364,410
5	+ Materials & Supplies	26,551,438
6	+ Prepayments	0
7	+ Plant Held For Future Use (A/C 105) *	0
8	+ Other Deferred Debits (A/C 186) *	0
9	+ Other Working Capital **	(2,776,117)
10	+ Unamortized Debt Expense (A/C 181)	42,210
11	+ Deferred ASH pond cost (A/C182.3)	1,408,333
12	- Asset Retirement Obligation (A/C 230)	2,254,080
13	- Other Deferred Credits (A/C 253)	46,980,426
14	- Accumulated Deferred FIT	(6,341,467)
15	- Accumulated Deferred ITC	16,580,742
16	Total Unit 2 Net In-Service Investment	(33,743,921)
17	<u>Unit 1 Net In-Service Investment:</u>	
18	Electric Plant In-Service	658,419,868
19	- Accumulated Depreciation	441,091,909
20	+ Materials & Supplies	34,864,715
21	+ Prepayments	0
22	+ Plant Held For Future Use (A/C 105) *	0
23	+ Other Deferred Debits (A/C 186) *	0
24	+ Other Working Capital **	(629,845)
25	+ Unamortized Debt Expense (A/C 181)	42,210
26	+ Deferred ASH pond cost (A/C182.3)	1,408,333
27	- Asset Retirement Obligation (A/C 230)	2,254,080
28	- Other Deferred Credits (A/C 253)	0
29	- Accumulated Deferred FIT	43,040,960
30	- Accumulated Deferred ITC	12,358
31	Total Unit 1 Net In-Service Investment	207,705,973
32	Total Net In-Service Investment	173,962,052
33	<u>Net In-Service Investment Ratio:</u>	
34	Unit 2 (Line 16 / Line 32)	-19.4000%
35	Unit 1 (Line 31 / Line 32)	119.4000%
		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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<u>Line No.</u>		<u>UNIT 2 July, 2014</u>
1	Net Capitalization:	
2	Long-Term Debt	64,421,495
3	+ Short-Term Debt	85,145,530
4	+ Preferred Stock	0
5	+ Common Equity	95,513,477
6	- Temporary Cash Investments	0

7	Net Capitalization	245,080,503
		=====
8	40% of Net Capitalization	98,032,201
9	<u>Return on Common Equity:</u>	
10	Lesser of Line 5 or Line 8	95,513,477
11	x Equity Return (Monthly Rate)	1.01333%
12	= Equity Return	967,867
13	x Operating Ratio	70.5726%
14	x Net In-Service Investment Ratio	-19.4000%
15	= Subtotal	(132,511)
16	Excess of Line 5 Over Line 8	0
17	x Weighted Cost of Debt (Monthly Rate)	0.0975%
18	= Return on Equity over 40% of Capitalization	0
19	x Operating Ratio	70.5726%
20	x Net In-Service Investment Ratio	-19.4000%
21	= Subtotal	0

22	Unit 2 Return on Equity (Line 15 + Line 21)	(132,511)
		=====
23	<u>Return on Other Capital:</u>	
24	Long-Term Debt Interest Expense (A/C 427-429)	126,473
25	+ Short-Term Debt Interest Expense (a/c 430)	16,126
26	+ Other Interest Expense (a/c 431)	496,748
27	- Temporary Cash Investment Income *	0

28	= Net Interest Expense	639,347
29	+ Preferred Stock Dividends (a/c 437)	0

30	= Net Cost of Other Capital	639,347
31	x Operating Ratio	70.5726%
32	x Net In-Service Investment Ratio	-19.4000%
33	= Unit 2 Return on Other Capital	(87,534)
		=====

* 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 2
July, 2014**

1	Debt Balances (Prior Month Ending) :	
2	Long-Term Debt (Accts 221 thru 226)	64,421,495
3	+ Short-Term Debt (Accts 231 + 233)	85,145,530
4	+ Other Debt (Accts 132 thru 136 + 145)	0
5	Total Debt Balances (Prior Month Ending)	----- 149,567,025 =====
6	<u>Weighting of Debt Balances :</u>	
7	Long-Term Debt (LTD bal/Total Debt bal)	43.0720%
8	+ Short-Term Debt (STD bal/Total Debt bal)	56.9280%
9	+ Other Debt	0.0000%
10	Total Debt Balances	----- 100.0000% =====
11	<u>Debt Cost Rates :</u>	
12	Long-Term Debt (avg LTD int rate)	2.3115%
13	Short-Term Debt (avg Money Pool STD int rate)	0.2685%
14	Other Debt	0.0000%
15	<u>Weighted Cost of Debt :</u>	
16	Long-Term Debt (LTD % x avg LTD int rate)	0.9956%
17	+ Short-Term Debt (STD % x avg MP STD int rate)	0.1529%
18	+ Other Debt	0.0000%
19	Total Weighted Cost of Debt	----- 1.1485% =====

**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

<u>Line No.</u>		<u>July, 2014</u>
1	Unit 2 Materials and Supplies:	
2	Fuel Stock - Coal (per Line 23)	12,595,098
3	Fuel Stock Expenses - Undistributed (152)	755,863
4	Fuel Stock - Oil (151)	1,996,621
5	Plant Materials & Operating Supplies	11,203,856
6	Merchandise	0
7	Undistributed Stores Expense	0

8	Total Materials & Supplies	26,551,438
		=====
9	<u>Support of Coal Inventory Value:</u>	
10	Actual Coal Inventory (a/c 151.10)	12,595,098
11	+ Equivalent Inventory re: Deferred Return	1,079,136,270

12	= Imputed Coal Inventory	1,091,731,368

13	<u>Coal Inventory W/68 Day Supply Cap</u>	
14	Tons Consumed - CHANGE ANNUALLY FROM DEC PG 24	1,793,019
15	/ Hours Available * CHG ANNUALLY FROM GADS RPT 511	5871.3
16	= Tons Consumed per Hour	305.39
17	x 24 Hours per Day	24
18	= Tons Consumed Per Day	7329.36
19	x 68 days	68
20	= 68 day Supply (Tons)	498,396
21	x Coal Cost per Ton (per a/c 151.10 at End of Prior Month)	40.985

22	= 68 day Coal Inventory	20,426,760

23	Lesser of Imputed or Capped Coal Inventory	20,426,760

24	Imputed Inventory Minus Line 23	1,071,304,608
		=====
25	<u>Accumulated Deferred Inventory Return - Unit 2 (Memo Item):</u>	
26	Beginning Balance	7,275,226
27	+ Current Month Return on Beginning Balance	49,380
28	+ Current Month Deferral	67,720
29	- Current Month Recovery	0

30	= Ending Balance **	7,392,326
		=====
	* Excludes Forced Outages, Scheduled Outages, and Curtailments	
	** May Not Be Less Than Zero	
	Total Unit 2 Monthly Power Bill with Actual	17,576,085
	Total Unit 2 Monthly Power Bill with 68 Day Capped	17,643,805
	Difference	67,720

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
DETAIL OF OTHER OPERATING REVENUES**

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**UNIT 2
July, 2014**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</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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**UNIT 2
July, 2014**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
1	500,502-508	Steam Power Generation - Operation	6,105,803
2	501	Fuel - Operation	10,076,934
3	510-515	Steam Power Generating - Maintenance	383,095
4		Total Steam Power Generation Expenses	16,565,832
5	555-557	Other Power Supply Expenses	14,939
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 Expensese	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	(25,551)
16	935	Administrative and General Expenses - Maintenance	8,698
17		Total Administrative & General Exp.	(16,853)
18		Total Operation & Maintenance Expenses	16,563,918

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

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**UNIT 2
July, 2014**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
1	403	Depreciation Expense *	448,287
1a	403.1	ARO Depreciation Expense	3,343
2	404	Amortization of Limited-Term Electric Plant **	553,657
3	405	Amortization of Other Electric Plant	0
4	406	Amortization of Electric Plant Acquisition Adjustments	0
5	407	Amortization of Property Losses, Unrecovered Plant and Regulatory Study Costs	0
			-
6		Total Depreciation Exp. & Amortization	1,005,287
			=
7	411.10	ARO Accretion Expense	16,779
8		Total Depreciation, Amortization & Accretion Expenses	1,022,066

* 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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**UNIT 2
July, 2014**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
1	408.1	Taxes Other Than Federal Income Taxes, Utility Operating Income	141,765
2	409.1	State Income Taxes	(1,500)
3		Total Taxes Other than Federal Income Taxes	----- 140,265 =====

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

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>TOTAL</u>	<u>KPCO SHARE</u>	<u>I&M SHARE</u>
1		<u>Unit 2 Schedule `M' Adjustments*</u>			
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	(450,603)	(135,181)	(315,422)
5	***	Total Unit 2 Schedule `M' Adjustments	(69,103)	(20,731)	(48,372)
6		<u>Unit 2 Deferred Federal Income Tax</u>			
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' Adj.-Utility	150,583	45,175	105,408
12	***	Total Unit 2 Deferred Federal Income Tax	104,267	31,280	72,987

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

Check Figure on Tax Page for Sch M (69,103)
Check Figure on Tax Page for DFIT 104,267

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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**UNIT 2
July, 2014**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
1		<u>ELECTRIC PLANT IN SERVICE</u>	
2	101	Electric Plant In Service	139,189,004
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	2,679,403
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	141,868,407
12	105	Plant Held For Future Use	0
13		<u>ACCUMULATED DEPRECIATION</u>	
14	108	Accumulated Provision for Depreciation of Electric Utility Plant	116,409,268
15	110	Accumulated Provision for Depreciation and Amort. of Elec. Utility Plant	0
16	111	Accumulated Provision for Amortization of Electric Utility Plant	24,955,142
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	141,364,410
20		<u>MATERIAL AND SUPPLIES</u>	
21	151	Fuel Stock	14,591,719
22	152	Fuel Stock Expenses - Undistributed	755,863
23	153	Residuals	0
24	154	Plant Materials and Operating Supplies	11,203,856
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)	26,551,438
29	165	Prepayments	0
30	186	Other Deferred Debits	0

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
OTHER WORKING CAPITAL, UNAMORTIZED DEBT EXPENSE
AND OTHER DEFERRED CREDITS**

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<u>Line No.</u>	<u>Account No.</u>	<u>Description *</u>	<u>UNIT 2 July, 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	17,244,864
6	171	Interest and Dividends Receivable	0
7	174	Miscellaneous Current and Accrued Assets	0
8	232	Accounts Payable-General	(17,997)
9	234	Accounts Payable-Associated Company	(10,633,395)
10	236	Taxes Accrued	(4,147,460)
11	237	Interest Accrued	(233,514)
12	238	Dividends Declared	0
13	241	Tax Collections Payable	0
14	242	Misc Current and Accrued Liabilities	(4,988,616)

15		Total Other Working Capital	(2,776,117)
			=====
16	181	Unamortized Debt Expense	42,210

17	253	Other Deferred Credits	46,980,426

*		debit <credit>	

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

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**UNIT 2
July, 2014**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
31		ACCUMULATED DEFERRED INCOME TAXES	
32	190	-Accumulated Deferred Income Taxes	20,344,525
33	281	+Accumulated Deferred Income Taxes - Accelerated Amortization Property	0
34	282	+Accumulated Deferred Income Taxes - Other Property	13,062,592
35	283	+Accumulated Deferred Income Taxes - Other	940,466
36		Total Accumulated Deferred Income Taxes (In-Service Portion)	----- (6,341,467) -----
37	255	+Accumulated Deferred Investment Tax Credits	16,580,742
38	186.50	-Accumulated Deferred Investment Tax Credit	0
39		Total Accumulated Deferred Investment Tax Credits	----- 16,580,742 -----
40		Total Net In-Service Investment - Unit 2	----- (32,898,173) =====

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

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**UNIT 2
July, 2014**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
		<u>Non-In-Service Investment - CWIP</u>	
1	107	Construction Work In Process	78,427,503
2		<u>MATERIAL AND SUPPLIES</u>	
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		<u>ACCUMULATED DEFERRED INCOME TAXES</u>	
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	0
16		Total Accumulated Deferred Income Taxes (CWIP Portion)	----- 0
17		TOTAL NON-IN-SERVICE INVESTMENT - CWIP	----- 78,427,503 =====
		<u>Non-In-Service Investment - Other</u>	
18	105	Plant Held for Future Use	0
19	186	Other Deferred Debits	2,424,433
20	151.10	Fuel Inventory Over Allowed Level *	(8,313,277)
21		Total Non-In-Service Investment - Other	----- (5,888,844) =====
		* INCLUDES ROCKPORT 1 AND 2	
		UNIT 1	(8,313,277)
		UNIT 2	0
		TOTAL	----- (8,313,277) =====

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
DETAIL OF NET CAPITALIZATION**

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**UNIT 2
July, 2014**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
1		<u>COMMON CAPITAL STOCK</u>	
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		<u>OTHER PAID-IN CAPITAL</u>	
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		<u>RETAINED EARNINGS</u>	
18	215	Appropriated Retained Earnings	0
19	215.1	Appropriated Retained Earnings- Amortization Reserve, Federal	0
20	216	Unappropriated Retained Earnings	5,651,490
21		Total Retained Earnings	5,651,490
22		Total Common Equity	95,513,477
23		<u>PREFERRED CAPITAL STOCK</u>	
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
July, 2014**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
28		<u>LONG-TERM DEBT</u>	
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
		<u>SHORT-TERM DEBT</u>	
36a	231.02	Notes Payable (Short-Term Debt)	0
36b	231.03	Unamortized Discount	0
	233.00	Notes Payable, Assoc Co(Money Pool)	85,145,530
38		Total Short-Term Debt	85,145,530
39		<u>TEMPORARY CASH INVESTMENTS</u>	
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	245,080,503

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

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<u>Line No.</u>		UNIT 2 July, 2014
1	Capitalization Balances (Prior Month Ending) :	
2	Long-Term Debt (Accts 221 thru 226)	64,421,495
3	+ Short-Term Debt (Accts 231 + 233)	85,145,530
4	+ Preferred Stock	0
5	+ Common Equity (Accts 201 thru 216)	95,513,477
6	- Capitalization Offsets	0

7	Total Capitalization Balances	245,080,503
		=====
8	<u>Weighting of Capitalization Balances :</u>	
9	Long-Term Debt (LTD/Total Capital)	26.2859%
10	+ Short-Term Debt (STD/Total Capital)	34.7419%
11	+ Preferred Stock	0.0000%
12	+ Common Equity (Common Equity/Total Capital)	38.9723%
13	- Capitalization Offsets	0.0001%

14	Total Capitalization	100.0000%
		=====
15	<u>Capitalization Cost Rates :</u>	
16	Long-Term Debt (avg LTD int rate)	2.3115%
17	Short-Term Debt (avg money pool STD int rate)	0.2685%
18	Preferred Stock	0.0000%
19	Common Equity (FERC fixed rate)	12.1600%
20	Capitalization Offsets (sum of weighted costs of debt)	1.1485%
21	<u>Rate of Return (Net of Tax) :</u>	
22	Long-Term Debt (LTD % x avg LTD int rate)	0.6076%
23	+ Short-Term Debt (STD % x avg MP STD int rate)	0.0933%
24	+ Preferred Stock	0.0000%
25	+ Common Equity (CE % x FERC fixed rate)	4.7390%
26	- Capitalization Offsets	0.0000%

27	Total Rate of Return (Net of Tax)	5.4399%
		=====
28	Weighted Net Cost of Debt	0.7009%
	(LTD Rate of Return + STD RR - Cap Offsets RR)	
29	+ Pre-Tax Common Equity (Line 25 / .65)	7.2908%
	(Common Equity Rate of Return grossed up for tax)	-----
30	= Rate of Return (Pre-Tax)	7.9917%
		=====

A E P GENERATING COMPANY

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

500	SUPERVISION AND ENGINEERING	143,346
501	FUEL	10,076,934
502	STEAM EXPENSES	73,194
503	STEAM FROM OTHER SOURCES	0
504	STEAM TRANSFERRED - CR	0
505	ELECTRIC EXPENSES	59,276
506	MISC. STEAM POWER EXPENSES	139,735
507	RENTS	5,690,253
508	OPERATION SUPPLIES AND EXPENSES	0
509	CARRYING CHARGES - ALLOWANCES	0
	TOTAL OPERATION EXPENSE	16,182,737
510	MAINTENANCE SUPER. AND ENGINEERING	74,993
511	MAINTENANCE OF STRUCTURES	17,195
512	MAINTENANCE OF BOILER PLANT	225,843
513	MAINTENANCE OF ELECTRIC PLANT	27,910
514	MAINTENANCE OF MISC. STEAM PLANT	37,154
515	MAINTENANCE NORMALIZING	0
	TOTAL MAINTENANCE EXPENSES	383,095
555	PURCHASED POWER	0
556	SYSTEM CONTROL AND LOAD DISPATCHING	2,019
557	OTHER POWER SUPPLY EXPENSES	12,920
	TOTAL OTHER SUPPLY EXPENSES	14,939

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	7
THIS BILLING IS FOR MONTH OF	July, 2014

A E P GENERATING COMPANY

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

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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 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	47,163
921	OFFICE SUPPLIES AND EXPENSES	11,643
922	ADMINISTRATIVE EXPENSES TRANSF - CR	0
923	OUTSIDE SERVICES	73,943
924	PROPERTY INSURANCE	8,341
925	INJURIES AND DAMAGES	(502)
926	EMPLOYEE PENSIONS AND BENEFITS	58,967
927	FRANCHISE REQUIREMENTS	0
928	REGULATORY COMMISSION	0
929	DUPLICATE CHARGES-CREDIT	0
930	MISCELLANEOUS GENERAL EXPENSES	(225,906)
931	RENTS	799
933	TRANSPORTATION EXPENSE	0
	TOTAL ADM & GEN EXPENSES OPERATION	(25,551)
935	MAINTENANCE OF GENERAL PLANT	8,698
	TOTAL ADM & GEN EXPENSES	(16,853)
	TOTAL AEG OPERATION & MAINTENANCE EXPENSES	16,563,918
	ACCOUNT 40190 TOTAL FOR CROSS FOOT	16,563,918
	-----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
08-Sep-14

UNIT 1
POWER BILL - - August, 2014

IN ACCORDANCE WITH POWER AGREEMENT DATED OCTOBER 1, 1984 (AS AMENDED)
 ENERGY DELIVERED FOR THE MONTH OF August, 2014
 KWH FOR THE MONTH 120,579,000

SUMMARY

TOTAL

Current Month Bill:

Return on Common Equity	232,228
Return on Other Capital	41,787
Total Return	----- 274,015
Fuel	3,169,563
Purchased Power	0
Other Operating Revenues	(2,625)
Other Operation and Maintenance Exp	394,487
Depreciation Expense	497,159
Taxes Other Than Federal Income Tax	38,503
Federal Income Tax	195,313
TOTAL CURRENT UNIT POWER BILL	----- 4,566,415 -----

Prior Month's Adjustment:

Return on Common Equity & Other Capital	0
Fuel Expense	0
Other Expenses (Includes taxes & interest)	37,285
TOTAL PRIOR MONTH'S ADJUSTMENTS	----- 37,285 -----

=====

TOTAL UNIT POWER BILL 4,603,700

=====

AMOUNTS WILL BE PAID DIRECT FROM GENERAL FUNDS.

DUE DATE - - - August 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

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
08-Sep-14

UNIT 1
POWER BILL - - August, 2014

IN ACCORDANCE WITH POWER AGREEMENT DATED OCTOBER 1, 1984 (AS AMENDED)
 ENERGY DELIVERED FOR THE MONTH OF August, 2014
 KWH FOR THE MONTH 281,352,000

SUMMARY

TOTAL

Current Month Bill:

Return on Common Equity	541,865
Return on Other Capital	97,502
Total Return	----- 639,367
Fuel	7,395,646
Purchased Power	0
Other Operating Revenues	(6,125)
Other Operation and Maintenance Exp	920,470
Depreciation Expense	1,160,036
Taxes Other Than Federal Income Tax	89,842
Federal Income Tax	455,726
TOTAL UNIT POWER BILL	----- 10,654,961 -----

Prior Month's Adjustment:

Return on Common Equity & Other Capital	0
Fuel	0
Other Expenses (Includes taxes & interest)	87,001

 TOTAL PRIOR MONTH'S ADJUSTMENTS 87,001

=====

TOTAL UNIT POWER BILL 10,741,962

=====

AMOUNTS WILL BE PAID DIRECT FROM GENERAL FUNDS.

DUE DATE - - - August 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
 Sid Lyons - Columbus Michelle Howell - Columbus

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
SUMMARY OF MONTHLY POWER BILL**

August, 2014

	<u>TOTAL UNIT 1 POWER BILL</u>	<u>KPCO SHARE</u>	<u>I&M SHARE</u>
Return on Common Equity	774,093	232,228	541,865
Return on Other Capital	139,289	41,787	97,502
Total Return	913,382	274,015	639,367
+ Fuel	10,565,208	3,169,563	7,395,646
+ Purchased Power	0	0	0
- Other Operating Revenues	(8,750)	(2,625)	(6,125)
+ Other Operation and Maintenance Exp	1,314,957	394,487	920,470
+ Depreciation Expense	1,657,195	497,159	1,160,036
+ Taxes Other Than Federal Income Tax	128,345	38,503	89,842
+ Federal and State Income Tax	651,040	195,313	455,726
= Total Unit 1 Monthly Power Bill	15,221,377	4,566,415	10,654,961
<u>Determination of Federal Income Tax :</u>			
Total Return (Line 3)	913,382	274,015	639,367
+ Unit 1 Schedule M Adjustments	549,759	164,928	384,831
+ Unit 1 Deferred Federal Income Taxes	(39,128)	(11,738)	(27,391)
- Unit 1 Interest Expense Deduction *	142,271	42,681	99,590
= Subtotal	1,281,742	384,524	897,217
x Gross-Up (FIT Rate / 1-FIT Rate)	0.538462	0.538462	0.538462
= Unit 1 Current Federal Income Tax	690,168	207,051	483,117
+ Unit 1 Def Fed & State Income Taxes	(39,128)	(11,738)	(27,391)
= Total Unit 1 Fed&State Income Taxes	651,040	195,313	455,726
<u>Proof of Federal Income Tax :</u>			
Total Unit 1 Monthly Power Bill	15,221,377	4,566,415	10,654,961
- Operation and Maintenance Expenses	11,880,165	3,564,050	8,316,116
- Depreciation Expense	1,657,195	497,159	1,160,036
- Taxes Other Than Federal Income Tax	128,345	38,503	89,842
- Unit 1 Interest Expense Deduction *	142,271	42,681	99,590
- Other Operating Revenues	(8,750)	(2,625)	(6,125)
= Pre-Tax Book Income	1,422,151	426,647	995,503
+ Unit 1 Schedule M Adjustments	549,759	164,928	384,831
= Unit 1 Taxable Income	1,971,910	591,575	1,380,334
x Current Federal Income Tax Rate	35%	35%	35%
= Unit 1 Current Federal Income Tax	690,168	207,051	483,117
+ Unit 1 Def Fed & State Income Taxes	(39,129)	(11,738)	(27,391)
= Total Unit 1 Fed&State Income Taxes	651,039	195,313	455,726

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

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<u>Line No.</u>		<u>UNIT 1 August, 2014</u>
1	<u>Operating Ratio:</u>	
2	<u>Net In-Service Investment:</u>	
3	Electric Plant In-Service	800,638,434
4	- Accumulated Depreciation	584,890,129
5	+ Materials & Supplies	60,329,556
6	+ Prepayments	0
7	+ Plant Held For Future Use (A/C 105) *	0
8	+ Other Deferred Debits (A/C 186) *	0
9	+ Other Working Capital ***	(17,868,061)
10	+ Unamortized Debt Expense (A/C 181)	84,116
11	+ Deferred ASH pond cost (A/C182.3)	2,808,841
12	- Asset Retirement Obligation (A/C 230)	4,536,869
13	- Other Deferred Credits (A/C 253)	46,516,180
14	- Accumulated Deferred FIT	36,750,872
15	- Accumulated Deferred ITC	16,428,699
16	Total Net In-Service Investment	----- 156,870,138 -----
17	<u>Non-In-Service Investment - CWIP :</u>	
18	Construction Work In Progress	91,765,844
19	+ Materials & Supplies	0
20	- Accumulated Deferred FIT	0
21	Total Non-In-Service Investment - CWIP	----- 91,765,844 -----
22	<u>Non-In-Service Investment - Other :</u>	
23	Plant Held for Future Use (A/C 105) **	1,034,099
24	+ Other Deferred Debits (A/C 186) **	2,175,708
25	+ Fuel Inventory Over Allowed Level ****	(8,364,309)
26	Total Non-In-Service Investment - Other	----- (5,154,501) -----
27	Total Investment (Lines 16+21+26)	----- 243,481,481 =====
28	Operating Ratio (Line 16/Line 27)	64.4280%
29	Non-In-Service Investment-CWIP Ratio (Line 21/Line 27)	37.6890%
30	Non-In-Service Investment-Other Ratio (Line 26/Line 27)	----- -2.1170% -----
31	Total Investment	100.0000%
*	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	
****	Includes Rockport 1 and 2	

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

<u>Line No.</u>		<u>UNIT 1 August, 2014</u>
1	<u>Net In-Service Investment Ratio:</u>	
2	Unit 1 Net In-Service Investment:	
3	Electric Plant In-Service	660,613,009
4	- Accumulated Depreciation	443,851,245
5	+ Materials & Supplies	34,321,416
6	+ Prepayments	0
7	+ Plant Held For Future Use (A/C 105) *	0
8	+ Other Deferred Debits (A/C 186) *	0
9	+ Other Working Capital **	(7,860,894)
10	+ Unamortized Debt Expense (A/C 181)	42,058
11	+ Deferred ASH pond cost (A/C182.3)	1,404,421
12	- Asset Retirement Obligation (A/C 230)	2,268,435
13	- Other Deferred Credits (A/C 253)	0
14	- Accumulated Deferred FIT	42,986,693
15	- Accumulated Deferred ITC	12,122
16	Total Unit 1 Net In-Service Investment	----- 199,401,516
17	Unit 2 Net In-Service Investment:	
18	Electric Plant In-Service	140,025,425
19	- Accumulated Depreciation	141,038,884
20	+ Materials & Supplies	26,008,140
21	+ Prepayments	0
22	+ Plant Held For Future Use (A/C 105) *	0
23	+ Other Deferred Debits (A/C 186) *	0
24	+ Other Working Capital **	(10,007,167)
25	+ Unamortized Debt Expense (A/C 181)	42,058
26	+ Deferred ASH pond cost (A/C182.3)	1,404,421
27	- Asset Retirement Obligation (A/C 230)	2,268,435
28	- Other Deferred Credits (A/C 253)	46,516,180
29	- Accumulated Deferred FIT	(6,235,821)
30	- Accumulated Deferred ITC	16,416,577
31	Total Unit 2 Net In-Service Investment	----- (42,531,378)
32	Total Net In-Service Investment	----- 156,870,138 =====
33	<u>Net In-Service Investment Ratio:</u>	
34	Unit 1 (Line 16 / Line 32)	127.1100%
35	Unit 2 (Line 31 / Line 32)	-27.1100%
		----- 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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<u>Line No.</u>		<u>UNIT 1 August, 2014</u>
1	<u>Net Capitalization:</u>	
2	Long-Term Debt	64,421,495
3	+ Short-Term Debt	71,488,210
4	+ Preferred Stock	0
5	+ Common Equity	96,391,723
6	- Temporary Cash Investments	0
7	Net Capitalization	----- 232,301,428 =====
8	40% of Net Capitalization	92,920,571
9	<u>Return on Common Equity:</u>	
10	Lesser of Line 5 or Line 8	92,920,571
11	x Equity Return (Monthly Rate)	1.01333%
12	= Equity Return	941,592
13	x Operating Ratio	64.4280%
14	x Net In-Service Investment Ratio	127.1100%
15	= Subtotal	771,111
16	Excess of Line 5 Over Line 8	3,471,152
17	x Weighted Cost of Debt (Monthly Rate)	0.1049%
18	= Return on Equity over 40% of Capitalization	3,641
19	x Operating Ratio	64.4280%
20	x Net In-Service Investment Ratio	127.1100%
21	= Subtotal	----- 2,982 =====
22	Unit 1 Return on Equity (Line 15 + Line 21)	774,093
23	<u>Return on Other Capital:</u>	
24	Long-Term Debt Interest Expense (A/C 427-429)	126,473
25	+ Short-Term Debt Interest Expense (a/c 430)	9,877
26	+ Other Interest Expense (a/c 431)	33,734
27	- Temporary Cash Investment Income *	0
28	= Net Interest Expense	----- 170,083
29	+ Preferred Stock Dividends (a/c 437)	0
30	= Net Cost of Other Capital	----- 170,083
31	x Operating Ratio	64.4280%
32	x Net In-Service Investment Ratio	127.1100%
33	= Unit 1 Return on Other Capital	----- 139,289 =====
	* Line 6 x Line 19 from Pg 6 of 18	

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

<u>Line No.</u>	<u>UNIT 1 August, 2014</u>	
1	<u>Debt Balances (Prior Month Ending) :</u>	
2	Long-Term Debt (Accts 221 thru 226)	64,421,495
3	+ Short-Term Debt (Accts 231 + 233)	71,488,210
4	+ Other Debt (Accts 132 thru 136 + 145)	0

5	Total Debt Balances (Prior Month Ending)	135,909,705
		=====
6	<u>Weighting of Debt Balances :</u>	
7	Long-Term Debt (LTD bal/Total Debt bal)	47.4002%
8	+ Short-Term Debt (STD bal/Total Debt bal)	52.5998%
9	+ Other Debt	0.0000%

10	Total Debt Balances	100.0000%
		=====
11	<u>Debt Cost Rates :</u>	
12	Long-Term Debt (avg LTD int rate)	2.3115%
13	Short-Term Debt (avg Money Pool STD int rate)	0.2661%
14	Other Debt	0.0000%
15	<u>Weighted Cost of Debt :</u>	
16	Long-Term Debt (LTD % x avg LTD int rate)	1.0957%
17	+ Short-Term Debt (STD % x avg MP STD int rate)	0.1400%
18	+ Other Debt	0.0000%

19	Total Weighted Cost of Debt	1.2357%
		=====

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

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UNIT 1

<u>Line No.</u>		<u>August, 2014</u>
1	<u>Unit 1 Materials and Supplies:</u>	
2	Fuel Stock - Coal (per Line 23)	20,908,375
3	Fuel Stock Expenses - Undistributed (152)	668,412
4	Fuel Stock - Oil (151)	1,575,459
5	Plant Materials & Operating Supplies	11,169,170
6	Merchandise	0
7	Undistributed Stores Expense	0
8	Total Materials & Supplies	34,321,416
9	<u>Support of Coal Inventory Value:</u>	
10	Actual Coal Inventory (a/c 151.10)	12,430,303
11	+ Equivalent Inventory re: Deferred Return	21,349,625,893
12	= Imputed Coal Inventory	21,362,056,196
13	<u>Coal Inventory W/68 Day Supply Cap</u>	
14	Tons Consumed - CHANGE ANNUALLY FROM DEC PG 24	2,573,388
15	/ Hours Available * CHG ANNUALLY FROM GADS RPT 511	8232.6
16	= Tons Consumed per Hour	312.59
17	x 24 Hours per Day	24
18	= Tons Consumed Per Day	7502.16
19	x 68 days	68
20	= 68 day Supply (Tons)	510,147
21	x Coal Cost per Ton (per a/c 151.10 at End of Prior Month)	40.762
22	= 68 day Coal Inventory	20,794,612
23	Lesser of Imputed or Capped Coal Inventory	20,794,612
24	Imputed Inventory Minus Line 23	21,341,261,584
25	<u>Accumulated Deferred Inventory Return - Unit 1 (Memo Item):</u>	
26	Beginning Balance	152,762,888
27	+ Current Month Return on Beginning Balance	1,100,941
28	+ Current Month Deferral	0
29	- Current Month Recovery	70,697
30	= Ending Balance **	153,793,132

* 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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UNIT 1

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>August, 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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UNIT 1

August, 2014

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
1	500,502-508	Steam Power Generation - Operation	370,592
2	501	Fuel - Operation	10,565,208
3	510-515	Steam Power Generating - Maintenance	817,413
4		Total Steam Power Generation Expenses	11,753,214
5	555-557	Other Power Supply Expenses	14,566
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 - Operation	110,655
16	935	Administrative and General Expenses - Maintenance	1,730
17		Total Administrative & General Exp.	112,385
18		Total Operation & Maintenance Expenses	11,880,165

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

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**UNIT 1
August, 2014**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
	1 403	Depreciation Expense	1,636,978
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 Acquisition Adjustments	0
	5 407	Amortization of Property Losses, Unrecovered Plant and Regulatory Study Costs	0
	6	Total Depreciation Exp. & Amortization	1,640,321
			=====
	7 411.10	ARO Accretion Expense	16,874
	8	Total Depreciation, Amortization & Accretion Expenses	1,657,195

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

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UNIT 1

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>August, 2014</u>
BS1			
1	408.1	Taxes Other Than Federal Income Taxes, Utility Operating Income	139,595
2	409.1	State Income Taxes	(11,250)
3		Total Taxes Other than FIT	----- 128,345 =====

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

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>TOTAL</u>	<u>KPCO SHARE</u>	<u>I&M SHARE</u>
1		<u>Unit 1 Schedule `M' Adjustments*</u>			
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	559,259	167,778	391,481
5	***	Total Unit 1 Schedule `M' Adjustments	549,759	164,928	384,831
6		<u>Unit 1 Deferred Federal Income Tax</u>			
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' Adj.-Utility	(59,928)	(17,978)	(41,950)
12	***	Total Unit 1 Deferred Federal Income Tax	(39,128)	(11,738)	(27,391)

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

=====

=====

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

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**UNIT 1
August, 2014**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
1		<u>ELECTRIC PLANT IN SERVICE</u>	
2	101	Electric Plant In Service	656,936,138
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	3,676,872
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	660,613,009
12	105	Plant Held For Future Use	0
13		<u>ACCUMULATED DEPRECIATION</u>	
14	108	Accumulated Provision for Depreciation of Electric Utility Plant	443,379,467
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	443,851,245
20		<u>MATERIAL AND SUPPLIES</u>	
21	151	Fuel Stock	22,483,834
22	152	Fuel Stock Expenses - Undistributed	668,412
23	153	Residuals	0
24	154	Plant Materials and Operating Supplies	11,169,170
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)	34,321,416
29	165	Prepayments	0
30	186	Other Deferred Debits	0

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
OTHER WORKING CAPITAL, UNAMORTIZED DEBT EXPENSE
AND OTHER DEFERRED CREDITS**

<u>Line No.</u>	<u>Account No.</u>	<u>Description *</u>	<u>UNIT 1 August, 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	14,586,634
6	171	Interest and Dividends Receivable	0
7	174	Miscellaneous Current and Accrued Assets	0
8	232	Accounts Payable-General	(13,901)
9	234	Accounts Payable-Associated Company	(11,967,206)
10	236	Taxes Accrued	(6,913,126)
11	237	Interest Accrued	(284,454)
12	238	Dividends Declared	0
13	241	Tax Collections Payable	0
14	242	Misc Current and Accrued Liabilities	(3,268,841)

15		Total Other Working Capital	(7,860,894)
			=====
16	181	Unamortized Debt Expense	42,058

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
August, 2014

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
31		<u>ACCUMULATED DEFERRED INCOME TAXES</u>	
32	190	-Accumulated Deferred Income Taxes	2,661,978
33	281	+Accumulated Deferred Income Taxes - Accelerated Amortization Property	0
34	282	+Accumulated Deferred Income Taxes - Other Property	44,817,339
35	283	+Accumulated Deferred Income Taxes - Other	831,332
36		Total Accumulated Deferred Income Taxes (In-Service Portion)	----- 42,986,693 -----
37	255	+Accumulated Deferred Investment Tax Credits	12,122
38	186.50	-Accumulated Deferred Investment Tax Credit	0
39		Total Accumulated Deferred Investment Tax Credits	----- 12,122 -----
40		Total Net In-Service Investment - Unit 1	----- 200,265,530 =====

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

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**UNIT 1
August, 2014**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
		<u>Non-In-Service Investment - CWIP</u>	
1	107	Construction Work In Process	91,765,844
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		<u>ACCUMULATED DEFERRED INCOME TAXES</u>	
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	0
16		Total Accumulated Deferred Income Taxes (CWIP Portion)	----- 0
17		TOTAL NON-IN-SERVICE INVESTMENT - CWIP	----- 91,765,844 =====
		<u>Non-In-Service Investment - Other</u>	
18	105	Plant Held for Future Use	1,034,099
19	186	Other Deferred Debits	2,175,708
20	151.10	Fuel Inventory Over Allowed Level *	(8,364,309)
21		Total Non-In-Service Investment - Other	----- (5,154,501) =====
		* INCLUDES ROCKPORT 1 AND 2	
		UNIT 1	(8,364,309)
		UNIT 2	0
		TOTAL	----- (8,364,309) =====

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
DETAIL OF NET CAPITALIZATION**

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**UNIT 1
August, 2014**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
1		<u>COMMON CAPITAL STOCK</u>	
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		<u>OTHER PAID-IN CAPITAL</u>	
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		<u>RETAINED EARNINGS</u>	
18	215	Appropriated Retained Earnings	0
19	215.1	Appropriated Retained Earnings- Amortization Reserve, Federal	0
20	216	Unappropriated Retained Earnings	6,529,736
21		Total Retained Earnings	6,529,736
22		Total Common Equity	96,391,723
23		<u>PREFERRED CAPITAL STOCK</u>	
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
August, 2014**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
28		<u>LONG-TERM DEBT</u>	
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
		<u>SHORT-TERM DEBT</u>	
36a	231.02	Notes Payable (Short-Term Debt)	0
36b	231.03	Unamortized Discount	0
37	233.00	Notes Payable, Assoc Co(Money Pool)	71,488,210
38		Total Short-Term Debt	71,488,210
39		<u>TEMPORARY CASH INVESTMENTS</u>	
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	232,301,428

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

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**UNIT 1
August, 2014**

Line No.

1	<u>Capitalization Balances (Prior Month Ending) :</u>	
2	Long-Term Debt (Accts 221 thru 226)	64,421,495
3	+ Short-Term Debt (Accts 231 + 233)	71,488,210
4	+ Preferred Stock	0
5	+ Common Equity (Accts 201 thru 216)	96,391,723
6	- Capitalization Offsets	0

7	Total Capitalization Balances	232,301,428
		=====
8	<u>Weighting of Capitalization Balances :</u>	
9	Long-Term Debt (LTD/Total Capital)	27.7319%
10	+ Short-Term Debt (STD/Total Capital)	30.7739%
11	+ Preferred Stock	0.0000%
12	+ Common Equity (Common Equity/Total Capital)	41.4942%
13	- Capitalization Offsets	0.0000%

14	Total Capitalization	100.0000%
		=====
15	<u>Capitalization Cost Rates :</u>	
16	Long-Term Debt (avg LTD int rate)	2.3115%
17	Short-Term Debt (avg money pool STD int rate)	0.2661%
18	Preferred Stock	0.0000%
19	Common Equity (FERC fixed rate)	12.1600%
20	Capitalization Offsets (sum of weighted costs of debt)	1.2357%
21	<u>Rate of Return (Net of Tax) :</u>	
22	Long-Term Debt (LTD % x avg LTD int rate)	0.6410%
23	+ Short-Term Debt (STD % x avg MP STD int rate)	0.0819%
24	+ Preferred Stock	0.0000%
25	+ Common Equity (CE % x FERC fixed rate)	5.0457%
26	- Capitalization Offsets	0.0000%

27	Total Rate of Return (Net of Tax)	5.7686%
		=====
28	Weighted Net Cost of Debt	0.7229%
	(LTD Rate of Return + STD RR - Cap Offsets RR)	
29	+ Pre-Tax Common Equity (Line 25 / .65)	7.7626%
	(Common Equity Rate of Return grossed up for tax)	-----
30	= Rate of Return (Pre-Tax)	8.4855%
		=====

A E P GENERATING COMPANY

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

500	SUPERVISION AND ENGINEERING	141,276
501	FUEL	10,565,208
502	STEAM EXPENSES	56,599
503	STEAM FROM OTHER SOURCES	0
504	STEAM TRANSFERRED - CR	0
505	ELECTRIC EXPENSES	74,014
506	MISC. STEAM POWER EXPENSES	98,704
507	RENTS	0
508	OPERATION SUPPLIES AND EXPENSES	0
509	CARRYING CHARGES - ALLOWANCES	0

TOTAL OPERATION EXPENSE 10,935,801

510	MAINTENANCE SUPER. AND ENGINEERING	85,554
511	MAINTENANCE OF STRUCTURES	42,587
512	MAINTENANCE OF BOILER PLANT	353,093
513	MAINTENANCE OF ELECTRIC PLANT	303,662
514	MAINTENANCE OF MISC. STEAM PLANT	32,517
515	MAINTENANCE NORMALIZING	0

TOTAL MAINTENANCE EXPENSES 817,413

555	PURCHASED POWER	0
556	SYSTEM CONTROL AND LOAD DISPATCHING	865
557	OTHER POWER SUPPLY EXPENSES	13,702

TOTAL OTHER SUPPLY EXPENSES 14,566

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 8
 THIS BILLING IS FOR MONTH OF August, 2014

A E P GENERATING COMPANY

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	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
	TOTAL SALES EXPENSES	0
920	ADMIN. & GENERAL SALARIES	28,183
921	OFFICE SUPPLIES AND EXPENSES	6,543
922	ADMINISTRATIVE EXPENSES TRANSF - CR	(0)
923	OUTSIDE SERVICES	3,643
924	PROPERTY INSURANCE	6,427
925	INJURIES AND DAMAGES	2,350
926	EMPLOYEE PENSIONS AND BENEFITS	65,088
927	FRANCHISE REQUIREMENTS	0
928	REGULATORY COMMISSION	0
929	DUPLICATE CHARGES-CREDIT	0
930	MISCELLANEOUS GENERAL EXPENSES	(2,372)
931	RENTS	792
933	TRANSPORTATION EXPENSE	0
	TOTAL ADM & GEN EXPENSES OPERATION	110,655
935	MAINTENANCE OF GENERAL PLANT	1,730
	TOTAL ADM & GEN EXPENSES	112,385
	TOTAL AEG OPERATION & MAINTENANCE EXPENSES	11,880,165
	ACCOUNT 40190 TOTAL FOR CROSS FOOT	11,880,165
	-----DIFFERENCE-----	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
08-Sep-14

UNIT 2
POWER BILL - - August, 2014

IN ACCORDANCE WITH POWER AGREEMENT DATED OCTOBER 1, 1984 (AS AMENDED)
 ENERGY DELIVERED FOR THE MONTH OF August, 2014
 KWH FOR THE MONTH 222,009,000

SUMMARY

TOTAL

Current Month Bill:

Return on Common Equity	(116,140)
Return on Other Capital	(20,898)
Total Return	----- (137,038)
Fuel	5,970,657
Purchased Power	0
Other Operating Revenues	(6,125)
Other Operation and Maintenance Exp	4,783,420
Depreciation Expense	713,016
Taxes Other Than Federal Income Tax	95,898
Federal Income Tax	37,631
TOTAL CURRENT UNIT POWER BILL	----- 11,457,458 -----

Prior Month's Adjustment:

Return on Common Equity & Other Capital	0
Fuel Expense	0
Other Expenses (Includes taxes & interest)	(986)
TOTAL PRIOR MONTH'S ADJUSTMENTS	----- (986) -----

TOTAL UNIT POWER BILL	=====
	11,456,472
	=====

AMOUNTS WILL BE PAID DIRECT FROM GENERAL FUNDS.

DUE DATE - - August 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

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

ESTIMATE
08-Sep-14

UNIT 2
POWER BILL - - August, 2014

IN ACCORDANCE WITH POWER AGREEMENT DATED OCTOBER 1, 1984 (AS AMENDED)
 ENERGY DELIVERED FOR THE MONTH OF August, 2014
 KWH FOR THE MONTH 95,147,000

<u>SUMMARY</u>	<u>TOTAL</u>
Current Month Bill:	
Return on Common Equity	(49,775)
Return on Other Capital	(8,956)
Total Return	----- (58,731)
Fuel	2,558,853
Purchased Power	0
Other Operating Revenues	(2,625)
Other Operation and Maintenance Exp	2,050,037
Depreciation Expense	305,578
Taxes Other Than Federal Income Tax	41,099
Federal Income Tax	16,128
TOTAL CURRENT UNIT POWER BILL	----- 4,910,339 =====
Prior Month's Adjustment:	
Return on Common Equity & Other Capital	0
Fuel Expense	0
Other Expenses (Includes taxes & interest)	(423)
TOTAL PRIOR MONTH'S ADJUSTMENTS	----- (423) -----
TOTAL UNIT POWER BILL	----- 4,909,916 =====

AMOUNTS WILL BE PAID DIRECT FROM GENERAL FUNDS.

DUE DATE - - August 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
ROCKPORT POWER BILL
SUMMARY OF MONTHLY POWER BILL**

	TOTAL UNIT 2 POWER BILL	KPCO SHARE	I&M SHARE
Return on Common Equity	(165,915)	(49,775)	(116,140)
Return on Other Capital	(29,854)	(8,956)	(20,898)
Total Return	(195,769)	(58,731)	(137,038)
+ Fuel	8,529,509	2,558,853	5,970,657
+ Purchased Power	0	0	0
- Other Operating Revenues	(8,750)	(2,625)	(6,125)
+ Other Operation and Maintenance Exp	6,833,457	2,050,037	4,783,420
+ Depreciation Expense	1,018,594	305,578	713,016
+ Taxes Other Than Federal Income Tax	136,997	41,099	95,898
+ Federal and State Income Tax	53,759	16,128	37,631
= Total Unit 2 Monthly Power Bill	16,367,797	4,910,339	11,457,458
<u>Determination of Federal Income Tax :</u>			
Total Return (Line 3)	(195,769)	(58,731)	(137,038)
+ Unit 2 Schedule M Adjustments	(73,487)	(22,046)	(51,441)
+ Unit 2 Deferred Federal Income Taxes	118,511	35,553	82,958
- Unit 2 Interest Expense Deduction *	(30,493)	(9,148)	(21,345)
= Subtotal	(120,252)	(36,075)	(84,176)
x Gross-Up (FIT Rate / 1-FIT Rate)	0.538462	0.538462	0.538462
= Unit 2 Current Federal Income Tax	(64,751)	(19,425)	(45,326)
+ Unit 2 Def Fed & State Income Taxes	118,511	35,553	82,958
= Total Unit 2 Fed&State Income Taxes	53,759	16,128	37,631
<u>Proof of Federal Income Tax :</u>			
Total Unit 2 Monthly Power Bill	16,367,797	4,910,339	11,457,458
- Operation and Maintenance Expenses	15,362,966	4,608,890	10,754,077
- Depreciation Expense	1,018,594	305,578	713,016
- Taxes Other Than Federal Income Tax	136,997	41,099	95,898
- Unit 2 Interest Expense Deduction *	(30,493)	(9,148)	(21,345)
- Other Operating Revenues	(8,750)	(2,625)	(6,125)
= Pre-Tax Book Income	(111,517)	(33,455)	(78,062)
+ Unit 2 Schedule M Adjustments	(73,487)	(22,046)	(51,441)
= Unit 2 Taxable Income	(185,004)	(55,501)	(129,503)
x Current Federal Income Tax Rate	35%	35%	35%
= Unit 2 Current Federal Income Tax	(64,751)	(19,425)	(45,326)
+ Unit 2 Def Fed & State Income Taxes	118,511	35,553	82,958
= Total Unit 2 Fed&State Income Taxes	53,760	16,128	37,632

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

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

<u>Line No.</u>		<u>UNIT 2</u> <u>August, 2014</u>
1	Operating Ratio:	
2	<u>Net In-Service Investment:</u>	
3	Electric Plant In-Service	800,638,434
4	- Accumulated Depreciation	584,890,129
5	+ Materials & Supplies	60,329,556
6	+ Prepayments	0
7	+ Plant Held For Future Use (A/C 105) *	0
8	+ Other Deferred Debits (A/C 186) *	0
9	+ Other Working Capital ***	(17,868,061)
10	+ Unamortized Debt Expense (A/C 181)	84,116
11	+ Deferred ASH pond cost (A/C182.3)	2,808,841
12	- Asset Retirement Obligation (A/C 230)	4,536,869
13	- Other Deferred Credits (A/C 253)	46,516,180
14	- Accumulated Deferred FIT	36,750,872
15	- Accumulated Deferred ITC	16,428,699
16	Total Net In-Service Investment	156,870,138
17	<u>Non-In-Service Investment - CWIP :</u>	
18	Construction Work In Progress	91,765,844
19	+ Materials & Supplies	0
20	- Accumulated Deferred FIT	0
21	Total Non-In-Service Investment - CWIP	91,765,844
22	<u>Non-In-Service Investment - Other :</u>	
23	Plant Held for Future Use (A/C 105) **	0
24	+ Other Deferred Debits (A/C 186) **	2,175,708
25	+ Fuel Inventory Over Allowed Level ****	(8,529,104)
26	Total Non-In-Service Investment - Other	(6,353,396)
27	Total Investment (Lines 16+21+26)	242,282,587
28	Operating Ratio (Line 16/Line 27)	64.7468%
29	Non-In-Service Investment-CWIP Ratio (Line 21/Line 27)	37.8755%
30	Non-In-Service Investment-Other Ratio (Line 26/Line 27)	-2.6223%
31	Total Investment	100.0000%
	* 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	

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

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**Line
No.**

**UNIT 2
August, 2014**

1 Net In-Service Investment Ratio:

2 Unit 2 Net In-Service Investment:

3	Electric Plant In-Service	140,025,425
4	- Accumulated Depreciation	141,038,884
5	+ Materials & Supplies	26,008,140
6	+ Prepayments	0
7	+ Plant Held For Future Use (A/C 105) *	0
8	+ Other Deferred Debits (A/C 186) *	0
9	+ Other Working Capital **	(10,007,167)
10	+ Unamortized Debt Expense (A/C 181)	42,058
11	+ Deferred ASH pond cost (A/C182.3)	1,404,421
12	- Asset Retirement Obligation (A/C 230)	2,268,435
13	- Other Deferred Credits (A/C 253)	46,516,180
14	- Accumulated Deferred FIT	(6,235,821)
15	- Accumulated Deferred ITC	16,416,577
16	Total Unit 2 Net In-Service Investment	(42,531,378)

17 Unit 1 Net In-Service Investment:

18	Electric Plant In-Service	660,613,009
19	- Accumulated Depreciation	443,851,245
20	+ Materials & Supplies	34,321,416
21	+ Prepayments	0
22	+ Plant Held For Future Use (A/C 105) *	0
23	+ Other Deferred Debits (A/C 186) *	0
24	+ Other Working Capital **	(7,860,894)
25	+ Unamortized Debt Expense (A/C 181)	42,058
26	+ Deferred ASH pond cost (A/C182.3)	1,404,421
27	- Asset Retirement Obligation (A/C 230)	2,268,435
28	- Other Deferred Credits (A/C 253)	0
29	- Accumulated Deferred FIT	42,986,693
30	- Accumulated Deferred ITC	12,122
31	Total Unit 1 Net In-Service Investment	199,401,516

32 Total Net In-Service Investment 156,870,138

33 Net In-Service Investment Ratio:

34 Unit 2 (Line 16 / Line 32) -27.1100%

35 Unit 1 (Line 31 / Line 32) 127.1100%

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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<u>Line No.</u>		UNIT 2 August, 2014
1	Net Capitalization:	
2	Long-Term Debt	64,421,495
3	+ Short-Term Debt	71,488,210
4	+ Preferred Stock	0
5	+ Common Equity	96,391,723
6	- Temporary Cash Investments	0

7	Net Capitalization	232,301,428
		=====
8	40% of Net Capitalization	92,920,571
9	<u>Return on Common Equity:</u>	
10	Lesser of Line 5 or Line 8	92,920,571
11	x Equity Return (Monthly Rate)	1.01333%
12	= Equity Return	941,592
13	x Operating Ratio	64.7468%
14	x Net In-Service Investment Ratio	-27.1100%
15	= Subtotal	(165,276)
16	Excess of Line 5 Over Line 8	3,471,152
17	x Weighted Cost of Debt (Monthly Rate)	0.1049%
18	= Return on Equity over 40% of Capitalization	3,641
19	x Operating Ratio	64.7468%
20	x Net In-Service Investment Ratio	-27.1100%
21	= Subtotal	(639)

22	Unit 2 Return on Equity (Line 15 + Line 21)	(165,915)
		=====
23	<u>Return on Other Capital:</u>	
24	Long-Term Debt Interest Expense (A/C 427-429)	126,473
25	+ Short-Term Debt Interest Expense (a/c 430)	9,877
26	+ Other Interest Expense (a/c 431)	33,734
27	- Temporary Cash Investment Income *	0

28	= Net Interest Expense	170,083
29	+ Preferred Stock Dividends (a/c 437)	0

30	= Net Cost of Other Capital	170,083
31	x Operating Ratio	64.7468%
32	x Net In-Service Investment Ratio	-27.1100%
33	= Unit 2 Return on Other Capital	(29,854)
		=====

* 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 2
August, 2014**

1	Debt Balances (Prior Month Ending) :	
2	Long-Term Debt (Accts 221 thru 226)	64,421,495
3	+ Short-Term Debt (Accts 231 + 233)	71,488,210
4	+ Other Debt (Accts 132 thru 136 + 145)	0
5	Total Debt Balances (Prior Month Ending)	----- 135,909,705 =====
6	<u>Weighting of Debt Balances :</u>	
7	Long-Term Debt (LTD bal/Total Debt bal)	47.4002%
8	+ Short-Term Debt (STD bal/Total Debt bal)	52.5998%
9	+ Other Debt	0.0000%
10	Total Debt Balances	----- 100.0000% =====
11	<u>Debt Cost Rates :</u>	
12	Long-Term Debt (avg LTD int rate)	2.3115%
13	Short-Term Debt (avg Money Pool STD int rate)	0.2661%
14	Other Debt	0.0000%
15	<u>Weighted Cost of Debt :</u>	
16	Long-Term Debt (LTD % x avg LTD int rate)	1.0957%
17	+ Short-Term Debt (STD % x avg MP STD int rate)	0.1400%
18	+ Other Debt	0.0000%
19	Total Weighted Cost of Debt	----- 1.2357% =====

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

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UNIT 2

INCLUDE A/C 431 ON PG 5

<u>Line No.</u>		<u>August, 2014</u>
1	Unit 2 Materials and Supplies:	
2	Fuel Stock - Coal (per Line 23)	12,595,098
3	Fuel Stock Expenses - Undistributed (152)	668,412
4	Fuel Stock - Oil (151)	1,575,459
5	Plant Materials & Operating Supplies	11,169,170
6	Merchandise	0
7	Undistributed Stores Expense	0

8	Total Materials & Supplies	26,008,140
		=====
9	<u>Support of Coal Inventory Value:</u>	
10	Actual Coal Inventory (a/c 151.10)	12,430,303
11	+ Equivalent Inventory re: Deferred Return	1,016,761,043

12	= Imputed Coal Inventory	1,029,191,346

13	<u>Coal Inventory W/68 Day Supply Cap</u>	
14	Tons Consumed - CHANGE ANNUALLY FROM DEC PG 24	1,793,019
15	/ Hours Available * CHG ANNUALLY FROM GADS RPT 511	5871.3
16	= Tons Consumed per Hour	305.39
17	x 24 Hours per Day	24
18	= Tons Consumed Per Day	7329.36
19	x 68 days	68
20	= 68 day Supply (Tons)	498,396
21	x Coal Cost per Ton (per a/c 151.10 at End of Prior Month)	40.762

22	= 68 day Coal Inventory	20,315,618

23	Lesser of Imputed or Capped Coal Inventory	20,315,618

24	Imputed Inventory Minus Line 23	1,008,875,728
		=====
25	<u>Accumulated Deferred Inventory Return - Unit 2 (Memo Item):</u>	
26	Beginning Balance	7,275,226
27	+ Current Month Return on Beginning Balance	52,432
28	+ Current Month Deferral	67,720
29	- Current Month Recovery	0

30	= Ending Balance **	7,395,378
		=====
	* Excludes Forced Outages, Scheduled Outages, and Curtailments	
	** May Not Be Less Than Zero	
	Total Unit 2 Monthly Power Bill with Actual	17,576,085
	Total Unit 2 Monthly Power Bill with 68 Day Capped	17,643,805
	Difference	67,720

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
DETAIL OF OTHER OPERATING REVENUES**

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**UNIT 2
August, 2014**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>August, 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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UNIT 2

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>August, 2014</u>
1	500,502-508	Steam Power Generation - Operation	6,068,858
2	501	Fuel - Operation	8,529,509
3	510-515	Steam Power Generating - Maintenance	609,153
4		Total Steam Power Generation Expenses	15,207,521
5	555-557	Other Power Supply Expenses	14,566
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 Expensese	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	139,149
16	935	Administrative and General Expenses - Maintenance	1,730
17		Total Administrative & General Exp.	140,879
18		Total Operation & Maintenance Expenses	15,362,966

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

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**UNIT 2
August, 2014**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
1	403	Depreciation Expense *	443,650
1a	403.1	ARO Depreciation Expense	3,343
2	404	Amortization of Limited-Term Electric Plant **	554,727
3	405	Amortization of Other Electric Plant	0
4	406	Amortization of Electric Plant Acquisition Adjustments	0
5	407	Amortization of Property Losses, Unrecovered Plant and Regulatory Study Costs	0
			-
6		Total Depreciation Exp. & Amortization	1,001,720
			=
7	411.10	ARO Accretion Expense	16,874
8		Total Depreciation, Amortization & Accretion Expenses	1,018,594

* 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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**UNIT 2
August, 2014**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
1	408.1	Taxes Other Than Federal Income Taxes, Utility Operating Income	148,247
2	409.1	State Income Taxes	(11,250)
3		Total Taxes Other than Federal Income Taxes	----- 136,997 =====

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

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>TOTAL</u>	<u>KPCO SHARE</u>	<u>I&M SHARE</u>
1		<u>Unit 2 Schedule `M' Adjustments*</u>			
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	(454,987)	(136,496)	(318,491)
5	***	Total Unit 2 Schedule `M' Adjustments	(73,487)	(22,046)	(51,441)
			=====	=====	=====
6		<u>Unit 2 Deferred Federal Income Tax</u>			
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' Adj.-Utility	164,827	49,448	115,379
			-----	-----	-----
12	***	Total Unit 2 Deferred Federal Income Tax	118,511	35,553	82,958
			=====	=====	=====

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

Check Figure on Tax Page for Sch M (73,487)
Check Figure on Tax Page for DFIT 118,511

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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**UNIT 2
August, 2014**

Line No.	Account No.	Description	
1		<u>ELECTRIC PLANT IN SERVICE</u>	
2	101	Electric Plant In Service	137,371,914
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	2,653,511
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	140,025,425
12	105	Plant Held For Future Use	0
13		<u>ACCUMULATED DEPRECIATION</u>	
14	108	Accumulated Provision for Depreciation of Electric Utility Plant	115,534,676
15	110	Accumulated Provision for Depreciation and Amort. of Elec. Utility Plant	0
16	111	Accumulated Provision for Amortization of Electric Utility Plant	25,504,208
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	141,038,884
20		<u>MATERIAL AND SUPPLIES</u>	
21	151	Fuel Stock	14,170,557
22	152	Fuel Stock Expenses - Undistributed	668,412
23	153	Residuals	0
24	154	Plant Materials and Operating Supplies	11,169,170
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)	26,008,140
29	165	Prepayments	0
30	186	Other Deferred Debits	0

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
OTHER WORKING CAPITAL, UNAMORTIZED DEBT EXPENSE
AND OTHER DEFERRED CREDITS**

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<u>Line No.</u>	<u>Account No.</u>	<u>Description *</u>	UNIT 2 August, 2014
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	14,908,459
6	171	Interest and Dividends Receivable	0
7	174	Miscellaneous Current and Accrued Assets	0
8	232	Accounts Payable-General	(13,901)
9	234	Accounts Payable-Associated Company	(11,907,204)
10	236	Taxes Accrued	(4,532,703)
11	237	Interest Accrued	(284,454)
12	238	Dividends Declared	0
13	241	Tax Collections Payable	0
14	242	Misc Current and Accrued Liabilities	(8,177,363)

15		Total Other Working Capital	(10,007,167)
			=====
16	181	Unamortized Debt Expense	42,058

17	253	Other Deferred Credits	46,516,180

*		debit <credit>	

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

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UNIT 2
August, 2014

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
31		ACCUMULATED DEFERRED INCOME TAXES	
32	190	-Accumulated Deferred Income Taxes	20,178,415
33	281	+Accumulated Deferred Income Taxes - Accelerated Amortization Property	0
34	282	+Accumulated Deferred Income Taxes - Other Property	13,008,028
35	283	+Accumulated Deferred Income Taxes - Other	934,566
36		Total Accumulated Deferred Income Taxes (In-Service Portion)	----- (6,235,821) -----
37	255	+Accumulated Deferred Investment Tax Credits	16,416,577
38	186.50	-Accumulated Deferred Investment Tax Credit	0
39		Total Accumulated Deferred Investment Tax Credits	----- 16,416,577 -----
40		Total Net In-Service Investment - Unit 2	----- (41,667,364) =====

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

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**UNIT 2
August, 2014**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
		<u>Non-In-Service Investment - CWIP</u>	
1	107	Construction Work In Process	91,765,844
2		<u>MATERIAL AND SUPPLIES</u>	
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		<u>ACCUMULATED DEFERRED INCOME TAXES</u>	
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	0
16		Total Accumulated Deferred Income Taxes (CWIP Portion)	----- 0
17		TOTAL NON-IN-SERVICE INVESTMENT - CWIP	----- 91,765,844 =====
		<u>Non-In-Service Investment - Other</u>	
18	105	Plant Held for Future Use	0
19	186	Other Deferred Debits	2,175,708
20	151.10	Fuel Inventory Over Allowed Level *	(8,529,104)
21		Total Non-In-Service Investment - Other	----- (6,353,396) =====
		* INCLUDES ROCKPORT 1 AND 2	
		UNIT 1	(8,364,309)
		UNIT 2	(164,795)
		TOTAL	----- (8,529,104) =====

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
DETAIL OF NET CAPITALIZATION**

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**UNIT 3
August, 2014**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
1		<u>COMMON CAPITAL STOCK</u>	
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		<u>OTHER PAID-IN CAPITAL</u>	
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		<u>RETAINED EARNINGS</u>	
18	215	Appropriated Retained Earnings	0
19	215.1	Appropriated Retained Earnings- Amortization Reserve, Federal	0
20	216	Unappropriated Retained Earnings	6,529,736
21		Total Retained Earnings	6,529,736
22		Total Common Equity	96,391,723
23		<u>PREFERRED CAPITAL STOCK</u>	
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
August, 2014**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
28		<u>LONG-TERM DEBT</u>	
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
		<u>SHORT-TERM DEBT</u>	
36a	231.02	Notes Payable (Short-Term Debt)	0
36b	231.03	Unamortized Discount	0
	233.00	Notes Payable, Assoc Co(Money Pool)	71,488,210
38		Total Short-Term Debt	71,488,210
39		<u>TEMPORARY CASH INVESTMENTS</u>	
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	232,301,428

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

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<u>Line No.</u>		UNIT 2 August, 2014
1	Capitalization Balances (Prior Month Ending) :	
2	Long-Term Debt (Accts 221 thru 226)	64,421,495
3	+ Short-Term Debt (Accts 231 + 233)	71,488,210
4	+ Preferred Stock	0
5	+ Common Equity (Accts 201 thru 216)	96,391,723
6	- Capitalization Offsets	0

7	Total Capitalization Balances	232,301,428
		=====
8	<u>Weighting of Capitalization Balances :</u>	
9	Long-Term Debt (LTD/Total Capital)	27.7319%
10	+ Short-Term Debt (STD/Total Capital)	30.7739%
11	+ Preferred Stock	0.0000%
12	+ Common Equity (Common Equity/Total Capital)	41.4942%
13	- Capitalization Offsets	0.0000%

14	Total Capitalization	100.0000%
		=====
15	<u>Capitalization Cost Rates :</u>	
16	Long-Term Debt (avg LTD int rate)	2.3115%
17	Short-Term Debt (avg money pool STD int rate)	0.2661%
18	Preferred Stock	0.0000%
19	Common Equity (FERC fixed rate)	12.1600%
20	Capitalization Offsets (sum of weighted costs of debt)	1.2357%
21	<u>Rate of Return (Net of Tax) :</u>	
22	Long-Term Debt (LTD % x avg LTD int rate)	0.6410%
23	+ Short-Term Debt (STD % x avg MP STD int rate)	0.0819%
24	+ Preferred Stock	0.0000%
25	+ Common Equity (CE % x FERC fixed rate)	5.0457%
26	- Capitalization Offsets	0.0000%

27	Total Rate of Return (Net of Tax)	5.7686%
		=====
28	Weighted Net Cost of Debt	0.7229%
	(LTD Rate of Return + STD RR - Cap Offsets RR)	
29	+ Pre-Tax Common Equity (Line 25 / .65)	7.7626%
	(Common Equity Rate of Return grossed up for tax)	-----
30	= Rate of Return (Pre-Tax)	8.4855%
		=====

A E P GENERATING COMPANY

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

500	SUPERVISION AND ENGINEERING	140,540
501	FUEL	8,529,509
502	STEAM EXPENSES	57,603
503	STEAM FROM OTHER SOURCES	0
504	STEAM TRANSFERRED - CR	0
505	ELECTRIC EXPENSES	64,068
506	MISC. STEAM POWER EXPENSES	116,395
507	RENTS	5,690,253
508	OPERATION SUPPLIES AND EXPENSES	0
509	CARRYING CHARGES - ALLOWANCES	0
	TOTAL OPERATION EXPENSE	14,598,368
510	MAINTENANCE SUPER. AND ENGINEERING	83,665
511	MAINTENANCE OF STRUCTURES	12,419
512	MAINTENANCE OF BOILER PLANT	451,116
513	MAINTENANCE OF ELECTRIC PLANT	41,371
514	MAINTENANCE OF MISC. STEAM PLANT	20,583
515	MAINTENANCE NORMALIZING	0
	TOTAL MAINTENANCE EXPENSES	609,153
555	PURCHASED POWER	0
556	SYSTEM CONTROL AND LOAD DISPATCHING	865
557	OTHER POWER SUPPLY EXPENSES	13,702
	TOTAL OTHER SUPPLY EXPENSES	14,566

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	8
THIS BILLING IS FOR MONTH OF	August, 2014

A E P GENERATING COMPANY

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

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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 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	32,524
921	OFFICE SUPPLIES AND EXPENSES	6,568
922	ADMINISTRATIVE EXPENSES TRANSF - CR	(0)
923	OUTSIDE SERVICES	27,771
924	PROPERTY INSURANCE	6,427
925	INJURIES AND DAMAGES	2,350
926	EMPLOYEE PENSIONS AND BENEFITS	65,088
927	FRANCHISE REQUIREMENTS	0
928	REGULATORY COMMISSION	0
929	DUPLICATE CHARGES-CREDIT	0
930	MISCELLANEOUS GENERAL EXPENSES	(2,372)
931	RENTS	792
933	TRANSPORTATION EXPENSE	0
	TOTAL ADM & GEN EXPENSES OPERATION	139,149
935	MAINTENANCE OF GENERAL PLANT	1,730
	TOTAL ADM & GEN EXPENSES	140,879
	TOTAL AEG OPERATION & MAINTENANCE EXPENSES	15,362,966
	ACCOUNT 40190 TOTAL FOR CROSS FOOT	15,362,966
	-----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
06-Oct-14

UNIT 1
POWER BILL - - September, 2014

IN ACCORDANCE WITH POWER AGREEMENT DATED OCTOBER 1, 1984 (AS AMENDED)
 ENERGY DELIVERED FOR THE MONTH OF September, 2014
 KWH FOR THE MONTH 114,532,351

SUMMARY

TOTAL

Current Month Bill:

Return on Common Equity	230,021
Return on Other Capital	80,993
Total Return	----- 311,014
Fuel	2,489,039
Purchased Power	0
Other Operating Revenues	(2,625)
Other Operation and Maintenance Exp	460,279
Depreciation Expense	497,222
Taxes Other Than Federal Income Tax	415,373
Federal Income Tax	508,722
TOTAL CURRENT UNIT POWER BILL	----- 4,679,024 -----

Prior Month's Adjustment:

Return on Common Equity & Other Capital	0
Fuel Expense	0
Other Expenses (Includes taxes & interest)	47,269

 TOTAL PRIOR MONTH'S ADJUSTMENTS 47,269

=====

TOTAL UNIT POWER BILL 4,726,293

=====

AMOUNTS WILL BE PAID DIRECT FROM GENERAL FUNDS.

DUE DATE - - - October 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
 Diane Keegan - Columbus

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-Oct-14

UNIT 1
POWER BILL - - September, 2014

IN ACCORDANCE WITH POWER AGREEMENT DATED OCTOBER 1, 1984 (AS AMENDED)
 ENERGY DELIVERED FOR THE MONTH OF September, 2014
 KWH FOR THE MONTH 267,242,156

SUMMARY

TOTAL

Current Month Bill:

Return on Common Equity	536,714
Return on Other Capital	188,984
Total Return	----- 725,698
Fuel	5,807,758
Purchased Power	0
Other Operating Revenues	(6,125)
Other Operation and Maintenance Exp	1,073,986
Depreciation Expense	1,160,183
Taxes Other Than Federal Income Tax	969,204
Federal Income Tax	1,187,014
TOTAL UNIT POWER BILL	----- 10,917,718 -----

Prior Month's Adjustment:

Return on Common Equity & Other Capital	0
Fuel	0
Other Expenses (Includes taxes & interest)	110,296

TOTAL PRIOR MONTH'S ADJUSTMENTS 110,296

=====

TOTAL UNIT POWER BILL 11,028,014

=====

AMOUNTS WILL BE PAID DIRECT FROM GENERAL FUNDS.

DUE DATE - - - October 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

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
SUMMARY OF MONTHLY POWER BILL**

September, 2014

	<u>TOTAL UNIT 1 POWER BILL</u>	<u>KPCO SHARE</u>	<u>I&M SHARE</u>
Return on Common Equity	766,735	230,021	536,714
Return on Other Capital	269,977	80,993	188,984
Total Return	1,036,712	311,014	725,698
+ Fuel	8,296,798	2,489,039	5,807,758
+ Purchased Power	0	0	0
- Other Operating Revenues	(8,750)	(2,625)	(6,125)
+ Other Operation and Maintenance Exp	1,534,265	460,279	1,073,986
+ Depreciation Expense	1,657,405	497,222	1,160,183
+ Taxes Other Than Federal Income Tax	1,384,577	415,373	969,204
+ Federal and State Income Tax	665,736	199,722	466,014
= Total Unit 1 Monthly Power Bill	14,566,742	4,370,024	10,196,718
<u>Determination of Federal Income Tax :</u>			
Total Return (Line 3)	1,036,712	311,014	725,698
+ Unit 1 Schedule M Adjustments	1,876,323	562,897	1,313,426
+ Unit 1 Deferred Federal Income Taxes	(490,710)	(147,213)	(343,498)
- Unit 1 Interest Expense Deduction *	274,638	82,391	192,247
= Subtotal	2,147,686	644,307	1,503,379
x Gross-Up (FIT Rate / 1-FIT Rate)	0.538462	0.538462	0.538462
= Unit 1 Current Federal Income Tax	1,156,447	346,935	809,512
+ Unit 1 Def Fed & State Income Taxes	(490,710)	(147,213)	(343,498)
= Total Unit 1 Fed&State Income Taxes	665,736	199,722	466,014
<u>Proof of Federal Income Tax :</u>			
Total Unit 1 Monthly Power Bill	14,566,742	4,370,024	10,196,718
- Operation and Maintenance Expenses	9,831,062	2,949,318	6,881,744
- Depreciation Expense	1,657,405	497,222	1,160,183
- Taxes Other Than Federal Income Tax	1,384,577	415,373	969,204
- Unit 1 Interest Expense Deduction *	274,638	82,391	192,247
- Other Operating Revenues	(8,750)	(2,625)	(6,125)
= Pre-Tax Book Income	1,427,810	428,345	999,465
+ Unit 1 Schedule M Adjustments	1,876,323	562,897	1,313,426
= Unit 1 Taxable Income	3,304,133	991,242	2,312,891
x Current Federal Income Tax Rate	35%	35%	35%
= Unit 1 Current Federal Income Tax	1,156,447	346,935	809,512
+ Unit 1 Def Fed & State Income Taxes	(490,711)	(147,213)	(343,498)
= Total Unit 1 Fed&State Income Taxes	665,736	199,722	466,014

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

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<u>Line No.</u>	<u>UNIT 1</u> <u>September, 2014</u>
1	<u>Operating Ratio:</u>
2	<u>Net In-Service Investment:</u>
3	Electric Plant In-Service 800,682,237
4	- Accumulated Depreciation 587,243,058
5	+ Materials & Supplies 58,116,118
6	+ Prepayments 0
7	+ Plant Held For Future Use (A/C 105) * 0
8	+ Other Deferred Debits (A/C 186) * 0
9	+ Other Working Capital *** (23,981,106)
10	+ Unamortized Debt Expense (A/C 181) 83,814
11	+ Deferred ASH pond cost (A/C182.3) 2,801,017
12	- Asset Retirement Obligation (A/C 230) 4,565,763
13	- Other Deferred Credits (A/C 253) 46,051,934
14	- Accumulated Deferred FIT 36,876,566
15	- Accumulated Deferred ITC 16,264,298
16	Total Net In-Service Investment 146,700,461
17	<u>Non-In-Service Investment - CWIP :</u>
18	Construction Work In Progress 95,482,580
19	+ Materials & Supplies 0
20	- Accumulated Deferred FIT 0
21	Total Non-In-Service Investment - CWIP 95,482,580
22	<u>Non-In-Service Investment - Other :</u>
23	Plant Held for Future Use (A/C 105) ** 1,034,099
24	+ Other Deferred Debits (A/C 186) ** 1,921,450
25	+ Fuel Inventory Over Allowed Level **** (8,570,474)
26	Total Non-In-Service Investment - Other (5,614,925)
27	Total Investment (Lines 16+21+26) 236,568,116
28	Operating Ratio (Line 16/Line 27) 62.0119%
29	Non-In-Service Investment-CWIP Ratio (Line 21/Line 27) 40.3616%
30	Non-In-Service Investment-Other Ratio (Line 26/Line 27) -2.3735%
31	Total Investment 100.0000%
*	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
****	Includes Rockport 1 and 2

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

<u>Line No.</u>	<u>UNIT 1</u> <u>September, 2014</u>	
1	<u>Net In-Service Investment Ratio:</u>	
2	Unit 1 Net In-Service Investment:	
3	Electric Plant In-Service	660,619,706
4	- Accumulated Depreciation	445,243,738
5	+ Materials & Supplies	33,343,296
6	+ Prepayments	0
7	+ Plant Held For Future Use (A/C 105) *	0
8	+ Other Deferred Debits (A/C 186) *	0
9	+ Other Working Capital **	(7,840,167)
10	+ Unamortized Debt Expense (A/C 181)	41,907
11	+ Deferred ASH pond cost (A/C182.3)	1,400,509
12	- Asset Retirement Obligation (A/C 230)	2,282,881
13	- Other Deferred Credits (A/C 253)	0
14	- Accumulated Deferred FIT	42,966,666
15	- Accumulated Deferred ITC	11,886
16	Total Unit 1 Net In-Service Investment	----- 197,060,078 -----
17	Unit 2 Net In-Service Investment:	
18	Electric Plant In-Service	140,062,532
19	- Accumulated Depreciation	141,999,320
20	+ Materials & Supplies	24,772,822
21	+ Prepayments	0
22	+ Plant Held For Future Use (A/C 105) *	0
23	+ Other Deferred Debits (A/C 186) *	0
24	+ Other Working Capital **	(16,140,939)
25	+ Unamortized Debt Expense (A/C 181)	41,907
26	+ Deferred ASH pond cost (A/C182.3)	1,400,509
27	- Asset Retirement Obligation (A/C 230)	2,282,881
28	- Other Deferred Credits (A/C 253)	46,051,934
29	- Accumulated Deferred FIT	(6,090,100)
30	- Accumulated Deferred ITC	16,252,412
31	Total Unit 2 Net In-Service Investment	----- (50,359,617) -----
32	Total Net In-Service Investment	----- 146,700,461 =====
33	<u>Net In-Service Investment Ratio:</u>	
34	Unit 1 (Line 16 / Line 32)	134.3300%
35	Unit 2 (Line 31 / Line 32)	-34.3300%
		----- 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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<u>Line No.</u>		<u>UNIT 1 September, 2014</u>
1	<u>Net Capitalization:</u>	
2	Long-Term Debt	64,421,495
3	+ Short-Term Debt	66,066,514
4	+ Preferred Stock	0
5	+ Common Equity	95,215,388
6	- Temporary Cash Investments	0
7	Net Capitalization	----- 225,703,397 =====
8	40% of Net Capitalization	90,281,359
9	<u>Return on Common Equity:</u>	
10	Lesser of Line 5 or Line 8	90,281,359
11	x Equity Return (Monthly Rate)	1.01333%
12	= Equity Return	914,848
13	x Operating Ratio	62.0119%
14	x Net In-Service Investment Ratio	134.3300%
15	= Subtotal	762,074
16	Excess of Line 5 Over Line 8	4,934,029
17	x Weighted Cost of Debt (Monthly Rate)	0.1134%
18	= Return on Equity over 40% of Capitalization	5,595
19	x Operating Ratio	62.0119%
20	x Net In-Service Investment Ratio	134.3300%
21	= Subtotal	----- 4,661 =====
22	Unit 1 Return on Equity (Line 15 + Line 21)	766,735
23	<u>Return on Other Capital:</u>	
24	Long-Term Debt Interest Expense (A/C 427-429)	133,304
25	+ Short-Term Debt Interest Expense (a/c 430)	6,772
26	+ Other Interest Expense (a/c 431)	184,024
27	- Temporary Cash Investment Income *	0
28	= Net Interest Expense	----- 324,100
29	+ Preferred Stock Dividends (a/c 437)	0
30	= Net Cost of Other Capital	----- 324,100
31	x Operating Ratio	62.0119%
32	x Net In-Service Investment Ratio	134.3300%
33	= Unit 1 Return on Other Capital	269,977
	* 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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<u>Line No.</u>	<u>UNIT 1</u>	<u>September, 2014</u>
1	<u>Debt Balances (Prior Month Ending) :</u>	
2	Long-Term Debt (Accts 221 thru 226)	64,421,495
3	+ Short-Term Debt (Accts 231 + 233)	66,066,514
4	+ Other Debt (Accts 132 thru 136 + 145)	0

5	Total Debt Balances (Prior Month Ending)	130,488,009
		=====
6	<u>Weighting of Debt Balances :</u>	
7	Long-Term Debt (LTD bal/Total Debt bal)	49.3697%
8	+ Short-Term Debt (STD bal/Total Debt bal)	50.6303%
9	+ Other Debt	0.0000%

10	Total Debt Balances	100.0000%
		=====
11	<u>Debt Cost Rates :</u>	
12	Long-Term Debt (avg LTD int rate)	2.5176%
13	Short-Term Debt (avg Money Pool STD int rate)	0.2691%
14	Other Debt	0.0000%
15	<u>Weighted Cost of Debt :</u>	
16	Long-Term Debt (LTD % x avg LTD int rate)	1.2429%
17	+ Short-Term Debt (STD % x avg MP STD int rate)	0.1362%
18	+ Other Debt	0.0000%

19	Total Weighted Cost of Debt	1.3791%
		=====

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

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UNIT 1

<u>Line No.</u>		<u>September, 2014</u>
1	<u>Unit 1 Materials and Supplies:</u>	
2	Fuel Stock - Coal (per Line 23)	20,005,415
3	Fuel Stock Expenses - Undistributed (152)	511,927
4	Fuel Stock - Oil (151)	1,633,442
5	Plant Materials & Operating Supplies	11,192,512
6	Merchandise	0
7	Undistributed Stores Expense	0
8	Total Materials & Supplies	33,343,296
9	<u>Support of Coal Inventory Value:</u>	
10	Actual Coal Inventory (a/c 151.10)	11,434,941
11	+ Equivalent Inventory re: Deferred Return	21,687,498,252
12	= Imputed Coal Inventory	21,698,933,193
13	<u>Coal Inventory W/68 Day Supply Cap</u>	
14	Tons Consumed - CHANGE ANNUALLY FROM DEC PG 24	2,573,388
15	/ Hours Available * CHG ANNUALLY FROM GADS RPT 511	8232.6
16	= Tons Consumed per Hour	312.59
17	x 24 Hours per Day	24
18	= Tons Consumed Per Day	7502.16
19	x 68 days	68
20	= 68 day Supply (Tons)	510,147
21	x Coal Cost per Ton (per a/c 151.10 at End of Prior Month)	39.215
22	= 68 day Coal Inventory	20,005,415
23	Lesser of Imputed or Capped Coal Inventory	20,005,415
24	Imputed Inventory Minus Line 23	21,678,927,778
25	<u>Accumulated Deferred Inventory Return - Unit 1 (Memo Item):</u>	
26	Beginning Balance	153,793,132
27	+ Current Month Return on Beginning Balance	1,098,386
28	+ Current Month Deferral	0
29	- Current Month Recovery	62,179
30	= Ending Balance **	154,829,339

* 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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UNIT 1

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>September, 201</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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UNIT 1

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>September, 2014</u>
1	500,502-508	Steam Power Generation - Operation	420,597
2	501	Fuel - Operation	8,296,798
3	510-515	Steam Power Generating - Maintenance	933,603
4		Total Steam Power Generation Expenses	9,650,997
5	555-557	Other Power Supply Expenses	(15,008)
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 - Operation	189,117
16	935	Administrative and General Expenses - Maintenance	5,956
17		Total Administrative & General Exp.	195,073
18		Total Operation & Maintenance Expenses	9,831,062

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

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UNIT 1

September, 2014

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
	1 403	Depreciation Expense	1,637,093
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 Acquisition Adjustments	0
	5 407	Amortization of Property Losses, Unrecovered Plant and Regulatory Study Costs	0
	6	Total Depreciation Exp. & Amortization	1,640,436
			=====
	7 411.10	ARO Accretion Expense	16,969
	8	Total Depreciation, Amortization & Accretion Expenses	1,657,405

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

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UNIT 1

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>September, 2014</u>
BS1			
1	408.1	Taxes Other Than Federal Income Taxes, Utility Operating Income	134,577
2	409.1	State Income Taxes	1,250,000
3		Total Taxes Other than FIT	----- 1,384,577 =====

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

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<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>TOTAL</u>	<u>KPCO SHARE</u>	<u>I&M SHARE</u>
1		<u>Unit 1 Schedule `M' Adjustments*</u>			
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	1,885,823	565,747	1,320,076
5	***	Total Unit 1 Schedule `M' Adjustments	1,876,323	562,897	1,313,426
			=====	=====	=====
6		<u>Unit 1 Deferred Federal Income Tax</u>			
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' Adj.-Utility	(511,510)	(153,453)	(358,057)
			-----	-----	-----
12	***	Total Unit 1 Deferred Federal Income Tax	(490,710)	(147,213)	(343,498)
			=====	=====	=====

*** 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
September, 2014**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
1		<u>ELECTRIC PLANT IN SERVICE</u>	
2	101	Electric Plant In Service	657,101,092
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	3,518,613
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	660,619,706
12	105	Plant Held For Future Use	0
13		<u>ACCUMULATED DEPRECIATION</u>	
14	108	Accumulated Provision for Depreciation of Electric Utility Plant	444,771,960
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	445,243,738
20		<u>MATERIAL AND SUPPLIES</u>	
21	151	Fuel Stock	21,638,857
22	152	Fuel Stock Expenses - Undistributed	511,927
23	153	Residuals	0
24	154	Plant Materials and Operating Supplies	11,192,512
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)	33,343,296
29	165	Prepayments	0
30	186	Other Deferred Debits	0

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
OTHER WORKING CAPITAL, UNAMORTIZED DEBT EXPENSE
AND OTHER DEFERRED CREDITS**

<u>Line No.</u>	<u>Account No.</u>	<u>Description *</u>	<u>UNIT 1 September, 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	15,055,056
6	171	Interest and Dividends Receivable	0
7	174	Miscellaneous Current and Accrued Assets	0
8	232	Accounts Payable-General	(26,477)
9	234	Accounts Payable-Associated Company	(12,191,199)
10	236	Taxes Accrued	(7,239,748)
11	237	Interest Accrued	(321,947)
12	238	Dividends Declared	0
13	241	Tax Collections Payable	0
14	242	Misc Current and Accrued Liabilities	(3,115,852)

15		Total Other Working Capital	(7,840,167)
			=====
16	181	Unamortized Debt Expense	41,907

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
September, 2014**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
31		<u>ACCUMULATED DEFERRED INCOME TAXES</u>	
32	190	-Accumulated Deferred Income Taxes	2,672,569
33	281	+Accumulated Deferred Income Taxes - Accelerated Amortization Property	0
34	282	+Accumulated Deferred Income Taxes - Other Property	44,812,772
35	283	+Accumulated Deferred Income Taxes - Other	826,463
36		Total Accumulated Deferred Income Taxes (In-Service Portion)	----- 42,966,666 -----
37	255	+Accumulated Deferred Investment Tax Credits	11,886
38	186.50	-Accumulated Deferred Investment Tax Credit	0
39		Total Accumulated Deferred Investment Tax Credits	----- 11,886 -----
40		Total Net In-Service Investment - Unit 1	----- 197,942,451 =====

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

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**UNIT 1
September, 2014**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
		<u>Non-In-Service Investment - CWIP</u>	
1	107	Construction Work In Process	95,482,580
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		<u>ACCUMULATED DEFERRED INCOME TAXES</u>	
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	0
16		Total Accumulated Deferred Income Taxes (CWIP Portion)	----- 0
17		TOTAL NON-IN-SERVICE INVESTMENT - CWIP	----- 95,482,580 =====
		<u>Non-In-Service Investment - Other</u>	
18	105	Plant Held for Future Use	1,034,099
19	186	Other Deferred Debits	1,921,450
20	151.10	Fuel Inventory Over Allowed Level *	(8,570,474)
21		Total Non-In-Service Investment - Other	----- (5,614,925) =====
		* INCLUDES ROCKPORT 1 AND 2	
		UNIT 1	(8,570,474)
		UNIT 2	0
		TOTAL	----- (8,570,474) =====

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
DETAIL OF NET CAPITALIZATION**

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<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
1		<u>COMMON CAPITAL STOCK</u>	
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		<u>OTHER PAID-IN CAPITAL</u>	
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		<u>RETAINED EARNINGS</u>	
18	215	Appropriated Retained Earnings	0
19	215.1	Appropriated Retained Earnings- Amortization Reserve, Federal	0
20	216	Unappropriated Retained Earnings	5,353,401
21		Total Retained Earnings	5,353,401
22		Total Common Equity	95,215,388
23		<u>PREFERRED CAPITAL STOCK</u>	
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
September, 2014**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
28		<u>LONG-TERM DEBT</u>	
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
		<u>SHORT-TERM DEBT</u>	
36a	231.02	Notes Payable (Short-Term Debt)	0
36b	231.03	Unamortized Discount	0
37	233.00	Notes Payable, Assoc Co(Money Pool)	66,066,514
38		Total Short-Term Debt	66,066,514
39		<u>TEMPORARY CASH INVESTMENTS</u>	
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	225,703,397

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

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**UNIT 1
September, 2014**

Line No.

1	<u>Capitalization Balances (Prior Month Ending) :</u>	
2	Long-Term Debt (Accts 221 thru 226)	64,421,495
3	+ Short-Term Debt (Accts 231 + 233)	66,066,514
4	+ Preferred Stock	0
5	+ Common Equity (Accts 201 thru 216)	95,215,388
6	- Capitalization Offsets	0

7	Total Capitalization Balances	225,703,397
		=====
8	<u>Weighting of Capitalization Balances :</u>	
9	Long-Term Debt (LTD/Total Capital)	28.5425%
10	+ Short-Term Debt (STD/Total Capital)	29.2714%
11	+ Preferred Stock	0.0000%
12	+ Common Equity (Common Equity/Total Capital)	42.1861%
13	- Capitalization Offsets	0.0000%

14	Total Capitalization	100.0000%
		=====
15	<u>Capitalization Cost Rates :</u>	
16	Long-Term Debt (avg LTD int rate)	2.5176%
17	Short-Term Debt (avg money pool STD int rate)	0.2691%
18	Preferred Stock	0.0000%
19	Common Equity (FERC fixed rate)	12.1600%
20	Capitalization Offsets (sum of weighted costs of debt)	1.3791%
21	<u>Rate of Return (Net of Tax) :</u>	
22	Long-Term Debt (LTD % x avg LTD int rate)	0.7186%
23	+ Short-Term Debt (STD % x avg MP STD int rate)	0.0788%
24	+ Preferred Stock	0.0000%
25	+ Common Equity (CE % x FERC fixed rate)	5.1298%
26	- Capitalization Offsets	0.0000%

27	Total Rate of Return (Net of Tax)	5.9272%
		=====
28	Weighted Net Cost of Debt	0.7974%
	(LTD Rate of Return + STD RR - Cap Offsets RR)	
29	+ Pre-Tax Common Equity (Line 25 / .65)	7.8920%
	(Common Equity Rate of Return grossed up for tax)	-----
30	= Rate of Return (Pre-Tax)	8.6894%
		=====

A E P GENERATING COMPANY

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

500	SUPERVISION AND ENGINEERING	130,968
501	FUEL	8,296,798
502	STEAM EXPENSES	61,982
503	STEAM FROM OTHER SOURCES	0
504	STEAM TRANSFERRED - CR	0
505	ELECTRIC EXPENSES	45,541
506	MISC. STEAM POWER EXPENSES	182,105
507	RENTS	0
508	OPERATION SUPPLIES AND EXPENSES	0
509	CARRYING CHARGES - ALLOWANCES	0

TOTAL OPERATION EXPENSE 8,717,394

510	MAINTENANCE SUPER. AND ENGINEERING	63,822
511	MAINTENANCE OF STRUCTURES	67,004
512	MAINTENANCE OF BOILER PLANT	582,642
513	MAINTENANCE OF ELECTRIC PLANT	150,657
514	MAINTENANCE OF MISC. STEAM PLANT	69,478
515	MAINTENANCE NORMALIZING	0

TOTAL MAINTENANCE EXPENSES 933,603

555	PURCHASED POWER	0
556	SYSTEM CONTROL AND LOAD DISPATCHING	1,004
557	OTHER POWER SUPPLY EXPENSES	(16,011)

TOTAL OTHER SUPPLY EXPENSES (15,008)

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 2014
 CURRENT MONTH IS 9
 THIS BILLING IS FOR MONTH OF September, 2014

A E P GENERATING COMPANY

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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	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
	TOTAL SALES EXPENSES	0
920	ADMIN. & GENERAL SALARIES	22,384
921	OFFICE SUPPLIES AND EXPENSES	8,045
922	ADMINISTRATIVE EXPENSES TRANSF - CR	0
923	OUTSIDE SERVICES	82,759
924	PROPERTY INSURANCE	6,631
925	INJURIES AND DAMAGES	2,257
926	EMPLOYEE PENSIONS AND BENEFITS	56,946
927	FRANCHISE REQUIREMENTS	0
928	REGULATORY COMMISSION	0
929	DUPLICATE CHARGES-CREDIT	0
930	MISCELLANEOUS GENERAL EXPENSES	9,297
931	RENTS	798
933	TRANSPORTATION EXPENSE	0
	TOTAL ADM & GEN EXPENSES OPERATION	189,117
935	MAINTENANCE OF GENERAL PLANT	5,956
	TOTAL ADM & GEN EXPENSES	195,073
	TOTAL AEG OPERATION & MAINTENANCE EXPENSES	9,831,062
	ACCOUNT 40190 TOTAL FOR CROSS FOOT	9,831,062
	-----DIFFERENCE-----	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
06-Oct-14

UNIT 2
POWER BILL - - September, 2014

IN ACCORDANCE WITH POWER AGREEMENT DATED OCTOBER 1, 1984 (AS AMENDED)
 ENERGY DELIVERED FOR THE MONTH OF September, 2014
 KWH FOR THE MONTH 267,850,000

<u>SUMMARY</u>	<u>TOTAL</u>
Current Month Bill:	
Return on Common Equity	(137,767)
Return on Other Capital	(48,510)
Total Return	----- (186,277)
Fuel	5,550,356
Purchased Power	0
Other Operating Revenues	(6,125)
Other Operation and Maintenance Exp	4,865,146
Depreciation Expense	713,560
Taxes Other Than Federal Income Tax	975,260
Federal Income Tax	12,598
TOTAL CURRENT UNIT POWER BILL	----- 11,924,518 -----
Prior Month's Adjustment:	
Return on Common Equity & Other Capital	0
Fuel Expense	0
Other Expenses (Includes taxes & interest)	(19,118)
TOTAL PRIOR MONTH'S ADJUSTMENTS	----- (19,118) -----
TOTAL UNIT POWER BILL	=====
	11,905,400 =====

AMOUNTS WILL BE PAID DIRECT FROM GENERAL FUNDS.

DUE DATE - - October 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

**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-Oct-14**

**UNIT 2
POWER BILL - - September, 2014**

IN ACCORDANCE WITH POWER AGREEMENT DATED OCTOBER 1, 1984 (AS AMENDED)
ENERGY DELIVERED FOR THE MONTH OF September, 2014
KWH FOR THE MONTH 114,793,000

<u>SUMMARY</u>	<u>TOTAL</u>
Current Month Bill:	
Return on Common Equity	(59,043)
Return on Other Capital	(20,790)
Total Return	----- (79,833)
Fuel	2,378,724
Purchased Power	0
Other Operating Revenues	(2,625)
Other Operation and Maintenance Exp	2,085,062
Depreciation Expense	305,812
Taxes Other Than Federal Income Tax	417,969
Federal Income Tax	5,399
TOTAL CURRENT UNIT POWER BILL	----- 5,110,508 =====
Prior Month's Adjustment:	
Return on Common Equity & Other Capital	0
Fuel Expense	0
Other Expenses (Includes taxes & interest)	(8,194)
TOTAL PRIOR MONTH'S ADJUSTMENTS	----- (8,194) -----
TOTAL UNIT POWER BILL	=====
	5,102,314 =====

AMOUNTS WILL BE PAID DIRECT FROM GENERAL FUNDS.

DUE DATE - - October 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

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
SUMMARY OF MONTHLY POWER BILL**

September, 2014 06-Oct-14

	TOTAL UNIT 2 POWER BILL	KPCO SHARE	I&M SHARE
Return on Common Equity	(196,810)	(59,043)	(137,767)
Return on Other Capital	(69,300)	(20,790)	(48,510)
Total Return	(266,110)	(79,833)	(186,277)
+ Fuel	7,929,080	2,378,724	5,550,356
+ Purchased Power	0	0	0
- Other Operating Revenues	(8,750)	(2,625)	(6,125)
+ Other Operation and Maintenance Exp	6,950,208	2,085,062	4,865,146
+ Depreciation Expense	1,019,372	305,812	713,560
+ Taxes Other Than Federal Income Tax	1,393,229	417,969	975,260
+ Federal and State Income Tax	17,998	5,399	12,598
= Total Unit 2 Monthly Power Bill	17,035,027	5,110,508	11,924,518
<u>Determination of Federal Income Tax :</u>			
Total Return (Line 3)	(266,110)	(79,833)	(186,277)
+ Unit 2 Schedule M Adjustments	1,170,786	351,236	819,550
+ Unit 2 Deferred Federal Income Taxes	(329,610)	(98,883)	(230,727)
- Unit 2 Interest Expense Deduction *	(70,496)	(21,149)	(49,347)
= Subtotal	645,561	193,668	451,892
x Gross-Up (FIT Rate / 1-FIT Rate)	0.538462	0.538462	0.538462
= Unit 2 Current Federal Income Tax	347,609	104,283	243,326
+ Unit 2 Def Fed & State Income Taxes	(329,610)	(98,883)	(230,727)
= Total Unit 2 Fed&State Income Taxes	17,998	5,399	12,598
<u>Proof of Federal Income Tax :</u>			
Total Unit 2 Monthly Power Bill	17,035,027	5,110,508	11,924,518
- Operation and Maintenance Expenses	14,879,288	4,463,786	10,415,502
- Depreciation Expense	1,019,372	305,812	713,560
- Taxes Other Than Federal Income Tax	1,393,229	417,969	975,260
- Unit 2 Interest Expense Deduction *	(70,496)	(21,149)	(49,347)
- Other Operating Revenues	(8,750)	(2,625)	(6,125)
= Pre-Tax Book Income	(177,616)	(53,285)	(124,332)
+ Unit 2 Schedule M Adjustments	1,170,786	351,236	819,550
= Unit 2 Taxable Income	993,170	297,951	695,218
x Current Federal Income Tax Rate	35%	35%	35%
= Unit 2 Current Federal Income Tax	347,609	104,283	243,326
+ Unit 2 Def Fed & State Income Taxes	(329,610)	(98,883)	(230,727)
= Total Unit 2 Fed&State Income Taxes	17,999	5,400	12,599

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

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

<u>Line No.</u>		<u>UNIT 2</u> <u>September, 2014</u>
1	Operating Ratio:	
2	<u>Net In-Service Investment:</u>	
3	Electric Plant In-Service	800,682,237
4	- Accumulated Depreciation	587,243,058
5	+ Materials & Supplies	58,116,118
6	+ Prepayments	0
7	+ Plant Held For Future Use (A/C 105) *	0
8	+ Other Deferred Debits (A/C 186) *	0
9	+ Other Working Capital ***	(23,981,106)
10	+ Unamortized Debt Expense (A/C 181)	83,814
11	+ Deferred ASH pond cost (A/C182.3)	2,801,017
12	- Asset Retirement Obligation (A/C 230)	4,565,763
13	- Other Deferred Credits (A/C 253)	46,051,934
14	- Accumulated Deferred FIT	36,876,566
15	- Accumulated Deferred ITC	16,264,298
16	Total Net In-Service Investment	146,700,461
17	<u>Non-In-Service Investment - CWIP :</u>	
18	Construction Work In Progress	95,482,580
19	+ Materials & Supplies	0
20	- Accumulated Deferred FIT	0
21	Total Non-In-Service Investment - CWIP	95,482,580
22	<u>Non-In-Service Investment - Other :</u>	
23	Plant Held for Future Use (A/C 105) **	0
24	+ Other Deferred Debits (A/C 186) **	1,921,450
25	+ Fuel Inventory Over Allowed Level ****	(8,570,474)
26	Total Non-In-Service Investment - Other	(6,649,024)
27	Total Investment (Lines 16+21+26)	235,534,017
28	Operating Ratio (Line 16/Line 27)	62.2842%
29	Non-In-Service Investment-CWIP Ratio (Line 21/Line 27)	40.5388%
30	Non-In-Service Investment-Other Ratio (Line 26/Line 27)	-2.8230%
31	Total Investment	100.0000%
	* 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	

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

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**Line
No.**

**UNIT 2
September, 2014**

1 Net In-Service Investment Ratio:

2 Unit 2 Net In-Service Investment:

3	Electric Plant In-Service	140,062,532
4	- Accumulated Depreciation	141,999,320
5	+ Materials & Supplies	24,772,822
6	+ Prepayments	0
7	+ Plant Held For Future Use (A/C 105) *	0
8	+ Other Deferred Debits (A/C 186) *	0
9	+ Other Working Capital **	(16,140,939)
10	+ Unamortized Debt Expense (A/C 181)	41,907
11	+ Deferred ASH pond cost (A/C182.3)	1,400,509
12	- Asset Retirement Obligation (A/C 230)	2,282,881
13	- Other Deferred Credits (A/C 253)	46,051,934
14	- Accumulated Deferred FIT	(6,090,100)
15	- Accumulated Deferred ITC	16,252,412
16	Total Unit 2 Net In-Service Investment	(50,359,617)

17 Unit 1 Net In-Service Investment:

18	Electric Plant In-Service	660,619,706
19	- Accumulated Depreciation	445,243,738
20	+ Materials & Supplies	33,343,296
21	+ Prepayments	0
22	+ Plant Held For Future Use (A/C 105) *	0
23	+ Other Deferred Debits (A/C 186) *	0
24	+ Other Working Capital **	(7,840,167)
25	+ Unamortized Debt Expense (A/C 181)	41,907
26	+ Deferred ASH pond cost (A/C182.3)	1,400,509
27	- Asset Retirement Obligation (A/C 230)	2,282,881
28	- Other Deferred Credits (A/C 253)	0
29	- Accumulated Deferred FIT	42,966,666
30	- Accumulated Deferred ITC	11,886
31	Total Unit 1 Net In-Service Investment	197,060,078

32 Total Net In-Service Investment 146,700,461

33 Net In-Service Investment Ratio:

34 Unit 2 (Line 16 / Line 32) -34.3300%

35 Unit 1 (Line 31 / Line 32) 134.3300%

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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<u>Line No.</u>		<u>UNIT 2</u> <u>September, 2014</u>
1	Net Capitalization:	
2	Long-Term Debt	64,421,495
3	+ Short-Term Debt	66,066,514
4	+ Preferred Stock	0
5	+ Common Equity	95,215,388
6	- Temporary Cash Investments	0

7	Net Capitalization	225,703,397
		=====
8	40% of Net Capitalization	90,281,359
9	<u>Return on Common Equity:</u>	
10	Lesser of Line 5 or Line 8	90,281,359
11	x Equity Return (Monthly Rate)	1.01333%
12	= Equity Return	914,848
13	x Operating Ratio	62.2842%
14	x Net In-Service Investment Ratio	-34.3300%
15	= Subtotal	(195,614)
16	Excess of Line 5 Over Line 8	4,934,029
17	x Weighted Cost of Debt (Monthly Rate)	0.1134%
18	= Return on Equity over 40% of Capitalization	5,595
19	x Operating Ratio	62.2842%
20	x Net In-Service Investment Ratio	-34.3300%
21	= Subtotal	(1,196)

22	Unit 2 Return on Equity (Line 15 + Line 21)	(196,810)
		=====
23	<u>Return on Other Capital:</u>	
24	Long-Term Debt Interest Expense (A/C 427-429)	133,304
25	+ Short-Term Debt Interest Expense (a/c 430)	6,772
26	+ Other Interest Expense (a/c 431)	184,024
27	- Temporary Cash Investment Income *	0

28	= Net Interest Expense	324,100
29	+ Preferred Stock Dividends (a/c 437)	0

30	= Net Cost of Other Capital	324,100
31	x Operating Ratio	62.2842%
32	x Net In-Service Investment Ratio	-34.3300%
33	= Unit 2 Return on Other Capital	(69,300)
		=====

* 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 2
September, 2014**

1	Debt Balances (Prior Month Ending) :	
2	Long-Term Debt (Accts 221 thru 226)	64,421,495
3	+ Short-Term Debt (Accts 231 + 233)	66,066,514
4	+ Other Debt (Accts 132 thru 136 + 145)	0
5	Total Debt Balances (Prior Month Ending)	----- 130,488,009 =====
6	<u>Weighting of Debt Balances :</u>	
7	Long-Term Debt (LTD bal/Total Debt bal)	49.3697%
8	+ Short-Term Debt (STD bal/Total Debt bal)	50.6303%
9	+ Other Debt	0.0000%
10	Total Debt Balances	----- 100.0000% =====
11	<u>Debt Cost Rates :</u>	
12	Long-Term Debt (avg LTD int rate)	2.5176%
13	Short-Term Debt (avg Money Pool STD int rate)	0.2691%
14	Other Debt	0.0000%
15	<u>Weighted Cost of Debt :</u>	
16	Long-Term Debt (LTD % x avg LTD int rate)	1.2429%
17	+ Short-Term Debt (STD % x avg MP STD int rate)	0.1362%
18	+ Other Debt	0.0000%
19	Total Weighted Cost of Debt	----- 1.3791% =====

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

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UNIT 2

INCLUDE A/C 431 ON PG 5

<u>Line No.</u>		<u>September, 2014</u>
1	Unit 2 Materials and Supplies:	
2	Fuel Stock - Coal (per Line 23)	11,434,941
3	Fuel Stock Expenses - Undistributed (152)	511,927
4	Fuel Stock - Oil (151)	1,633,442
5	Plant Materials & Operating Supplies	11,192,512
6	Merchandise	0
7	Undistributed Stores Expense	0

8	Total Materials & Supplies	24,772,822
		=====
9	<u>Support of Coal Inventory Value:</u>	
10	Actual Coal Inventory (a/c 151.10)	11,434,941
11	+ Equivalent Inventory re: Deferred Return	1,042,876,527

12	= Imputed Coal Inventory	1,054,311,468

13	<u>Coal Inventory W/68 Day Supply Cap</u>	
14	Tons Consumed - CHANGE ANNUALLY FROM DEC PG 24	1,793,019
15	/ Hours Available * CHG ANNUALLY FROM GADS RPT 511	5871.3
16	= Tons Consumed per Hour	305.39
17	x 24 Hours per Day	24
18	= Tons Consumed Per Day	7329.36
19	x 68 days	68
20	= 68 day Supply (Tons)	498,396
21	x Coal Cost per Ton (per a/c 151.10 at End of Prior Month)	39.215

22	= 68 day Coal Inventory	19,544,599

23	Lesser of Imputed or Capped Coal Inventory	19,544,599

24	Imputed Inventory Minus Line 23	1,034,766,869
		=====
25	<u>Accumulated Deferred Inventory Return - Unit 2 (Memo Item):</u>	
26	Beginning Balance	7,395,378
27	+ Current Month Return on Beginning Balance	52,818
28	+ Current Month Deferral	59,450
29	- Current Month Recovery	0

30	= Ending Balance **	7,507,646
		=====
	* Excludes Forced Outages, Scheduled Outages, and Curtailments	
	** May Not Be Less Than Zero	
	Total Unit 2 Monthly Power Bill with Actual	15,796,934
	Total Unit 2 Monthly Power Bill with 68 Day Capped	15,856,384
	Difference	59,450

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
DETAIL OF OTHER OPERATING REVENUES**

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UNIT 2

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>September, 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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UNIT 2

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>September, 2014</u>
1	500,502-508	Steam Power Generation - Operation	6,093,234
2	501	Fuel - Operation	7,929,080
3	510-515	Steam Power Generating - Maintenance	581,287
4		Total Steam Power Generation Expenses	14,603,600
5	555-557	Other Power Supply Expenses	(15,008)
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 Expensese	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	284,739
16	935	Administrative and General Expenses - Maintenance	5,956
17		Total Administrative & General Exp.	290,695
18		Total Operation & Maintenance Expenses	14,879,288

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

**UNIT 2
September, 2014**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
1	403	Depreciation Expense *	443,695
1a	403.1	ARO Depreciation Expense	3,343
2	404	Amortization of Limited-Term Electric Plant **	555,365
3	405	Amortization of Other Electric Plant	0
4	406	Amortization of Electric Plant Acquisition Adjustments	0
5	407	Amortization of Property Losses, Unrecovered Plant and Regulatory Study Costs	0
			-
6		Total Depreciation Exp. & Amortization	1,002,403
			=
7	411.10	ARO Accretion Expense	16,969
8		Total Depreciation, Amortization & Accretion Expenses	1,019,372

* 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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UNIT 2

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>September, 2014</u>
1	408.1	Taxes Other Than Federal Income Taxes, Utility Operating Income	143,229
2	409.1	State Income Taxes	1,250,000
3		Total Taxes Other than Federal Income Taxes	----- 1,393,229 =====

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

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>TOTAL</u>	<u>KPCO SHARE</u>	<u>I&M SHARE</u>
1		<u>Unit 2 Schedule `M' Adjustments*</u>			
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	789,286	236,786	552,500
5	***	Total Unit 2 Schedule `M' Adjustments	1,170,786	351,236	819,550
6		<u>Unit 2 Deferred Federal Income Tax</u>			
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' Adj.-Utility	(283,294)	(84,988)	(198,306)
12	***	Total Unit 2 Deferred Federal Income Tax	(329,610)	(98,883)	(230,727)

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

Check Figure on Tax Page for Sch M 1,170,786
Check Figure on Tax Page for DFIT (329,610)

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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**UNIT 2
September, 2014**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
1		<u>ELECTRIC PLANT IN SERVICE</u>	
2	101	Electric Plant In Service	137,308,058
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	2,754,474
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	140,062,532
12	105	Plant Held For Future Use	0
13		<u>ACCUMULATED DEPRECIATION</u>	
14	108	Accumulated Provision for Depreciation of Electric Utility Plant	115,943,099
15	110	Accumulated Provision for Depreciation and Amort. of Elec. Utility Plant	0
16	111	Accumulated Provision for Amortization of Electric Utility Plant	26,056,221
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	141,999,320
20		<u>MATERIAL AND SUPPLIES</u>	
21	151	Fuel Stock	13,068,383
22	152	Fuel Stock Expenses - Undistributed	511,927
23	153	Residuals	0
24	154	Plant Materials and Operating Supplies	11,192,512
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)	24,772,822
29	165	Prepayments	0
30	186	Other Deferred Debits	0

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
OTHER WORKING CAPITAL, UNAMORTIZED DEBT EXPENSE
AND OTHER DEFERRED CREDITS**

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<u>Line No.</u>	<u>Account No.</u>	<u>Description *</u>	<u>UNIT 2 September, 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	15,376,881
6	171	Interest and Dividends Receivable	0
7	174	Miscellaneous Current and Accrued Assets	0
8	232	Accounts Payable-General	(26,477)
9	234	Accounts Payable-Associated Company	(12,131,198)
10	236	Taxes Accrued	(4,859,325)
11	237	Interest Accrued	(321,947)
12	238	Dividends Declared	0
13	241	Tax Collections Payable	0
14	242	Misc Current and Accrued Liabilities	(14,178,873)

15		Total Other Working Capital	(16,140,939)
			=====
16	181	Unamortized Debt Expense	41,907

17	253	Other Deferred Credits	46,051,934

*		debit <credit>	

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

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**UNIT 2
September, 2014**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
31		ACCUMULATED DEFERRED INCOME TAXES	
32	190	-Accumulated Deferred Income Taxes	19,979,319
33	281	+Accumulated Deferred Income Taxes - Accelerated Amortization Property	0
34	282	+Accumulated Deferred Income Taxes - Other Property	12,960,552
35	283	+Accumulated Deferred Income Taxes - Other	928,667
36		Total Accumulated Deferred Income Taxes (In-Service Portion)	----- (6,090,100) -----
37	255	+Accumulated Deferred Investment Tax Credits	16,252,412
38	186.50	-Accumulated Deferred Investment Tax Credit	0
39		Total Accumulated Deferred Investment Tax Credits	----- 16,252,412 -----
40		Total Net In-Service Investment - Unit 2	----- (49,477,244) =====

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

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**UNIT 2
September, 2014**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
		<u>Non-In-Service Investment - CWIP</u>	
1	107	Construction Work In Process	95,482,580
2		<u>MATERIAL AND SUPPLIES</u>	
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		<u>ACCUMULATED DEFERRED INCOME TAXES</u>	
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	0
16		Total Accumulated Deferred Income Taxes (CWIP Portion)	----- 0
17		TOTAL NON-IN-SERVICE INVESTMENT - CWIP	----- 95,482,580 =====
		<u>Non-In-Service Investment - Other</u>	
18	105	Plant Held for Future Use	0
19	186	Other Deferred Debits	1,921,450
20	151.10	Fuel Inventory Over Allowed Level *	(8,570,474)
21		Total Non-In-Service Investment - Other	----- (6,649,024) =====
		* INCLUDES ROCKPORT 1 AND 2	
		UNIT 1	(8,570,474)
		UNIT 2	0
		TOTAL	----- (8,570,474) =====

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
DETAIL OF NET CAPITALIZATION**

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**UNIT 2
September, 2014**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
1		<u>COMMON CAPITAL STOCK</u>	
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		<u>OTHER PAID-IN CAPITAL</u>	
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		<u>RETAINED EARNINGS</u>	
18	215	Appropriated Retained Earnings	0
19	215.1	Appropriated Retained Earnings- Amortization Reserve, Federal	0
20	216	Unappropriated Retained Earnings	5,353,401
21		Total Retained Earnings	5,353,401
22		Total Common Equity	95,215,388
23		<u>PREFERRED CAPITAL STOCK</u>	
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
September, 2014**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
28		<u>LONG-TERM DEBT</u>	
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
		<u>SHORT-TERM DEBT</u>	
36a	231.02	Notes Payable (Short-Term Debt)	0
36b	231.03	Unamortized Discount	0
	233.00	Notes Payable, Assoc Co(Money Pool)	66,066,514
38		Total Short-Term Debt	66,066,514
39		<u>TEMPORARY CASH INVESTMENTS</u>	
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	225,703,397

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

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<u>Line No.</u>		UNIT 2 September, 2014
1	Capitalization Balances (Prior Month Ending) :	
2	Long-Term Debt (Accts 221 thru 226)	64,421,495
3	+ Short-Term Debt (Accts 231 + 233)	66,066,514
4	+ Preferred Stock	0
5	+ Common Equity (Accts 201 thru 216)	95,215,388
6	- Capitalization Offsets	0

7	Total Capitalization Balances	225,703,397
		=====
8	<u>Weighting of Capitalization Balances :</u>	
9	Long-Term Debt (LTD/Total Capital)	28.5425%
10	+ Short-Term Debt (STD/Total Capital)	29.2714%
11	+ Preferred Stock	0.0000%
12	+ Common Equity (Common Equity/Total Capital)	42.1861%
13	- Capitalization Offsets	0.0000%

14	Total Capitalization	100.0000%
		=====
15	<u>Capitalization Cost Rates :</u>	
16	Long-Term Debt (avg LTD int rate)	2.5176%
17	Short-Term Debt (avg money pool STD int rate)	0.2691%
18	Preferred Stock	0.0000%
19	Common Equity (FERC fixed rate)	12.1600%
20	Capitalization Offsets (sum of weighted costs of debt)	1.3791%
21	<u>Rate of Return (Net of Tax) :</u>	
22	Long-Term Debt (LTD % x avg LTD int rate)	0.7186%
23	+ Short-Term Debt (STD % x avg MP STD int rate)	0.0788%
24	+ Preferred Stock	0.0000%
25	+ Common Equity (CE % x FERC fixed rate)	5.1298%
26	- Capitalization Offsets	0.0000%

27	Total Rate of Return (Net of Tax)	5.9272%
		=====
28	Weighted Net Cost of Debt	0.7974%
	(LTD Rate of Return + STD RR - Cap Offsets RR)	
29	+ Pre-Tax Common Equity (Line 25 / .65)	7.8920%
	(Common Equity Rate of Return grossed up for tax)	-----
30	= Rate of Return (Pre-Tax)	8.6894%
		=====

A E P GENERATING COMPANY

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

500	SUPERVISION AND ENGINEERING	128,657
501	FUEL	7,929,080
502	STEAM EXPENSES	60,748
503	STEAM FROM OTHER SOURCES	0
504	STEAM TRANSFERRED - CR	0
505	ELECTRIC EXPENSES	40,565
506	MISC. STEAM POWER EXPENSES	173,011
507	RENTS	5,690,253
508	OPERATION SUPPLIES AND EXPENSES	0
509	CARRYING CHARGES - ALLOWANCES	0

TOTAL OPERATION EXPENSE 14,022,314

510	MAINTENANCE SUPER. AND ENGINEERING	63,577
511	MAINTENANCE OF STRUCTURES	16,952
512	MAINTENANCE OF BOILER PLANT	390,217
513	MAINTENANCE OF ELECTRIC PLANT	72,934
514	MAINTENANCE OF MISC. STEAM PLANT	37,606
515	MAINTENANCE NORMALIZING	0

TOTAL MAINTENANCE EXPENSES 581,287

555	PURCHASED POWER	0
556	SYSTEM CONTROL AND LOAD DISPATCHING	1,004
557	OTHER POWER SUPPLY EXPENSES	(16,011)

TOTAL OTHER SUPPLY EXPENSES (15,008)

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 9

THIS BILLING IS FOR MONTH OF September, 2014

A E P GENERATING COMPANY

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

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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 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	29,170
921	OFFICE SUPPLIES AND EXPENSES	8,045
922	ADMINISTRATIVE EXPENSES TRANSF - CR	0
923	OUTSIDE SERVICES	171,596
924	PROPERTY INSURANCE	6,631
925	INJURIES AND DAMAGES	2,257
926	EMPLOYEE PENSIONS AND BENEFITS	56,946
927	FRANCHISE REQUIREMENTS	0
928	REGULATORY COMMISSION	0
929	DUPLICATE CHARGES-CREDIT	0
930	MISCELLANEOUS GENERAL EXPENSES	9,297
931	RENTS	798
933	TRANSPORTATION EXPENSE	0
	TOTAL ADM & GEN EXPENSES OPERATION	284,739
935	MAINTENANCE OF GENERAL PLANT	5,956
	TOTAL ADM & GEN EXPENSES	290,695
	TOTAL AEG OPERATION & MAINTENANCE EXPENSES	14,879,288
	ACCOUNT 40190 TOTAL FOR CROSS FOOT	14,879,288
	-----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-Nov-14

UNIT 1
POWER BILL - - October, 2014

IN ACCORDANCE WITH POWER AGREEMENT DATED OCTOBER 1, 1984 (AS AMENDED)
 ENERGY DELIVERED FOR THE MONTH OF October, 2014
 KWH FOR THE MONTH 125,371,000

SUMMARY

TOTAL

Current Month Bill:

Return on Common Equity	226,009
Return on Other Capital	38,126
Total Return	----- 264,135
Fuel	3,183,710
Purchased Power	0
Other Operating Revenues	(2,625)
Other Operation and Maintenance Exp	473,358
Depreciation Expense	495,357
Taxes Other Than Federal Income Tax	62,474
Federal Income Tax	197,809
TOTAL CURRENT UNIT POWER BILL	----- 4,674,218 -----

Prior Month's Adjustment:

Return on Common Equity & Other Capital	0
Fuel Expense	0
Other Expenses (Includes taxes & interest)	333,301
TOTAL PRIOR MONTH'S ADJUSTMENTS	----- 333,301 -----

=====

TOTAL UNIT POWER BILL 5,007,519

=====

AMOUNTS WILL BE PAID DIRECT FROM GENERAL FUNDS.

DUE DATE - - - November 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

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-Nov-14

UNIT 1
POWER BILL - - October, 2014

IN ACCORDANCE WITH POWER AGREEMENT DATED OCTOBER 1, 1984 (AS AMENDED)
 ENERGY DELIVERED FOR THE MONTH OF October, 2014
 KWH FOR THE MONTH 292,532,000

SUMMARY

TOTAL

Current Month Bill:

Return on Common Equity	527,354
Return on Other Capital	88,961
Total Return	----- 616,315
Fuel	7,428,656
Purchased Power	0
Other Operating Revenues	(6,125)
Other Operation and Maintenance Exp	1,104,503
Depreciation Expense	1,155,832
Taxes Other Than Federal Income Tax	145,773
Federal Income Tax	461,551
TOTAL UNIT POWER BILL	----- 10,906,505 -----

Prior Month's Adjustment:

Return on Common Equity & Other Capital	0
Fuel	0
Other Expenses (Includes taxes & interest)	777,706

TOTAL PRIOR MONTH'S ADJUSTMENTS -----
777,706

TOTAL UNIT POWER BILL =====
11,684,211
=====

AMOUNTS WILL BE PAID DIRECT FROM GENERAL FUNDS.

DUE DATE - - - November 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
 Sid Lyons - Columbus Michelle Howell - Columbus

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
SUMMARY OF MONTHLY POWER BILL**

October, 2014

	<u>TOTAL UNIT 1 POWER BILL</u>	<u>KPCO SHARE</u>	<u>I&M SHARE</u>
Return on Common Equity	753,363	226,009	527,354
Return on Other Capital	127,087	38,126	88,961
<hr/>			
Total Return	880,450	264,135	616,315
+ Fuel	10,612,366	3,183,710	7,428,656
+ Purchased Power	0	0	0
- Other Operating Revenues	(8,750)	(2,625)	(6,125)
+ Other Operation and Maintenance Exp	1,577,861	473,358	1,104,503
+ Depreciation Expense	1,651,189	495,357	1,155,832
+ Taxes Other Than Federal Income Tax	208,247	62,474	145,773
+ Federal and State Income Tax	659,360	197,809	461,551
<hr/>			
= Total Unit 1 Monthly Power Bill	15,580,723	4,674,218	10,906,505
<hr/>			
<u>Determination of Federal Income Tax :</u>			
Total Return (Line 3)	880,450	264,135	616,315
+ Unit 1 Schedule M Adjustments	726,098	217,830	508,268
+ Unit 1 Deferred Federal Income Taxes	(88,047)	(26,414)	(61,634)
- Unit 1 Interest Expense Deduction *	130,456	39,137	91,319
<hr/>			
= Subtotal	1,388,045	416,414	971,630
x Gross-Up (FIT Rate / 1-FIT Rate)	0.538462	0.538462	0.538462
= Unit 1 Current Federal Income Tax	747,408	224,223	523,185
+ Unit 1 Def Fed & State Income Taxes	(88,047)	(26,414)	(61,634)
<hr/>			
= Total Unit 1 Fed&State Income Taxes	659,360	197,809	461,551
<hr/>			
<u>Proof of Federal Income Tax :</u>			
Total Unit 1 Monthly Power Bill	15,580,723	4,674,218	10,906,505
- Operation and Maintenance Expenses	12,190,227	3,657,068	8,533,159
- Depreciation Expense	1,651,189	495,357	1,155,832
- Taxes Other Than Federal Income Tax	208,247	62,474	145,773
- Unit 1 Interest Expense Deduction *	130,456	39,137	91,319
- Other Operating Revenues	(8,750)	(2,625)	(6,125)
<hr/>			
= Pre-Tax Book Income	1,409,354	422,807	986,547
+ Unit 1 Schedule M Adjustments	726,098	217,830	508,268
<hr/>			
= Unit 1 Taxable Income	2,135,452	640,637	1,494,815
x Current Federal Income Tax Rate	35%	35%	35%
= Unit 1 Current Federal Income Tax	747,408	224,223	523,185
+ Unit 1 Def Fed & State Income Taxes	(88,048)	(26,414)	(61,634)
<hr/>			
= Total Unit 1 Fed&State Income Taxes	659,360	197,809	461,551
<hr/>			

* 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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<u>Line No.</u>		<u>UNIT 1 October, 2014</u>
1	<u>Operating Ratio:</u>	
2	<u>Net In-Service Investment:</u>	
3	Electric Plant In-Service	800,671,212
4	- Accumulated Depreciation	589,809,778
5	+ Materials & Supplies	58,051,408
6	+ Prepayments	0
7	+ Plant Held For Future Use (A/C 105) *	0
8	+ Other Deferred Debits (A/C 186) *	0
9	+ Other Working Capital ***	(25,542,832)
10	+ Unamortized Debt Expense (A/C 181)	83,511
11	+ Deferred ASH pond cost (A/C182.3)	2,793,193
12	- Asset Retirement Obligation (A/C 230)	4,585,892
13	- Other Deferred Credits (A/C 253)	45,587,688
14	- Accumulated Deferred FIT	36,098,481
15	- Accumulated Deferred ITC	16,099,897
16	Total Net In-Service Investment	----- 143,874,757
17	<u>Non-In-Service Investment - CWIP :</u>	
18	Construction Work In Progress	101,199,703
19	+ Materials & Supplies	0
20	- Accumulated Deferred FIT	0
21	Total Non-In-Service Investment - CWIP	----- 101,199,703
22	<u>Non-In-Service Investment - Other :</u>	
23	Plant Held for Future Use (A/C 105) **	1,034,099
24	+ Other Deferred Debits (A/C 186) **	1,657,838
25	+ Fuel Inventory Over Allowed Level ****	(7,484,341)
26	Total Non-In-Service Investment - Other	----- (4,792,403)
27	Total Investment (Lines 16+21+26)	----- 240,282,056 =====
28	Operating Ratio (Line 16/Line 27)	59.8774%
29	Non-In-Service Investment-CWIP Ratio (Line 21/Line 27)	42.1170%
30	Non-In-Service Investment-Other Ratio (Line 26/Line 27)	-1.9944%
31	Total Investment	----- 100.0000% =====
*	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	
****	Includes Rockport 1 and 2	

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

<u>Line No.</u>	<u>UNIT 1</u> <u>October, 2014</u>	
1		<u>Net In-Service Investment Ratio:</u>
2		Unit 1 Net In-Service Investment:
3		Electric Plant In-Service 658,180,231
4		- Accumulated Depreciation 445,154,900
5		+ Materials & Supplies 32,767,874
6		+ Prepayments 0
7		+ Plant Held For Future Use (A/C 105) * 0
8		+ Other Deferred Debits (A/C 186) * 0
9		+ Other Working Capital ** (8,621,031)
10		+ Unamortized Debt Expense (A/C 181) 41,756
11		+ Deferred ASH pond cost (A/C182.3) 1,396,597
12		- Asset Retirement Obligation (A/C 230) 2,292,946
13		- Other Deferred Credits (A/C 253) 0
14		- Accumulated Deferred FIT 42,492,706
15		- Accumulated Deferred ITC 11,650
16		Total Unit 1 Net In-Service Investment 193,813,226
17		Unit 2 Net In-Service Investment:
18		Electric Plant In-Service 142,490,981
19		- Accumulated Depreciation 144,654,878
20		+ Materials & Supplies 25,283,533
21		+ Prepayments 0
22		+ Plant Held For Future Use (A/C 105) * 0
23		+ Other Deferred Debits (A/C 186) * 0
24		+ Other Working Capital ** (16,921,802)
25		+ Unamortized Debt Expense (A/C 181) 41,756
26		+ Deferred ASH pond cost (A/C182.3) 1,396,597
27		- Asset Retirement Obligation (A/C 230) 2,292,946
28		- Other Deferred Credits (A/C 253) 45,587,688
29		- Accumulated Deferred FIT (6,394,225)
30		- Accumulated Deferred ITC 16,088,247
31		Total Unit 2 Net In-Service Investment (49,938,469)
32		Total Net In-Service Investment 143,874,757
33		<u>Net In-Service Investment Ratio:</u>
34		Unit 1 (Line 16 / Line 32) 134.7100%
35		Unit 2 (Line 31 / Line 32) -34.7100%
		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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<u>Line No.</u>		<u>UNIT 1 October, 2014</u>
1	<u>Net Capitalization:</u>	
2	Long-Term Debt	64,008,272
3	+ Short-Term Debt	69,605,469
4	+ Preferred Stock	0
5	+ Common Equity	95,781,406
6	- Temporary Cash Investments	0
7	Net Capitalization	----- 229,395,147 =====
8	40% of Net Capitalization	91,758,059
9	<u>Return on Common Equity:</u>	
10	Lesser of Line 5 or Line 8	91,758,059
11	x Equity Return (Monthly Rate)	1.01333%
12	= Equity Return	929,812
13	x Operating Ratio	59.8774%
14	x Net In-Service Investment Ratio	134.7100%
15	= Subtotal	749,994
16	Excess of Line 5 Over Line 8	4,023,347
17	x Weighted Cost of Debt (Monthly Rate)	0.1038%
18	= Return on Equity over 40% of Capitalization	4,176
19	x Operating Ratio	59.8774%
20	x Net In-Service Investment Ratio	134.7100%
21	= Subtotal	----- 3,369 =====
22	Unit 1 Return on Equity (Line 15 + Line 21)	753,363
23	<u>Return on Other Capital:</u>	
24	Long-Term Debt Interest Expense (A/C 427-429)	121,940
25	+ Short-Term Debt Interest Expense (a/c 430)	3,775
26	+ Other Interest Expense (a/c 431)	31,843
27	- Temporary Cash Investment Income *	0
28	= Net Interest Expense	----- 157,558 -----
29	+ Preferred Stock Dividends (a/c 437)	0
30	= Net Cost of Other Capital	157,558
31	x Operating Ratio	59.8774%
32	x Net In-Service Investment Ratio	134.7100%
33	= Unit 1 Return on Other Capital	----- 127,087 =====
	* 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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<u>Line No.</u>		<u>UNIT 1</u> <u>October, 2014</u>
1	<u>Debt Balances (Prior Month Ending) :</u>	
2	Long-Term Debt (Accts 221 thru 226)	64,008,272
3	+ Short-Term Debt (Accts 231 + 233)	69,605,469
4	+ Other Debt (Accts 132 thru 136 + 145)	0

5	Total Debt Balances (Prior Month Ending)	133,613,741
		=====
6	<u>Weighting of Debt Balances :</u>	
7	Long-Term Debt (LTD bal/Total Debt bal)	47.9055%
8	+ Short-Term Debt (STD bal/Total Debt bal)	52.0945%
9	+ Other Debt	0.0000%

10	Total Debt Balances	100.0000%
		=====
11	<u>Debt Cost Rates :</u>	
12	Long-Term Debt (avg LTD int rate)	2.2431%
13	Short-Term Debt (avg Money Pool STD int rate)	0.2828%
14	Other Debt	0.0000%
15	<u>Weighted Cost of Debt :</u>	
16	Long-Term Debt (LTD % x avg LTD int rate)	1.0745%
17	+ Short-Term Debt (STD % x avg MP STD int rate)	0.1473%
18	+ Other Debt	0.0000%

19	Total Weighted Cost of Debt	1.2218%
		=====

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

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UNIT 1

<u>Line No.</u>		<u>October, 2014</u>
1	<u>Unit 1 Materials and Supplies:</u>	
2	Fuel Stock - Coal (per Line 23)	19,463,128
3	Fuel Stock Expenses - Undistributed (152)	432,518
4	Fuel Stock - Oil (151)	1,680,781
5	Plant Materials & Operating Supplies	11,191,447
6	Merchandise	0
7	Undistributed Stores Expense	0
8	Total Materials & Supplies	----- 32,767,874 =====
9	<u>Support of Coal Inventory Value:</u>	
10	Actual Coal Inventory (a/c 151.10)	11,978,787
11	+ Equivalent Inventory re: Deferred Return	21,544,152,273
12	= Imputed Coal Inventory	----- 21,556,131,060 -----
13	<u>Coal Inventory W/68 Day Supply Cap</u>	
14	Tons Consumed - CHANGE ANNUALLY FROM DEC PG 24	2,573,388
15	/ Hours Available * CHG ANNUALLY FROM GADS RPT 511	8232.6
16	= Tons Consumed per Hour	312.59
17	x 24 Hours per Day	24
18	= Tons Consumed Per Day	7502.16
19	x 68 days	68
20	= 68 day Supply (Tons)	510,147
21	x Coal Cost per Ton (per a/c 151.10 at End of Prior Month)	38.152
22	= 68 day Coal Inventory	----- 19,463,128 -----
23	Lesser of Imputed or Capped Coal Inventory	----- 19,463,128 -----
24	Imputed Inventory Minus Line 23	----- 21,536,667,932 =====
25	<u>Accumulated Deferred Inventory Return - Unit 1 (Memo Item):</u>	
26	Beginning Balance	154,829,339
27	+ Current Month Return on Beginning Balance	1,120,752
28	+ Current Month Deferral	0
29	- Current Month Recovery	49,434
30	= Ending Balance **	----- 155,900,657 =====

* 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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UNIT 1

October, 2014

<u>Line No.</u>	<u>Account No.</u>	<u>Description</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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UNIT 1

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>October, 2014</u>
1	500,502-508	Steam Power Generation - Operation	469,993
2	501	Fuel - Operation	10,612,366
3	510-515	Steam Power Generating - Maintenance	974,190
4		Total Steam Power Generation Expenses	12,056,549
5	555-557	Other Power Supply Expenses	(14,382)
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 - Operation	142,185
16	935	Administrative and General Expenses - Maintenance	5,874
17		Total Administrative & General Exp.	148,060
18		Total Operation & Maintenance Expenses	12,190,227

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

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**UNIT 1
October, 2014**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
	1 403	Depreciation Expense	1,630,813
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 Acquisition Adjustments	0
	5 407	Amortization of Property Losses, Unrecovered Plant and Regulatory Study Costs	0
	6	Total Depreciation Exp. & Amortization	1,634,156
			=====
	7 411.10	ARO Accretion Expense	17,033
	8	Total Depreciation, Amortization & Accretion Expenses	1,651,189

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

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UNIT 1

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>October, 2014</u>
BS1			
1	408.1	Taxes Other Than Federal Income Taxes, Utility Operating Income	143,247
2	409.1	State Income Taxes	65,000
3		Total Taxes Other than FIT	----- 208,247 =====

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

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>TOTAL</u>	<u>KPCO SHARE</u>	<u>I&M SHARE</u>
1		<u>Unit 1 Schedule `M' Adjustments*</u>			
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	735,598	220,680	514,918
5	***	Total Unit 1 Schedule `M' Adjustments	726,098	217,830	508,268
6		<u>Unit 1 Deferred Federal Income Tax</u>			
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' Adj.-Utility	(108,847)	(32,654)	(76,193)
12	***	Total Unit 1 Deferred Federal Income Tax	(88,047)	(26,414)	(61,634)

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

=====

=====

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

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**UNIT 1
October, 2014**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
1		<u>ELECTRIC PLANT IN SERVICE</u>	
2	101	Electric Plant In Service	654,801,997
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	3,378,234
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	658,180,231
12	105	Plant Held For Future Use	0
13		<u>ACCUMULATED DEPRECIATION</u>	
14	108	Accumulated Provision for Depreciation of Electric Utility Plant	444,683,122
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	445,154,900
20		<u>MATERIAL AND SUPPLIES</u>	
21	151	Fuel Stock	21,143,909
22	152	Fuel Stock Expenses - Undistributed	432,518
23	153	Residuals	0
24	154	Plant Materials and Operating Supplies	11,191,447
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)	32,767,874
29	165	Prepayments	0
30	186	Other Deferred Debits	0

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
OTHER WORKING CAPITAL, UNAMORTIZED DEBT EXPENSE
AND OTHER DEFERRED CREDITS**

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<u>Line No.</u>	<u>Account No.</u>	<u>Description *</u>	<u>UNIT 1 October, 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	19,879,709
6	171	Interest and Dividends Receivable	0
7	174	Miscellaneous Current and Accrued Assets	0
8	232	Accounts Payable-General	(18,688)
9	234	Accounts Payable-Associated Company	(12,760,316)
10	236	Taxes Accrued	(9,100,985)
11	237	Interest Accrued	(84,089)
12	238	Dividends Declared	0
13	241	Tax Collections Payable	0
14	242	Misc Current and Accrued Liabilities	(6,536,661)

15		Total Other Working Capital	(8,621,031)
			=====
16	181	Unamortized Debt Expense	41,756

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
October, 2014

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
31		<u>ACCUMULATED DEFERRED INCOME TAXES</u>	
32	190	-Accumulated Deferred Income Taxes	3,141,006
33	281	+Accumulated Deferred Income Taxes - Accelerated Amortization Property	0
34	282	+Accumulated Deferred Income Taxes - Other Property	44,811,496
35	283	+Accumulated Deferred Income Taxes - Other	822,215
36		Total Accumulated Deferred Income Taxes (In-Service Portion)	----- 42,492,706 -----
37	255	+Accumulated Deferred Investment Tax Credits	11,650
38	186.50	-Accumulated Deferred Investment Tax Credit	0
39		Total Accumulated Deferred Investment Tax Credits	----- 11,650 -----
40		Total Net In-Service Investment - Unit 1	----- 194,709,575 =====

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

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**UNIT 1
October, 2014**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
		<u>Non-In-Service Investment - CWIP</u>	
1	107	Construction Work In Process	101,199,703
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		<u>ACCUMULATED DEFERRED INCOME TAXES</u>	
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	0
16		Total Accumulated Deferred Income Taxes (CWIP Portion)	----- 0
17		TOTAL NON-IN-SERVICE INVESTMENT - CWIP	101,199,703 =====
		<u>Non-In-Service Investment - Other</u>	
18	105	Plant Held for Future Use	1,034,099
19	186	Other Deferred Debits	1,657,838
20	151.10	Fuel Inventory Over Allowed Level *	(7,484,341)
21		Total Non-In-Service Investment - Other	----- (4,792,403) =====
		* INCLUDES ROCKPORT 1 AND 2	
		UNIT 1	(7,484,341)
		UNIT 2	0
		TOTAL	----- (7,484,341) =====

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
DETAIL OF NET CAPITALIZATION**

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<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
1		<u>COMMON CAPITAL STOCK</u>	
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		<u>OTHER PAID-IN CAPITAL</u>	
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		<u>RETAINED EARNINGS</u>	
18	215	Appropriated Retained Earnings	0
19	215.1	Appropriated Retained Earnings- Amortization Reserve, Federal	0
20	216	Unappropriated Retained Earnings	5,919,419
21		Total Retained Earnings	5,919,419
22		Total Common Equity	95,781,406
23		<u>PREFERRED CAPITAL STOCK</u>	
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
October, 2014**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
28		<u>LONG-TERM DEBT</u>	
29	221	Bonds	0
30	222	Reacquired Bonds	0
31	223	Advances from Associated Companies	0
32	224	Other Long-Term Debt	64,008,272
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	64,008,272
		<u>SHORT-TERM DEBT</u>	
36a	231.02	Notes Payable (Short-Term Debt)	0
36b	231.03	Unamortized Discount	0
37	233.00	Notes Payable, Assoc Co(Money Pool)	69,605,469
38		Total Short-Term Debt	69,605,469
39		<u>TEMPORARY CASH INVESTMENTS</u>	
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	229,395,147

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

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**UNIT 1
October, 2014**

Line No.

1	<u>Capitalization Balances (Prior Month Ending) :</u>	
2	Long-Term Debt (Accts 221 thru 226)	64,008,272
3	+ Short-Term Debt (Accts 231 + 233)	69,605,469
4	+ Preferred Stock	0
5	+ Common Equity (Accts 201 thru 216)	95,781,406
6	- Capitalization Offsets	0

7	Total Capitalization Balances	229,395,147
		=====
8	<u>Weighting of Capitalization Balances :</u>	
9	Long-Term Debt (LTD/Total Capital)	27.9031%
10	+ Short-Term Debt (STD/Total Capital)	30.3430%
11	+ Preferred Stock	0.0000%
12	+ Common Equity (Common Equity/Total Capital)	41.7539%
13	- Capitalization Offsets	0.0000%

14	Total Capitalization	100.0000%
		=====
15	<u>Capitalization Cost Rates :</u>	
16	Long-Term Debt (avg LTD int rate)	2.2431%
17	Short-Term Debt (avg money pool STD int rate)	0.2828%
18	Preferred Stock	0.0000%
19	Common Equity (FERC fixed rate)	12.1600%
20	Capitalization Offsets (sum of weighted costs of debt)	1.2218%
21	<u>Rate of Return (Net of Tax) :</u>	
22	Long-Term Debt (LTD % x avg LTD int rate)	0.6259%
23	+ Short-Term Debt (STD % x avg MP STD int rate)	0.0858%
24	+ Preferred Stock	0.0000%
25	+ Common Equity (CE % x FERC fixed rate)	5.0773%
26	- Capitalization Offsets	0.0000%

27	Total Rate of Return (Net of Tax)	5.7890%
		=====
28	Weighted Net Cost of Debt	0.7117%
	(LTD Rate of Return + STD RR - Cap Offsets RR)	
29	+ Pre-Tax Common Equity (Line 25 / .65)	7.8112%
	(Common Equity Rate of Return grossed up for tax)	-----
30	= Rate of Return (Pre-Tax)	8.5229%
		=====

A E P GENERATING COMPANY

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

500	SUPERVISION AND ENGINEERING	202,729
501	FUEL	10,612,366
502	STEAM EXPENSES	72,581
503	STEAM FROM OTHER SOURCES	0
504	STEAM TRANSFERRED - CR	0
505	ELECTRIC EXPENSES	74,973
506	MISC. STEAM POWER EXPENSES	119,709
507	RENTS	0
508	OPERATION SUPPLIES AND EXPENSES	0
509	CARRYING CHARGES - ALLOWANCES	0
	TOTAL OPERATION EXPENSE	11,082,358
510	MAINTENANCE SUPER. AND ENGINEERING	75,756
511	MAINTENANCE OF STRUCTURES	80,500
512	MAINTENANCE OF BOILER PLANT	641,479
513	MAINTENANCE OF ELECTRIC PLANT	120,038
514	MAINTENANCE OF MISC. STEAM PLANT	56,418
515	MAINTENANCE NORMALIZING	0
	TOTAL MAINTENANCE EXPENSES	974,190
555	PURCHASED POWER	0
556	SYSTEM CONTROL AND LOAD DISPATCHING	(3,896)
557	OTHER POWER SUPPLY EXPENSES	(10,486)
	TOTAL OTHER SUPPLY EXPENSES	(14,382)

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 10
 THIS BILLING IS FOR MONTH OF October, 2014

A E P GENERATING COMPANY

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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	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
	TOTAL SALES EXPENSES	0
920	ADMIN. & GENERAL SALARIES	35,041
921	OFFICE SUPPLIES AND EXPENSES	4,137
922	ADMINISTRATIVE EXPENSES TRANSF - CR	0
923	OUTSIDE SERVICES	24,170
924	PROPERTY INSURANCE	7,086
925	INJURIES AND DAMAGES	4,026
926	EMPLOYEE PENSIONS AND BENEFITS	64,646
927	FRANCHISE REQUIREMENTS	0
928	REGULATORY COMMISSION	0
929	DUPLICATE CHARGES-CREDIT	0
930	MISCELLANEOUS GENERAL EXPENSES	2,272
931	RENTS	807
933	TRANSPORTATION EXPENSE	0
	TOTAL ADM & GEN EXPENSES OPERATION	142,185
935	MAINTENANCE OF GENERAL PLANT	5,874
	TOTAL ADM & GEN EXPENSES	148,060
	TOTAL AEG OPERATION & MAINTENANCE EXPENSES	12,190,227
	ACCOUNT 40190 TOTAL FOR CROSS FOOT	12,190,227
	-----DIFFERENCE-----	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
07-Nov-14**

**UNIT 2
POWER BILL - - October, 2014**

IN ACCORDANCE WITH POWER AGREEMENT DATED OCTOBER 1, 1984 (AS AMENDED)
ENERGY DELIVERED FOR THE MONTH OF October, 2014
KWH FOR THE MONTH 288,118,000

<u>SUMMARY</u>	<u>TOTAL</u>
Current Month Bill:	
Return on Common Equity	(136,468)
Return on Other Capital	(23,022)
Total Return	----- (159,490)
Fuel	7,284,303
Purchased Power	0
Other Operating Revenues	(6,125)
Other Operation and Maintenance Exp	4,952,087
Depreciation Expense	717,739
Taxes Other Than Federal Income Tax	151,829
Federal Income Tax	13,269
TOTAL CURRENT UNIT POWER BILL	----- 12,953,611 -----
Prior Month's Adjustment:	
Return on Common Equity & Other Capital	0
Fuel Expense	0
Other Expenses (Includes taxes & interest)	(521,455)
TOTAL PRIOR MONTH'S ADJUSTMENTS	----- (521,455) -----
TOTAL UNIT POWER BILL	=====
	12,432,156 =====

AMOUNTS WILL BE PAID DIRECT FROM GENERAL FUNDS.

DUE DATE - - November 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**

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

**ESTIMATE
07-Nov-14**

**UNIT 2
POWER BILL - - October, 2014**

IN ACCORDANCE WITH POWER AGREEMENT DATED OCTOBER 1, 1984 (AS AMENDED)
ENERGY DELIVERED FOR THE MONTH OF October, 2014
KWH FOR THE MONTH 123,479,000

<u>SUMMARY</u>	<u>TOTAL</u>
Current Month Bill:	
Return on Common Equity	(58,487)
Return on Other Capital	(9,866)
Total Return	----- (68,353)
Fuel	3,121,844
Purchased Power	0
Other Operating Revenues	(2,625)
Other Operation and Maintenance Exp	2,122,323
Depreciation Expense	307,602
Taxes Other Than Federal Income Tax	65,070
Federal Income Tax	5,686
TOTAL CURRENT UNIT POWER BILL	----- 5,551,547 =====
Prior Month's Adjustment:	
Return on Common Equity & Other Capital	0
Fuel Expense	0
Other Expenses (Includes taxes & interest)	(223,481)
TOTAL PRIOR MONTH'S ADJUSTMENTS	----- (223,481) -----
TOTAL UNIT POWER BILL	----- 5,328,066 =====

AMOUNTS WILL BE PAID DIRECT FROM GENERAL FUNDS.

DUE DATE - - November 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
ROCKPORT POWER BILL
SUMMARY OF MONTHLY POWER BILL**

	TOTAL UNIT 2 POWER BILL	KPCO SHARE	I&M SHARE
Return on Common Equity	(194,955)	(58,487)	(136,468)
Return on Other Capital	(32,888)	(9,866)	(23,022)
Total Return	(227,843)	(68,353)	(159,490)
+ Fuel	10,406,147	3,121,844	7,284,303
+ Purchased Power	0	0	0
- Other Operating Revenues	(8,750)	(2,625)	(6,125)
+ Other Operation and Maintenance Exp	7,074,410	2,122,323	4,952,087
+ Depreciation Expense	1,025,341	307,602	717,739
+ Taxes Other Than Federal Income Tax	216,899	65,070	151,829
+ Federal and State Income Tax	18,955	5,686	13,269
= Total Unit 2 Monthly Power Bill	18,505,158	5,551,547	12,953,611
<u>Determination of Federal Income Tax :</u>			
Total Return (Line 3)	(227,843)	(68,353)	(159,490)
+ Unit 2 Schedule M Adjustments	17,840	5,352	12,488
+ Unit 2 Deferred Federal Income Taxes	74,006	22,202	51,804
- Unit 2 Interest Expense Deduction *	(33,760)	(10,128)	(23,632)
= Subtotal	(102,237)	(30,671)	(71,565)
x Gross-Up (FIT Rate / 1-FIT Rate)	0.538462	0.538462	0.538462
= Unit 2 Current Federal Income Tax	(55,050)	(16,515)	(38,535)
+ Unit 2 Def Fed & State Income Taxes	74,006	22,202	51,804
= Total Unit 2 Fed&State Income Taxes	18,955	5,686	13,269
<u>Proof of Federal Income Tax :</u>			
Total Unit 2 Monthly Power Bill	18,505,158	5,551,547	12,953,611
- Operation and Maintenance Expenses	17,480,556	5,244,167	12,236,389
- Depreciation Expense	1,025,341	307,602	717,739
- Taxes Other Than Federal Income Tax	216,899	65,070	151,829
- Unit 2 Interest Expense Deduction *	(33,760)	(10,128)	(23,632)
- Other Operating Revenues	(8,750)	(2,625)	(6,125)
= Pre-Tax Book Income	(175,128)	(52,539)	(122,589)
+ Unit 2 Schedule M Adjustments	17,840	5,352	12,488
= Unit 2 Taxable Income	(157,288)	(47,187)	(110,101)
x Current Federal Income Tax Rate	35%	35%	35%
= Unit 2 Current Federal Income Tax	(55,050)	(16,515)	(38,535)
+ Unit 2 Def Fed & State Income Taxes	74,006	22,202	51,804
= Total Unit 2 Fed&State Income Taxes	18,956	5,687	13,269

* 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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<u>Line No.</u>		<u>UNIT 2 October, 2014</u>
1	Operating Ratio:	
2	<u>Net In-Service Investment:</u>	
3	Electric Plant In-Service	800,671,212
4	- Accumulated Depreciation	589,809,778
5	+ Materials & Supplies	58,051,408
6	+ Prepayments	0
7	+ Plant Held For Future Use (A/C 105) *	0
8	+ Other Deferred Debits (A/C 186) *	0
9	+ Other Working Capital ***	(25,542,832)
10	+ Unamortized Debt Expense (A/C 181)	83,511
11	+ Deferred ASH pond cost (A/C182.3)	2,793,193
12	- Asset Retirement Obligation (A/C 230)	4,585,892
13	- Other Deferred Credits (A/C 253)	45,587,688
14	- Accumulated Deferred FIT	36,098,481
15	- Accumulated Deferred ITC	16,099,897
16	Total Net In-Service Investment	143,874,757
17	<u>Non-In-Service Investment - CWIP :</u>	
18	Construction Work In Progress	101,199,703
19	+ Materials & Supplies	0
20	- Accumulated Deferred FIT	0
21	Total Non-In-Service Investment - CWIP	101,199,703
22	<u>Non-In-Service Investment - Other :</u>	
23	Plant Held for Future Use (A/C 105) **	0
24	+ Other Deferred Debits (A/C 186) **	1,657,838
25	+ Fuel Inventory Over Allowed Level ****	(7,484,341)
26	Total Non-In-Service Investment - Other	(5,826,503)
27	Total Investment (Lines 16+21+26)	239,247,957
28	Operating Ratio (Line 16/Line 27)	60.1363%
29	Non-In-Service Investment-CWIP Ratio (Line 21/Line 27)	42.2991%
30	Non-In-Service Investment-Other Ratio (Line 26/Line 27)	-2.4354%
31	Total Investment	100.0000%
	* 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	

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

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<u>Line No.</u>		<u>UNIT 2 October, 2014</u>
1	Net In-Service Investment Ratio:	
2	<u>Unit 2 Net In-Service Investment:</u>	
3	Electric Plant In-Service	142,490,981
4	- Accumulated Depreciation	144,654,878
5	+ Materials & Supplies	25,283,533
6	+ Prepayments	0
7	+ Plant Held For Future Use (A/C 105) *	0
8	+ Other Deferred Debits (A/C 186) *	0
9	+ Other Working Capital **	(16,921,802)
10	+ Unamortized Debt Expense (A/C 181)	41,756
11	+ Deferred ASH pond cost (A/C182.3)	1,396,597
12	- Asset Retirement Obligation (A/C 230)	2,292,946
13	- Other Deferred Credits (A/C 253)	45,587,688
14	- Accumulated Deferred FIT	(6,394,225)
15	- Accumulated Deferred ITC	16,088,247
16	Total Unit 2 Net In-Service Investment	(49,938,469)
17	<u>Unit 1 Net In-Service Investment:</u>	
18	Electric Plant In-Service	658,180,231
19	- Accumulated Depreciation	445,154,900
20	+ Materials & Supplies	32,767,874
21	+ Prepayments	0
22	+ Plant Held For Future Use (A/C 105) *	0
23	+ Other Deferred Debits (A/C 186) *	0
24	+ Other Working Capital **	(8,621,031)
25	+ Unamortized Debt Expense (A/C 181)	41,756
26	+ Deferred ASH pond cost (A/C182.3)	1,396,597
27	- Asset Retirement Obligation (A/C 230)	2,292,946
28	- Other Deferred Credits (A/C 253)	0
29	- Accumulated Deferred FIT	42,492,706
30	- Accumulated Deferred ITC	11,650
31	Total Unit 1 Net In-Service Investment	193,813,226
32	Total Net In-Service Investment	143,874,757
33	<u>Net In-Service Investment Ratio:</u>	
34	Unit 2 (Line 16 / Line 32)	-34.7100%
35	Unit 1 (Line 31 / Line 32)	134.7100%
		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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<u>Line No.</u>		<u>UNIT 2 October, 2014</u>
1	Net Capitalization:	
2	Long-Term Debt	64,008,272
3	+ Short-Term Debt	69,605,469
4	+ Preferred Stock	0
5	+ Common Equity	95,781,406
6	- Temporary Cash Investments	0

7	Net Capitalization	229,395,147
		=====
8	40% of Net Capitalization	91,758,059
9	<u>Return on Common Equity:</u>	
10	Lesser of Line 5 or Line 8	91,758,059
11	x Equity Return (Monthly Rate)	1.01333%
12	= Equity Return	929,812
13	x Operating Ratio	60.1363%
14	x Net In-Service Investment Ratio	-34.7100%
15	= Subtotal	(194,083)
16	Excess of Line 5 Over Line 8	4,023,347
17	x Weighted Cost of Debt (Monthly Rate)	0.1038%
18	= Return on Equity over 40% of Capitalization	4,176
19	x Operating Ratio	60.1363%
20	x Net In-Service Investment Ratio	-34.7100%
21	= Subtotal	(872)

22	Unit 2 Return on Equity (Line 15 + Line 21)	(194,955)
		=====
23	<u>Return on Other Capital:</u>	
24	Long-Term Debt Interest Expense (A/C 427-429)	121,940
25	+ Short-Term Debt Interest Expense (a/c 430)	3,775
26	+ Other Interest Expense (a/c 431)	31,843
27	- Temporary Cash Investment Income *	0

28	= Net Interest Expense	157,558
29	+ Preferred Stock Dividends (a/c 437)	0

30	= Net Cost of Other Capital	157,558
31	x Operating Ratio	60.1363%
32	x Net In-Service Investment Ratio	-34.7100%
33	= Unit 2 Return on Other Capital	(32,888)
		=====

* 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 2
October, 2014**

1	Debt Balances (Prior Month Ending) :	
2	Long-Term Debt (Accts 221 thru 226)	64,008,272
3	+ Short-Term Debt (Accts 231 + 233)	69,605,469
4	+ Other Debt (Accts 132 thru 136 + 145)	0
5	Total Debt Balances (Prior Month Ending)	----- 133,613,741 =====
6	<u>Weighting of Debt Balances :</u>	
7	Long-Term Debt (LTD bal/Total Debt bal)	47.9055%
8	+ Short-Term Debt (STD bal/Total Debt bal)	52.0945%
9	+ Other Debt	0.0000%
10	Total Debt Balances	----- 100.0000% =====
11	<u>Debt Cost Rates :</u>	
12	Long-Term Debt (avg LTD int rate)	2.2431%
13	Short-Term Debt (avg Money Pool STD int rate)	0.2828%
14	Other Debt	0.0000%
15	<u>Weighted Cost of Debt :</u>	
16	Long-Term Debt (LTD % x avg LTD int rate)	1.0745%
17	+ Short-Term Debt (STD % x avg MP STD int rate)	0.1473%
18	+ Other Debt	0.0000%
19	Total Weighted Cost of Debt	----- 1.2218% =====

**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

<u>Line No.</u>		<u>October, 2014</u>
1	Unit 2 Materials and Supplies:	
2	Fuel Stock - Coal (per Line 23)	11,978,787
3	Fuel Stock Expenses - Undistributed (152)	432,518
4	Fuel Stock - Oil (151)	1,680,781
5	Plant Materials & Operating Supplies	11,191,447
6	Merchandise	0
7	Undistributed Stores Expense	0

8	Total Materials & Supplies	25,283,533
		=====
9	<u>Support of Coal Inventory Value:</u>	
10	Actual Coal Inventory (a/c 151.10)	11,978,787
11	+ Equivalent Inventory re: Deferred Return	1,044,671,957

12	= Imputed Coal Inventory	1,056,650,744

13	<u>Coal Inventory W/68 Day Supply Cap</u>	
14	Tons Consumed - CHANGE ANNUALLY FROM DEC PG 24	1,793,019
15	/ Hours Available * CHG ANNUALLY FROM GADS RPT 511	5871.3
16	= Tons Consumed per Hour	305.39
17	x 24 Hours per Day	24
18	= Tons Consumed Per Day	7329.36
19	x 68 days	68
20	= 68 day Supply (Tons)	498,396
21	x Coal Cost per Ton (per a/c 151.10 at End of Prior Month)	38.152

22	= 68 day Coal Inventory	19,014,804

23	Lesser of Imputed or Capped Coal Inventory	19,014,804

24	Imputed Inventory Minus Line 23	1,037,635,940
		=====
25	<u>Accumulated Deferred Inventory Return - Unit 2 (Memo Item):</u>	
26	Beginning Balance	7,507,646
27	+ Current Month Return on Beginning Balance	54,345
28	+ Current Month Deferral	46,614
29	- Current Month Recovery	0

30	= Ending Balance **	7,608,605
		=====
	* Excludes Forced Outages, Scheduled Outages, and Curtailments	
	** May Not Be Less Than Zero	
	Total Unit 2 Monthly Power Bill with Actual	18,446,187
	Total Unit 2 Monthly Power Bill with 68 Day Capped	18,492,801
	Difference	46,614

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
DETAIL OF OTHER OPERATING REVENUES**

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UNIT 2

October, 2014

<u>Line No.</u>	<u>Account No.</u>	<u>Description</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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UNIT 2

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>October, 2014</u>
1	500,502-508	Steam Power Generation - Operation	6,081,609
2	501	Fuel - Operation	10,406,147
3	510-515	Steam Power Generating - Maintenance	788,361
4		Total Steam Power Generation Expenses	17,276,117
5	555-557	Other Power Supply Expenses	(14,382)
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 Expensese	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	212,947
16	935	Administrative and General Expenses - Maintenance	5,874
17		Total Administrative & General Exp.	218,821
18		Total Operation & Maintenance Expenses	17,480,556

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

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<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>UNIT 2 October, 2014</u>
1	403	Depreciation Expense *	449,788
1a	403.1	ARO Depreciation Expense	3,343
2	404	Amortization of Limited-Term Electric Plant **	555,177
3	405	Amortization of Other Electric Plant	0
4	406	Amortization of Electric Plant Acquisition Adjustments	0
5	407	Amortization of Property Losses, Unrecovered Plant and Regulatory Study Costs	0
			-
6		Total Depreciation Exp. & Amortization	1,008,308
			=
7	411.10	ARO Accretion Expense	17,033
8		Total Depreciation, Amortization & Accretion Expenses	1,025,341

* 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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UNIT 2

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>October, 2014</u>
1	408.1	Taxes Other Than Federal Income Taxes, Utility Operating Income	151,899
2	409.1	State Income Taxes	65,000
3		Total Taxes Other than Federal Income Taxes	----- 216,899 =====

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

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>TOTAL</u>	<u>KPCO SHARE</u>	<u>I&M SHARE</u>
1		<u>Unit 2 Schedule `M' Adjustments*</u>			
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	(363,660)	(109,098)	(254,562)
5	***	Total Unit 2 Schedule `M' Adjustments	17,840	5,352	12,488
6		<u>Unit 2 Deferred Federal Income Tax</u>			
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' Adj.-Utility	120,322	36,097	84,225
12	***	Total Unit 2 Deferred Federal Income Tax	74,006	22,202	51,804

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

Check Figure on Tax Page for Sch M 17,840
Check Figure on Tax Page for DFIT 74,006

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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**UNIT 2
October, 2014**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
1		<u>ELECTRIC PLANT IN SERVICE</u>	
2	101	Electric Plant In Service	139,838,027
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	2,652,954
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	142,490,981
12	105	Plant Held For Future Use	0
13		<u>ACCUMULATED DEPRECIATION</u>	
14	108	Accumulated Provision for Depreciation of Electric Utility Plant	118,043,667
15	110	Accumulated Provision for Depreciation and Amort. of Elec. Utility Plant	0
16	111	Accumulated Provision for Amortization of Electric Utility Plant	26,611,211
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	144,654,878
20		<u>MATERIAL AND SUPPLIES</u>	
21	151	Fuel Stock	13,659,568
22	152	Fuel Stock Expenses - Undistributed	432,518
23	153	Residuals	0
24	154	Plant Materials and Operating Supplies	11,191,447
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)	25,283,533
29	165	Prepayments	0
30	186	Other Deferred Debits	0

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
OTHER WORKING CAPITAL, UNAMORTIZED DEBT EXPENSE
AND OTHER DEFERRED CREDITS**

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<u>Line No.</u>	<u>Account No.</u>	<u>Description *</u>	<u>UNIT 2 October, 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	20,201,534
6	171	Interest and Dividends Receivable	0
7	174	Miscellaneous Current and Accrued Assets	0
8	232	Accounts Payable-General	(18,688)
9	234	Accounts Payable-Associated Company	(12,700,314)
10	236	Taxes Accrued	(6,720,562)
11	237	Interest Accrued	(84,089)
12	238	Dividends Declared	0
13	241	Tax Collections Payable	0
14	242	Misc Current and Accrued Liabilities	(17,599,683)

15		Total Other Working Capital	(16,921,802)
			=====
16	181	Unamortized Debt Expense	41,756

17	253	Other Deferred Credits	45,587,688

*		debit <credit>	

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

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**UNIT 2
October, 2014**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
31		ACCUMULATED DEFERRED INCOME TAXES	
32	190	-Accumulated Deferred Income Taxes	20,236,568
33	281	+Accumulated Deferred Income Taxes - Accelerated Amortization Property	0
34	282	+Accumulated Deferred Income Taxes - Other Property	12,918,954
35	283	+Accumulated Deferred Income Taxes - Other	923,389
36		Total Accumulated Deferred Income Taxes (In-Service Portion)	----- (6,394,225) -----
37	255	+Accumulated Deferred Investment Tax Credits	16,088,247
38	186.50	-Accumulated Deferred Investment Tax Credit	0
39		Total Accumulated Deferred Investment Tax Credits	----- 16,088,247 -----
40		Total Net In-Service Investment - Unit 2	----- (49,042,120) =====

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

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**UNIT 2
October, 2014**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
		<u>Non-In-Service Investment - CWIP</u>	
1	107	Construction Work In Process	101,199,703
2		<u>MATERIAL AND SUPPLIES</u>	
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		<u>ACCUMULATED DEFERRED INCOME TAXES</u>	
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	0
16		Total Accumulated Deferred Income Taxes (CWIP Portion)	----- 0
17		TOTAL NON-IN-SERVICE INVESTMENT - CWIP	----- 101,199,703 =====
		<u>Non-In-Service Investment - Other</u>	
18	105	Plant Held for Future Use	0
19	186	Other Deferred Debits	1,657,838
20	151.10	Fuel Inventory Over Allowed Level *	(7,484,341)
21		Total Non-In-Service Investment - Other	----- (5,826,503) =====
		* INCLUDES ROCKPORT 1 AND 2	
		UNIT 1	(7,484,341)
		UNIT 2	0
		TOTAL	----- (7,484,341) =====

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
DETAIL OF NET CAPITALIZATION**

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**UNIT 2
October, 2014**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
1		<u>COMMON CAPITAL STOCK</u>	
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		<u>OTHER PAID-IN CAPITAL</u>	
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		<u>RETAINED EARNINGS</u>	
18	215	Appropriated Retained Earnings	0
19	215.1	Appropriated Retained Earnings- Amortization Reserve, Federal	0
20	216	Unappropriated Retained Earnings	5,919,419
21		Total Retained Earnings	5,919,419
22		Total Common Equity	95,781,406
23		<u>PREFERRED CAPITAL STOCK</u>	
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
October, 2014**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
28		<u>LONG-TERM DEBT</u>	
29	221	Bonds	0
30	222	Reacquired Bonds	0
31	223	Advances from Associated Companies	0
32	224	Other Long-Term Debt	64,008,272
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	64,008,272
		<u>SHORT-TERM DEBT</u>	
36a	231.02	Notes Payable (Short-Term Debt)	0
36b	231.03	Unamortized Discount	0
	233.00	Notes Payable, Assoc Co(Money Pool)	69,605,469
38		Total Short-Term Debt	69,605,469
39		<u>TEMPORARY CASH INVESTMENTS</u>	
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	229,395,147

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

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<u>Line No.</u>		UNIT 2 October, 2014
1	Capitalization Balances (Prior Month Ending) :	
2	Long-Term Debt (Accts 221 thru 226)	64,008,272
3	+ Short-Term Debt (Accts 231 + 233)	69,605,469
4	+ Preferred Stock	0
5	+ Common Equity (Accts 201 thru 216)	95,781,406
6	- Capitalization Offsets	0

7	Total Capitalization Balances	229,395,147
		=====
8	<u>Weighting of Capitalization Balances :</u>	
9	Long-Term Debt (LTD/Total Capital)	27.9031%
10	+ Short-Term Debt (STD/Total Capital)	30.3430%
11	+ Preferred Stock	0.0000%
12	+ Common Equity (Common Equity/Total Capital)	41.7539%
13	- Capitalization Offsets	0.0000%

14	Total Capitalization	100.0000%
		=====
15	<u>Capitalization Cost Rates :</u>	
16	Long-Term Debt (avg LTD int rate)	2.2431%
17	Short-Term Debt (avg money pool STD int rate)	0.2828%
18	Preferred Stock	0.0000%
19	Common Equity (FERC fixed rate)	12.1600%
20	Capitalization Offsets (sum of weighted costs of debt)	1.2218%
21	<u>Rate of Return (Net of Tax) :</u>	
22	Long-Term Debt (LTD % x avg LTD int rate)	0.6259%
23	+ Short-Term Debt (STD % x avg MP STD int rate)	0.0858%
24	+ Preferred Stock	0.0000%
25	+ Common Equity (CE % x FERC fixed rate)	5.0773%
26	- Capitalization Offsets	0.0000%

27	Total Rate of Return (Net of Tax)	5.7890%
		=====
28	Weighted Net Cost of Debt	0.7117%
	(LTD Rate of Return + STD RR - Cap Offsets RR)	
29	+ Pre-Tax Common Equity (Line 25 / .65)	7.8112%
	(Common Equity Rate of Return grossed up for tax)	-----
30	= Rate of Return (Pre-Tax)	8.5229%
		=====

A E P GENERATING COMPANY

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

500	SUPERVISION AND ENGINEERING	147,019
501	FUEL	10,406,147
502	STEAM EXPENSES	70,021
503	STEAM FROM OTHER SOURCES	0
504	STEAM TRANSFERRED - CR	0
505	ELECTRIC EXPENSES	66,418
506	MISC. STEAM POWER EXPENSES	107,898
507	RENTS	5,690,253
508	OPERATION SUPPLIES AND EXPENSES	0
509	CARRYING CHARGES - ALLOWANCES	0
	TOTAL OPERATION EXPENSE	16,487,756
510	MAINTENANCE SUPER. AND ENGINEERING	76,095
511	MAINTENANCE OF STRUCTURES	20,124
512	MAINTENANCE OF BOILER PLANT	475,507
513	MAINTENANCE OF ELECTRIC PLANT	186,935
514	MAINTENANCE OF MISC. STEAM PLANT	29,699
515	MAINTENANCE NORMALIZING	0
	TOTAL MAINTENANCE EXPENSES	788,361
555	PURCHASED POWER	0
556	SYSTEM CONTROL AND LOAD DISPATCHING	(3,896)
557	OTHER POWER SUPPLY EXPENSES	(10,486)
	TOTAL OTHER SUPPLY EXPENSES	(14,382)

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	10
THIS BILLING IS FOR MONTH OF	October, 2014

A E P GENERATING COMPANY

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

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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 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	49,697
921	OFFICE SUPPLIES AND EXPENSES	4,155
922	ADMINISTRATIVE EXPENSES TRANSF - CR	0
923	OUTSIDE SERVICES	80,257
924	PROPERTY INSURANCE	7,086
925	INJURIES AND DAMAGES	4,026
926	EMPLOYEE PENSIONS AND BENEFITS	64,646
927	FRANCHISE REQUIREMENTS	0
928	REGULATORY COMMISSION	0
929	DUPLICATE CHARGES-CREDIT	0
930	MISCELLANEOUS GENERAL EXPENSES	2,272
931	RENTS	807
933	TRANSPORTATION EXPENSE	0
	TOTAL ADM & GEN EXPENSES OPERATION	212,947
935	MAINTENANCE OF GENERAL PLANT	5,874
	TOTAL ADM & GEN EXPENSES	218,821
	TOTAL AEG OPERATION & MAINTENANCE EXPENSES	17,480,556
	ACCOUNT 40190 TOTAL FOR CROSS FOOT	17,480,556
	-----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
05-Dec-14

UNIT 1
POWER BILL - - November, 2014

IN ACCORDANCE WITH POWER AGREEMENT DATED OCTOBER 1, 1984 (AS AMENDED)
 ENERGY DELIVERED FOR THE MONTH OF November, 2014
 KWH FOR THE MONTH 132,439,000

SUMMARY

TOTAL

Current Month Bill:

Return on Common Equity	223,070
Return on Other Capital	32,685
Total Return	----- 255,755
Fuel	3,337,413
Purchased Power	0
Other Operating Revenues	(2,625)
Other Operation and Maintenance Exp	324,393
Depreciation Expense	495,629
Taxes Other Than Federal Income Tax	544,333
Federal Income Tax	149,702
TOTAL CURRENT UNIT POWER BILL	----- 5,104,600 -----

Prior Month's Adjustment:

Return on Common Equity & Other Capital	0
Fuel Expense	0
Other Expenses (Includes taxes & interest)	73,450
TOTAL PRIOR MONTH'S ADJUSTMENTS	----- 73,450 -----

=====

TOTAL UNIT POWER BILL 5,178,050

=====

AMOUNTS WILL BE PAID DIRECT FROM GENERAL FUNDS.

DUE DATE - - - December 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

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-Dec-14

UNIT 1
POWER BILL - - November, 2014

IN ACCORDANCE WITH POWER AGREEMENT DATED OCTOBER 1, 1984 (AS AMENDED)
 ENERGY DELIVERED FOR THE MONTH OF November, 2014
 KWH FOR THE MONTH 309,024,000

SUMMARY

TOTAL

Current Month Bill:

Return on Common Equity	520,496
Return on Other Capital	76,265
Total Return	----- 596,761
Fuel	7,787,297
Purchased Power	0
Other Operating Revenues	(6,125)
Other Operation and Maintenance Exp	756,917
Depreciation Expense	1,156,468
Taxes Other Than Federal Income Tax	1,270,109
Federal Income Tax	349,305
TOTAL UNIT POWER BILL	----- 11,910,732 -----

Prior Month's Adjustment:

Return on Common Equity & Other Capital	0
Fuel	0
Other Expenses (Includes taxes & interest)	171,386

TOTAL PRIOR MONTH'S ADJUSTMENTS -----
171,386

TOTAL UNIT POWER BILL =====
12,082,118
=====

AMOUNTS WILL BE PAID DIRECT FROM GENERAL FUNDS.

DUE DATE - - - December 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
 Sid Lyons - Columbus Michelle Howell - Columbus

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
SUMMARY OF MONTHLY POWER BILL**

November, 2014

	<u>TOTAL UNIT 1 POWER BILL</u>	<u>KPCO SHARE</u>	<u>I&M SHARE</u>
Return on Common Equity	743,566	223,070	520,496
Return on Other Capital	108,950	32,685	76,265
Total Return	852,516	255,755	596,761
+ Fuel	11,124,710	3,337,413	7,787,297
+ Purchased Power	0	0	0
- Other Operating Revenues	(8,750)	(2,625)	(6,125)
+ Other Operation and Maintenance Exp	1,081,310	324,393	756,917
+ Depreciation Expense	1,652,097	495,629	1,156,468
+ Taxes Other Than Federal Income Tax	1,814,442	544,333	1,270,109
+ Federal and State Income Tax	499,007	149,702	349,305
= Total Unit 1 Monthly Power Bill	17,015,332	5,104,600	11,910,732
<u>Determination of Federal Income Tax :</u>			
Total Return (Line 3)	852,516	255,755	596,761
+ Unit 1 Schedule M Adjustments	15,090,270	4,527,081	10,563,189
+ Unit 1 Deferred Federal Income Taxes	(5,213,695)	(1,564,109)	(3,649,587)
- Unit 1 Interest Expense Deduction *	119,784	35,935	83,849
= Subtotal	10,609,306	3,182,792	7,426,514
x Gross-Up (FIT Rate / 1-FIT Rate)	0.538462	0.538462	0.538462
= Unit 1 Current Federal Income Tax	5,712,703	1,713,811	3,998,892
+ Unit 1 Def Fed & State Income Taxes	(5,213,695)	(1,564,109)	(3,649,587)
= Total Unit 1 Fed&State Income Taxes	499,007	149,702	349,305
<u>Proof of Federal Income Tax :</u>			
Total Unit 1 Monthly Power Bill	17,015,332	5,104,600	11,910,732
- Operation and Maintenance Expenses	12,206,020	3,661,806	8,544,214
- Depreciation Expense	1,652,097	495,629	1,156,468
- Taxes Other Than Federal Income Tax	1,814,442	544,333	1,270,109
- Unit 1 Interest Expense Deduction *	119,784	35,935	83,849
- Other Operating Revenues	(8,750)	(2,625)	(6,125)
= Pre-Tax Book Income	1,231,739	369,522	862,217
+ Unit 1 Schedule M Adjustments	15,090,270	4,527,081	10,563,189
= Unit 1 Taxable Income	16,322,009	4,896,603	11,425,406
x Current Federal Income Tax Rate	35%	35%	35%
= Unit 1 Current Federal Income Tax	5,712,703	1,713,811	3,998,892
+ Unit 1 Def Fed & State Income Taxes	(5,213,695)	(1,564,109)	(3,649,587)
= Total Unit 1 Fed&State Income Taxes	499,007	149,702	349,305

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

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

<u>Line No.</u>		<u>UNIT 1</u> <u>November, 2014</u>
1	<u>Operating Ratio:</u>	
2	<u>Net In-Service Investment:</u>	
3	Electric Plant In-Service	800,802,949
4	- Accumulated Depreciation	592,237,984
5	+ Materials & Supplies	59,772,885
6	+ Prepayments	28,690
7	+ Plant Held For Future Use (A/C 105) *	0
8	+ Other Deferred Debits (A/C 186) *	0
9	+ Other Working Capital ***	(44,168,651)
10	+ Unamortized Debt Expense (A/C 181)	83,209
11	+ Deferred ASH pond cost (A/C182.3)	2,785,369
12	- Asset Retirement Obligation (A/C 230)	4,615,108
13	- Other Deferred Credits (A/C 253)	45,123,442
14	- Accumulated Deferred FIT	36,137,145
15	- Accumulated Deferred ITC	15,935,496
16	Total Net In-Service Investment	----- 125,255,276 -----
17	<u>Non-In-Service Investment - CWIP :</u>	
18	Construction Work In Progress	105,312,990
19	+ Materials & Supplies	0
20	- Accumulated Deferred FIT	0
21	Total Non-In-Service Investment - CWIP	----- 105,312,990 -----
22	<u>Non-In-Service Investment - Other :</u>	
23	Plant Held for Future Use (A/C 105) **	1,034,099
24	+ Other Deferred Debits (A/C 186) **	1,391,681
25	+ Fuel Inventory Over Allowed Level ****	(7,946,334)
26	Total Non-In-Service Investment - Other	----- (5,520,554) -----
27	Total Investment (Lines 16+21+26)	----- 225,047,712 =====
28	Operating Ratio (Line 16/Line 27)	55.6572%
29	Non-In-Service Investment-CWIP Ratio (Line 21/Line 27)	46.7959%
30	Non-In-Service Investment-Other Ratio (Line 26/Line 27)	-2.4531%
31	Total Investment	----- 100.0000% =====
*	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	
****	Includes Rockport 1 and 2	

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

<u>Line No.</u>	<u>UNIT 1</u> <u>November, 2014</u>	
1	<u>Net In-Service Investment Ratio:</u>	
2	Unit 1 Net In-Service Investment:	
3	Electric Plant In-Service	658,477,323
4	- Accumulated Depreciation	446,851,305
5	+ Materials & Supplies	33,859,610
6	+ Prepayments	14,345
7	+ Plant Held For Future Use (A/C 105) *	0
8	+ Other Deferred Debits (A/C 186) *	0
9	+ Other Working Capital **	(11,779,441)
10	+ Unamortized Debt Expense (A/C 181)	41,604
11	+ Deferred ASH pond cost (A/C182.3)	1,392,685
12	- Asset Retirement Obligation (A/C 230)	2,307,554
13	- Other Deferred Credits (A/C 253)	0
14	- Accumulated Deferred FIT	42,426,033
15	- Accumulated Deferred ITC	11,414
16	Total Unit 1 Net In-Service Investment	----- 190,409,820 -----
17	Unit 2 Net In-Service Investment:	
18	Electric Plant In-Service	142,325,626
19	- Accumulated Depreciation	145,386,679
20	+ Materials & Supplies	25,913,275
21	+ Prepayments	14,345
22	+ Plant Held For Future Use (A/C 105) *	0
23	+ Other Deferred Debits (A/C 186) *	0
24	+ Other Working Capital **	(32,389,210)
25	+ Unamortized Debt Expense (A/C 181)	41,604
26	+ Deferred ASH pond cost (A/C182.3)	1,392,685
27	- Asset Retirement Obligation (A/C 230)	2,307,554
28	- Other Deferred Credits (A/C 253)	45,123,442
29	- Accumulated Deferred FIT	(6,288,888)
30	- Accumulated Deferred ITC	15,924,082
31	Total Unit 2 Net In-Service Investment	----- (65,154,544) -----
32	Total Net In-Service Investment	----- 125,255,276 =====
33	<u>Net In-Service Investment Ratio:</u>	
34	Unit 1 (Line 16 / Line 32)	152.0200%
35	Unit 2 (Line 31 / Line 32)	-52.0200%
		----- 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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<u>Line No.</u>		<u>UNIT 1 November, 2014</u>
1	<u>Net Capitalization:</u>	
2	Long-Term Debt	64,008,272
3	+ Short-Term Debt	52,812,617
4	+ Preferred Stock	0
5	+ Common Equity	96,833,594
6	- Temporary Cash Investments	0
7	Net Capitalization	----- 213,654,483 =====
8	40% of Net Capitalization	85,461,793
9	<u>Return on Common Equity:</u>	
10	Lesser of Line 5 or Line 8	85,461,793
11	x Equity Return (Monthly Rate)	1.01333%
12	= Equity Return	866,010
13	x Operating Ratio	55.6572%
14	x Net In-Service Investment Ratio	152.0200%
15	= Subtotal	732,732
16	Excess of Line 5 Over Line 8	11,371,801
17	x Weighted Cost of Debt (Monthly Rate)	0.1126%
18	= Return on Equity over 40% of Capitalization	12,805
19	x Operating Ratio	55.6572%
20	x Net In-Service Investment Ratio	152.0200%
21	= Subtotal	----- 10,834 =====
22	Unit 1 Return on Equity (Line 15 + Line 21)	743,566
23	<u>Return on Other Capital:</u>	
24	Long-Term Debt Interest Expense (A/C 427-429)	118,295
25	+ Short-Term Debt Interest Expense (a/c 430)	10,472
26	+ Other Interest Expense (a/c 431)	0
27	- Temporary Cash Investment Income *	0
28	= Net Interest Expense	----- 128,767
29	+ Preferred Stock Dividends (a/c 437)	0
30	= Net Cost of Other Capital	----- 128,767
31	x Operating Ratio	55.6572%
32	x Net In-Service Investment Ratio	152.0200%
33	= Unit 1 Return on Other Capital	----- 108,950 =====
	* 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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<u>Line No.</u>	<u>UNIT 1</u>	<u>November, 2014</u>
1	<u>Debt Balances (Prior Month Ending) :</u>	
2	Long-Term Debt (Accts 221 thru 226)	64,008,272
3	+ Short-Term Debt (Accts 231 + 233)	52,812,617
4	+ Other Debt (Accts 132 thru 136 + 145)	0

5	Total Debt Balances (Prior Month Ending)	116,820,888
		=====
6	<u>Weighting of Debt Balances :</u>	
7	Long-Term Debt (LTD bal/Total Debt bal)	54.7918%
8	+ Short-Term Debt (STD bal/Total Debt bal)	45.2082%
9	+ Other Debt	0.0000%

10	Total Debt Balances	100.0000%
		=====
11	<u>Debt Cost Rates :</u>	
12	Long-Term Debt (avg LTD int rate)	2.2486%
13	Short-Term Debt (avg Money Pool STD int rate)	0.3061%
14	Other Debt	0.0000%
15	<u>Weighted Cost of Debt :</u>	
16	Long-Term Debt (LTD % x avg LTD int rate)	1.2320%
17	+ Short-Term Debt (STD % x avg MP STD int rate)	0.1384%
18	+ Other Debt	0.0000%

19	Total Weighted Cost of Debt	1.3704%
		=====

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

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UNIT 1

<u>Line No.</u>		<u>November, 2014</u>
1	<u>Unit 1 Materials and Supplies:</u>	
2	Fuel Stock - Coal (per Line 23)	20,093,670
3	Fuel Stock Expenses - Undistributed (152)	346,107
4	Fuel Stock - Oil (151)	2,363,337
5	Plant Materials & Operating Supplies	11,052,945
6	Merchandise	0
7	Undistributed Stores Expense	3,550
8	Total Materials & Supplies	33,859,610
9	<u>Support of Coal Inventory Value:</u>	
10	Actual Coal Inventory (a/c 151.10)	12,147,336
11	+ Equivalent Inventory re: Deferred Return	20,710,417,045
12	= Imputed Coal Inventory	20,722,564,381
13	<u>Coal Inventory W/68 Day Supply Cap</u>	
14	Tons Consumed - CHANGE ANNUALLY FROM DEC PG 24	2,573,388
15	/ Hours Available * CHG ANNUALLY FROM GADS RPT 511	8232.6
16	= Tons Consumed per Hour	312.59
17	x 24 Hours per Day	24
18	= Tons Consumed Per Day	7502.16
19	x 68 days	68
20	= 68 day Supply (Tons)	510,147
21	x Coal Cost per Ton (per a/c 151.10 at End of Prior Month)	39.388
22	= 68 day Coal Inventory	20,093,670
23	Lesser of Imputed or Capped Coal Inventory	20,093,670
24	Imputed Inventory Minus Line 23	20,702,470,711
25	<u>Accumulated Deferred Inventory Return - Unit 1 (Memo Item):</u>	
26	Beginning Balance	155,900,657
27	+ Current Month Return on Beginning Balance	1,182,466
28	+ Current Month Deferral	0
29	- Current Month Recovery	52,099
30	= Ending Balance **	157,031,024

* 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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UNIT 1

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>November, 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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UNIT 1

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>November, 2014</u>
1	500,502-508	Steam Power Generation - Operation	310,449
2	501	Fuel - Operation	11,124,710
3	510-515	Steam Power Generating - Maintenance	606,746
4		Total Steam Power Generation Expenses	12,041,905
5	555-557	Other Power Supply Expenses	(497)
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 - Operation	146,116
16	935	Administrative and General Expenses - Maintenance	18,496
17		Total Administrative & General Exp.	164,612
18		Total Operation & Maintenance Expenses	12,206,020

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

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UNIT 1

November, 2014

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
	1 403	Depreciation Expense	1,631,625
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 Acquisition Adjustments	0
	5 407	Amortization of Property Losses, Unrecovered Plant and Regulatory Study Costs	0
	6	Total Depreciation Exp. & Amortization	1,634,968
			=====
	7 411.10	ARO Accretion Expense	17,129
	8	Total Depreciation, Amortization & Accretion Expenses	1,652,097

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

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UNIT 1

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>November, 2014</u>
BS1			
1	408.1	Taxes Other Than Federal Income Taxes, Utility Operating Income	139,442
2	409.1	State Income Taxes	1,675,000
3		Total Taxes Other than FIT	----- 1,814,442 =====

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

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>TOTAL</u>	<u>KPCO SHARE</u>	<u>I&M SHARE</u>
1		<u>Unit 1 Schedule `M' Adjustments*</u>			
2	N/A	Excess ACRS Over Normalization Base Depreciation	(2,500,711)	(750,213)	(1,750,498)
3	N/A	Excess Normalization Base Over Book Depreciation	(95,000)	(28,500)	(66,500)
4	N/A	Other Unit 1 Schedule `M' Adjustments	17,685,981	5,305,794	12,380,187
5	***	Total Unit 1 Schedule `M' Adjustments	----- 15,090,270	----- 4,527,081	----- 10,563,189
6		<u>Unit 1 Deferred Federal Income Tax</u>			
7	410.1	Excess ACRS Over Norm. Base Depr. (Line 2 x FIT Rate * -1)	(6,379,417)	(1,913,825)	(4,465,592)
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' Adj.-Utility	1,168,051	350,415	817,636
12	***	Total Unit 1 Deferred Federal Income Tax	----- (5,213,695)	----- (1,564,109)	----- (3,649,587)

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

=====

=====

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

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**UNIT 1
November, 2014**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
1		<u>ELECTRIC PLANT IN SERVICE</u>	
2	101	Electric Plant In Service	657,708,867
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	768,455
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	658,477,323
12	105	Plant Held For Future Use	0
13		<u>ACCUMULATED DEPRECIATION</u>	
14	108	Accumulated Provision for Depreciation of Electric Utility Plant	446,379,527
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	446,851,305
20		<u>MATERIAL AND SUPPLIES</u>	
21	151	Fuel Stock	22,457,007
22	152	Fuel Stock Expenses - Undistributed	346,107
23	153	Residuals	0
24	154	Plant Materials and Operating Supplies	11,052,945
25	155	Merchandise	0
26	156	Other Materials and Supplies	0
27	163	Stores Expense Undistributed	3,550
28		Total Materials and Supplies (In-Service Portion)	33,859,610
29	165	Prepayments	14,345
30	186	Other Deferred Debits	0

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
OTHER WORKING CAPITAL, UNAMORTIZED DEBT EXPENSE
AND OTHER DEFERRED CREDITS**

<u>Line No.</u>	<u>Account No.</u>	<u>Description *</u>	<u>UNIT 1 November, 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	16,429,066
6	171	Interest and Dividends Receivable	0
7	174	Miscellaneous Current and Accrued Assets	0
8	232	Accounts Payable-General	(13,200)
9	234	Accounts Payable-Associated Company	(15,336,398)
10	236	Taxes Accrued	(9,560,208)
11	237	Interest Accrued	(134,378)
12	238	Dividends Declared	0
13	241	Tax Collections Payable	0
14	242	Misc Current and Accrued Liabilities	(3,164,322)

15		Total Other Working Capital	(11,779,441)
			=====
16	181	Unamortized Debt Expense	41,604

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
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<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
31		<u>ACCUMULATED DEFERRED INCOME TAXES</u>	
32	190	-Accumulated Deferred Income Taxes	3,204,871
33	281	+Accumulated Deferred Income Taxes - Accelerated Amortization Property	0
34	282	+Accumulated Deferred Income Taxes - Other Property	44,812,845
35	283	+Accumulated Deferred Income Taxes - Other	818,058
36		Total Accumulated Deferred Income Taxes (In-Service Portion)	----- 42,426,033 -----
37	255	+Accumulated Deferred Investment Tax Credits	11,414
38	186.50	-Accumulated Deferred Investment Tax Credit	0
39		Total Accumulated Deferred Investment Tax Credits	----- 11,414 -----
40		Total Net In-Service Investment - Unit 1	----- 191,324,689 =====

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

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**UNIT 1
November, 2014**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
		<u>Non-In-Service Investment - CWIP</u>	
1	107	Construction Work In Process	105,312,990
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		<u>ACCUMULATED DEFERRED INCOME TAXES</u>	
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	0
16		Total Accumulated Deferred Income Taxes (CWIP Portion)	----- 0
17		TOTAL NON-IN-SERVICE INVESTMENT - CWIP	----- 105,312,990 =====
		<u>Non-In-Service Investment - Other</u>	
18	105	Plant Held for Future Use	1,034,099
19	186	Other Deferred Debits	1,391,681
20	151.10	Fuel Inventory Over Allowed Level *	(7,946,334)
21		Total Non-In-Service Investment - Other	----- (5,520,554) =====
		* INCLUDES ROCKPORT 1 AND 2	
		UNIT 1	(7,946,334)
		UNIT 2	0
		TOTAL	----- (7,946,334) =====

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
DETAIL OF NET CAPITALIZATION**

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November, 2014

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
1		<u>COMMON CAPITAL STOCK</u>	
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		<u>OTHER PAID-IN CAPITAL</u>	
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		<u>RETAINED EARNINGS</u>	
18	215	Appropriated Retained Earnings	0
19	215.1	Appropriated Retained Earnings- Amortization Reserve, Federal	0
20	216	Unappropriated Retained Earnings	6,971,607
21		Total Retained Earnings	6,971,607
22		Total Common Equity	96,833,594
23		<u>PREFERRED CAPITAL STOCK</u>	
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
November, 2014**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
28		<u>LONG-TERM DEBT</u>	
29	221	Bonds	0
30	222	Reacquired Bonds	0
31	223	Advances from Associated Companies	0
32	224	Other Long-Term Debt	64,008,272
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	64,008,272
		<u>SHORT-TERM DEBT</u>	
36a	231.02	Notes Payable (Short-Term Debt)	0
36b	231.03	Unamortized Discount	0
37	233.00	Notes Payable, Assoc Co(Money Pool)	52,812,617
38		Total Short-Term Debt	52,812,617
39		<u>TEMPORARY CASH INVESTMENTS</u>	
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	213,654,483

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

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**UNIT 1
November, 2014**

Line No.

1	<u>Capitalization Balances (Prior Month Ending) :</u>	
2	Long-Term Debt (Accts 221 thru 226)	64,008,272
3	+ Short-Term Debt (Accts 231 + 233)	52,812,617
4	+ Preferred Stock	0
5	+ Common Equity (Accts 201 thru 216)	96,833,594
6	- Capitalization Offsets	0

7	Total Capitalization Balances	213,654,483
		=====
8	<u>Weighting of Capitalization Balances :</u>	
9	Long-Term Debt (LTD/Total Capital)	29.9588%
10	+ Short-Term Debt (STD/Total Capital)	24.7187%
11	+ Preferred Stock	0.0000%
12	+ Common Equity (Common Equity/Total Capital)	45.3225%
13	- Capitalization Offsets	0.0000%

14	Total Capitalization	100.0000%
		=====
15	<u>Capitalization Cost Rates :</u>	
16	Long-Term Debt (avg LTD int rate)	2.2486%
17	Short-Term Debt (avg money pool STD int rate)	0.3061%
18	Preferred Stock	0.0000%
19	Common Equity (FERC fixed rate)	12.1600%
20	Capitalization Offsets (sum of weighted costs of debt)	1.3704%
21	<u>Rate of Return (Net of Tax) :</u>	
22	Long-Term Debt (LTD % x avg LTD int rate)	0.6736%
23	+ Short-Term Debt (STD % x avg MP STD int rate)	0.0757%
24	+ Preferred Stock	0.0000%
25	+ Common Equity (CE % x FERC fixed rate)	5.5112%
26	- Capitalization Offsets	0.0000%

27	Total Rate of Return (Net of Tax)	6.2605%
		=====
28	Weighted Net Cost of Debt	0.7493%
	(LTD Rate of Return + STD RR - Cap Offsets RR)	
29	+ Pre-Tax Common Equity (Line 25 / .65)	8.4788%
	(Common Equity Rate of Return grossed up for tax)	-----
30	= Rate of Return (Pre-Tax)	9.2281%
		=====

A E P GENERATING COMPANY

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

500	SUPERVISION AND ENGINEERING	135,216
501	FUEL	11,124,710
502	STEAM EXPENSES	55,164
503	STEAM FROM OTHER SOURCES	0
504	STEAM TRANSFERRED - CR	0
505	ELECTRIC EXPENSES	42,246
506	MISC. STEAM POWER EXPENSES	77,823
507	RENTS	0
508	OPERATION SUPPLIES AND EXPENSES	0
509	CARRYING CHARGES - ALLOWANCES	0
	TOTAL OPERATION EXPENSE	11,435,159
510	MAINTENANCE SUPER. AND ENGINEERING	86,438
511	MAINTENANCE OF STRUCTURES	21,075
512	MAINTENANCE OF BOILER PLANT	379,802
513	MAINTENANCE OF ELECTRIC PLANT	76,646
514	MAINTENANCE OF MISC. STEAM PLANT	42,785
515	MAINTENANCE NORMALIZING	0
	TOTAL MAINTENANCE EXPENSES	606,746
555	PURCHASED POWER	0
556	SYSTEM CONTROL AND LOAD DISPATCHING	(403)
557	OTHER POWER SUPPLY EXPENSES	(94)
	TOTAL OTHER SUPPLY EXPENSES	(497)

	AMOUNT MUST BE ZERO
IS FUEL IN BALANCE	0
ON PAGE 2	-----

NO OF DAYS IN CURRENT MO	30
NO OF DAYS IN CURRENT YEAR	365
CURRENT YEAR IS	2014
CURRENT MONTH IS	11
THIS BILLING IS FOR MONTH OF	November, 2014

A E P GENERATING COMPANY

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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	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
	TOTAL SALES EXPENSES	0
920	ADMIN. & GENERAL SALARIES	42,268
921	OFFICE SUPPLIES AND EXPENSES	7,962
922	ADMINISTRATIVE EXPENSES TRANSF - CR	(0)
923	OUTSIDE SERVICES	16,090
924	PROPERTY INSURANCE	6,302
925	INJURIES AND DAMAGES	3,366
926	EMPLOYEE PENSIONS AND BENEFITS	69,280
927	FRANCHISE REQUIREMENTS	0
928	REGULATORY COMMISSION	0
929	DUPLICATE CHARGES-CREDIT	0
930	MISCELLANEOUS GENERAL EXPENSES	66
931	RENTS	782
933	TRANSPORTATION EXPENSE	0
	TOTAL ADM & GEN EXPENSES OPERATION	146,116
935	MAINTENANCE OF GENERAL PLANT	18,496
	TOTAL ADM & GEN EXPENSES	164,612
	TOTAL AEG OPERATION & MAINTENANCE EXPENSES	12,206,020
	ACCOUNT 40190 TOTAL FOR CROSS FOOT	12,206,020
	-----DIFFERENCE-----	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-Dec-14**

**UNIT 2
POWER BILL - - November, 2014**

IN ACCORDANCE WITH POWER AGREEMENT DATED OCTOBER 1, 1984 (AS AMENDED)
ENERGY DELIVERED FOR THE MONTH OF November, 2014
KWH FOR THE MONTH 521,000

SUMMARY

TOTAL

Current Month Bill:

Return on Common Equity	(178,931)
Return on Other Capital	(26,218)

Total Return	(205,149)
Fuel	165,735
Purchased Power	0
Other Operating Revenues	(6,125)
Other Operation and Maintenance Exp	7,411,195
Depreciation Expense	718,122
Taxes Other Than Federal Income Tax	1,276,166
Federal Income Tax	(292,008)

TOTAL CURRENT UNIT POWER BILL	9,067,936

Prior Month's Adjustment:

Return on Common Equity & Other Capital	0
Fuel Expense	0
Other Expenses (Includes taxes & interest)	(30,643)

TOTAL PRIOR MONTH'S ADJUSTMENTS	(30,643)

TOTAL UNIT POWER BILL

=====

9,037,293

=====

AMOUNTS WILL BE PAID DIRECT FROM GENERAL FUNDS.

DUE DATE - - December 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**

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

**ESTIMATE
05-Dec-14**

**UNIT 2
POWER BILL - - November, 2014**

IN ACCORDANCE WITH POWER AGREEMENT DATED OCTOBER 1, 1984 (AS AMENDED)
ENERGY DELIVERED FOR THE MONTH OF November, 2014
KWH FOR THE MONTH 223,000

<u>SUMMARY</u>	<u>TOTAL</u>
Current Month Bill:	
Return on Common Equity	(76,685)
Return on Other Capital	(11,236)
Total Return	----- (87,921)
Fuel	71,030
Purchased Power	0
Other Operating Revenues	(2,625)
Other Operation and Maintenance Exp	3,176,227
Depreciation Expense	307,766
Taxes Other Than Federal Income Tax	546,928
Federal Income Tax	(125,147)
TOTAL CURRENT UNIT POWER BILL	----- 3,886,258 =====
Prior Month's Adjustment:	
Return on Common Equity & Other Capital	0
Fuel Expense	0
Other Expenses (Includes taxes & interest)	(13,132)
TOTAL PRIOR MONTH'S ADJUSTMENTS	----- (13,132) -----
TOTAL UNIT POWER BILL	=====
	3,873,126 =====

AMOUNTS WILL BE PAID DIRECT FROM GENERAL FUNDS.

DUE DATE - - December 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
ROCKPORT POWER BILL
SUMMARY OF MONTHLY POWER BILL**

November, 2014 05-Dec-14

	TOTAL UNIT 2 POWER BILL	KPCO SHARE	I&M SHARE
Return on Common Equity	(255,616)	(76,685)	(178,931)
Return on Other Capital	(37,454)	(11,236)	(26,218)
Total Return	(293,070)	(87,921)	(205,149)
+ Fuel	236,765	71,030	165,735
+ Purchased Power	0	0	0
- Other Operating Revenues	(8,750)	(2,625)	(6,125)
+ Other Operation and Maintenance Exp	10,587,422	3,176,227	7,411,195
+ Depreciation Expense	1,025,888	307,766	718,122
+ Taxes Other Than Federal Income Tax	1,823,094	546,928	1,276,166
+ Federal and State Income Tax	(417,156)	(125,147)	(292,008)
= Total Unit 2 Monthly Power Bill	12,954,193	3,886,258	9,067,936
<u>Determination of Federal Income Tax :</u>			
Total Return (Line 3)	(293,070)	(87,921)	(205,149)
+ Unit 2 Schedule M Adjustments	(13,975,292)	(4,192,588)	(9,782,705)
+ Unit 2 Deferred Federal Income Taxes	4,708,363	1,412,509	3,295,854
- Unit 2 Interest Expense Deduction *	(41,178)	(12,353)	(28,825)
= Subtotal	(9,518,821)	(2,855,646)	(6,663,174)
x Gross-Up (FIT Rate / 1-FIT Rate)	0.538462	0.538462	0.538462
= Unit 2 Current Federal Income Tax	(5,125,519)	(1,537,656)	(3,587,863)
+ Unit 2 Def Fed & State Income Taxes	4,708,363	1,412,509	3,295,854
= Total Unit 2 Fed&State Income Taxes	(417,156)	(125,147)	(292,008)
<u>Proof of Federal Income Tax :</u>			
Total Unit 2 Monthly Power Bill	12,954,193	3,886,258	9,067,936
- Operation and Maintenance Expenses	10,824,187	3,247,257	7,576,930
- Depreciation Expense	1,025,888	307,766	718,122
- Taxes Other Than Federal Income Tax	1,823,094	546,928	1,276,166
- Unit 2 Interest Expense Deduction *	(41,178)	(12,353)	(28,825)
- Other Operating Revenues	(8,750)	(2,625)	(6,125)
= Pre-Tax Book Income	(669,048)	(200,715)	(468,332)
+ Unit 2 Schedule M Adjustments	(13,975,292)	(4,192,588)	(9,782,705)
= Unit 2 Taxable Income	(14,644,340)	(4,393,303)	(10,251,037)
x Current Federal Income Tax Rate	35%	35%	35%
= Unit 2 Current Federal Income Tax	(5,125,519)	(1,537,656)	(3,587,863)
+ Unit 2 Def Fed & State Income Taxes	4,708,363	1,412,509	3,295,854
= Total Unit 2 Fed&State Income Taxes	(417,156)	(125,147)	(292,009)

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

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

<u>Line No.</u>	<u>UNIT 2</u> <u>November, 2014</u>
1	Operating Ratio:
2	<u>Net In-Service Investment:</u>
3	Electric Plant In-Service 800,802,949
4	- Accumulated Depreciation 592,237,984
5	+ Materials & Supplies 59,772,885
6	+ Prepayments 28,690
7	+ Plant Held For Future Use (A/C 105) * 0
8	+ Other Deferred Debits (A/C 186) * 0
9	+ Other Working Capital *** (44,168,651)
10	+ Unamortized Debt Expense (A/C 181) 83,209
11	+ Deferred ASH pond cost (A/C182.3) 2,785,369
12	- Asset Retirement Obligation (A/C 230) 4,615,108
13	- Other Deferred Credits (A/C 253) 45,123,442
14	- Accumulated Deferred FIT 36,137,145
15	- Accumulated Deferred ITC 15,935,496
16	Total Net In-Service Investment 125,255,276
17	<u>Non-In-Service Investment - CWIP :</u>
18	Construction Work In Progress 105,312,990
19	+ Materials & Supplies 0
20	- Accumulated Deferred FIT 0
21	Total Non-In-Service Investment - CWIP 105,312,990
22	<u>Non-In-Service Investment - Other :</u>
23	Plant Held for Future Use (A/C 105) ** 0
24	+ Other Deferred Debits (A/C 186) ** 1,391,681
25	+ Fuel Inventory Over Allowed Level **** (7,946,334)
26	Total Non-In-Service Investment - Other (6,554,653)
27	Total Investment (Lines 16+21+26) 224,013,613
28	Operating Ratio (Line 16/Line 27) 55.9141%
29	Non-In-Service Investment-CWIP Ratio (Line 21/Line 27) 47.0119%
30	Non-In-Service Investment-Other Ratio (Line 26/Line 27) -2.9260%
31	Total Investment 100.0000%
	* 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

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

<u>Line No.</u>		UNIT 2 November, 2014
1	Net In-Service Investment Ratio:	
2	<u>Unit 2 Net In-Service Investment:</u>	
3	Electric Plant In-Service	142,325,626
4	- Accumulated Depreciation	145,386,679
5	+ Materials & Supplies	25,913,275
6	+ Prepayments	14,345
7	+ Plant Held For Future Use (A/C 105) *	0
8	+ Other Deferred Debits (A/C 186) *	0
9	+ Other Working Capital **	(32,389,210)
10	+ Unamortized Debt Expense (A/C 181)	41,604
11	+ Deferred ASH pond cost (A/C182.3)	1,392,685
12	- Asset Retirement Obligation (A/C 230)	2,307,554
13	- Other Deferred Credits (A/C 253)	45,123,442
14	- Accumulated Deferred FIT	(6,288,888)
15	- Accumulated Deferred ITC	15,924,082
16	Total Unit 2 Net In-Service Investment	(65,154,544)
17	<u>Unit 1 Net In-Service Investment:</u>	
18	Electric Plant In-Service	658,477,323
19	- Accumulated Depreciation	446,851,305
20	+ Materials & Supplies	33,859,610
21	+ Prepayments	14,345
22	+ Plant Held For Future Use (A/C 105) *	0
23	+ Other Deferred Debits (A/C 186) *	0
24	+ Other Working Capital **	(11,779,441)
25	+ Unamortized Debt Expense (A/C 181)	41,604
26	+ Deferred ASH pond cost (A/C182.3)	1,392,685
27	- Asset Retirement Obligation (A/C 230)	2,307,554
28	- Other Deferred Credits (A/C 253)	0
29	- Accumulated Deferred FIT	42,426,033
30	- Accumulated Deferred ITC	11,414
31	Total Unit 1 Net In-Service Investment	190,409,820
32	Total Net In-Service Investment	125,255,276
33	<u>Net In-Service Investment Ratio:</u>	
34	Unit 2 (Line 16 / Line 32)	-52.0200%
35	Unit 1 (Line 31 / Line 32)	152.0200%
		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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<u>Line No.</u>		<u>UNIT 2</u> <u>November, 2014</u>
1	Net Capitalization:	
2	Long-Term Debt	64,008,272
3	+ Short-Term Debt	52,812,617
4	+ Preferred Stock	0
5	+ Common Equity	96,833,594
6	- Temporary Cash Investments	0

7	Net Capitalization	213,654,483
		=====
8	40% of Net Capitalization	85,461,793
9	<u>Return on Common Equity:</u>	
10	Lesser of Line 5 or Line 8	85,461,793
11	x Equity Return (Monthly Rate)	1.01333%
12	= Equity Return	866,010
13	x Operating Ratio	55.9141%
14	x Net In-Service Investment Ratio	-52.0200%
15	= Subtotal	(251,892)
16	Excess of Line 5 Over Line 8	11,371,801
17	x Weighted Cost of Debt (Monthly Rate)	0.1126%
18	= Return on Equity over 40% of Capitalization	12,805
19	x Operating Ratio	55.9141%
20	x Net In-Service Investment Ratio	-52.0200%
21	= Subtotal	(3,724)

22	Unit 2 Return on Equity (Line 15 + Line 21)	(255,616)
		=====
23	<u>Return on Other Capital:</u>	
24	Long-Term Debt Interest Expense (A/C 427-429)	118,295
25	+ Short-Term Debt Interest Expense (a/c 430)	10,472
26	+ Other Interest Expense (a/c 431)	0
27	- Temporary Cash Investment Income *	0

28	= Net Interest Expense	128,767
29	+ Preferred Stock Dividends (a/c 437)	0

30	= Net Cost of Other Capital	128,767
31	x Operating Ratio	55.9141%
32	x Net In-Service Investment Ratio	-52.0200%
33	= Unit 2 Return on Other Capital	(37,454)
		=====

* 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 2
November, 2014**

1	Debt Balances (Prior Month Ending) :	
2	Long-Term Debt (Accts 221 thru 226)	64,008,272
3	+ Short-Term Debt (Accts 231 + 233)	52,812,617
4	+ Other Debt (Accts 132 thru 136 + 145)	0

5	Total Debt Balances (Prior Month Ending)	116,820,888
		=====
6	<u>Weighting of Debt Balances :</u>	
7	Long-Term Debt (LTD bal/Total Debt bal)	54.7918%
8	+ Short-Term Debt (STD bal/Total Debt bal)	45.2082%
9	+ Other Debt	0.0000%

10	Total Debt Balances	100.0000%
		=====
11	<u>Debt Cost Rates :</u>	
12	Long-Term Debt (avg LTD int rate)	2.2486%
13	Short-Term Debt (avg Money Pool STD int rate)	0.3061%
14	Other Debt	0.0000%
15	<u>Weighted Cost of Debt :</u>	
16	Long-Term Debt (LTD % x avg LTD int rate)	1.2320%
17	+ Short-Term Debt (STD % x avg MP STD int rate)	0.1384%
18	+ Other Debt	0.0000%

19	Total Weighted Cost of Debt	1.3704%
		=====

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

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UNIT 2

INCLUDE A/C 431 ON PG 5

<u>Line No.</u>		<u>November, 2014</u>
1	Unit 2 Materials and Supplies:	
2	Fuel Stock - Coal (per Line 23)	12,147,336
3	Fuel Stock Expenses - Undistributed (152)	346,107
4	Fuel Stock - Oil (151)	2,363,337
5	Plant Materials & Operating Supplies	11,052,945
6	Merchandise	0
7	Undistributed Stores Expense	3,550

8	Total Materials & Supplies	25,913,275
		=====
9	<u>Support of Coal Inventory Value:</u>	
10	Actual Coal Inventory (a/c 151.10)	12,147,336
11	+ Equivalent Inventory re: Deferred Return	1,010,755,091

12	= Imputed Coal Inventory	1,022,902,427

13	<u>Coal Inventory W/68 Day Supply Cap</u>	
14	Tons Consumed - CHANGE ANNUALLY FROM DEC PG 24	1,793,019
15	/ Hours Available * CHG ANNUALLY FROM GADS RPT 511	5871.3
16	= Tons Consumed per Hour	305.39
17	x 24 Hours per Day	24
18	= Tons Consumed Per Day	7329.36
19	x 68 days	68
20	= 68 day Supply (Tons)	498,396
21	x Coal Cost per Ton (per a/c 151.10 at End of Prior Month)	39.388

22	= 68 day Coal Inventory	19,630,822

23	Lesser of Imputed or Capped Coal Inventory	19,630,822

24	Imputed Inventory Minus Line 23	1,003,271,605
		=====
25	<u>Accumulated Deferred Inventory Return - Unit 2 (Memo Item):</u>	
26	Beginning Balance	7,608,605
27	+ Current Month Return on Beginning Balance	57,709
28	+ Current Month Deferral	49,230
29	- Current Month Recovery	0

30	= Ending Balance **	7,715,544
		=====
	* Excludes Forced Outages, Scheduled Outages, and Curtailments	
	** May Not Be Less Than Zero	
	Total Unit 2 Monthly Power Bill with Actual	12,422,765
	Total Unit 2 Monthly Power Bill with 68 Day Capped	12,471,995
	Difference	49,230

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
DETAIL OF OTHER OPERATING REVENUES**

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UNIT 2

November, 2014

<u>Line No.</u>	<u>Account No.</u>	<u>Description</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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UNIT 2

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>November, 2014</u>
1	500,502-508	Steam Power Generation - Operation	6,353,429
2	501	Fuel - Operation	236,765
3	510-515	Steam Power Generating - Maintenance	4,019,985
4		Total Steam Power Generation Expenses	10,610,179
5	555-557	Other Power Supply Expenses	(497)
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 Expensese	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	196,009
16	935	Administrative and General Expenses - Maintenance	18,496
17		Total Administrative & General Exp.	214,505
18		Total Operation & Maintenance Expenses	10,824,187

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

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**UNIT 2
November, 2014**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
1	403	Depreciation Expense *	449,087
1a	403.1	ARO Depreciation Expense	3,343
2	404	Amortization of Limited-Term Electric Plant **	556,329
3	405	Amortization of Other Electric Plant	0
4	406	Amortization of Electric Plant Acquisition Adjustments	0
5	407	Amortization of Property Losses, Unrecovered Plant and Regulatory Study Costs	0
			-
6		Total Depreciation Exp. & Amortization	1,008,759
			=
7	411.10	ARO Accretion Expense	17,129
8		Total Depreciation, Amortization & Accretion Expenses	1,025,888

* 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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UNIT 2

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>November, 2014</u>
1	408.1	Taxes Other Than Federal Income Taxes, Utility Operating Income	148,094
2	409.1	State Income Taxes	1,675,000
3		Total Taxes Other than Federal Income Taxes	----- 1,823,094 =====

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

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>TOTAL</u>	<u>KPCO SHARE</u>	<u>I&M SHARE</u>
1		<u>Unit 2 Schedule `M' Adjustments*</u>			
2	N/A	Excess ACRS Over Normalization Base Depreciation	(2,500,711)	(750,213)	(1,750,498)
3	N/A	Excess Normalization Base Over Book Depreciation	(331,000)	(99,300)	(231,700)
4	N/A	Other Unit 2 Schedule `M' Adjustments	(11,143,581)	(3,343,074)	(7,800,507)
5	***	Total Unit 2 Schedule `M' Adjustments	(13,975,292)	(4,192,588)	(9,782,705)
6		<u>Unit 2 Deferred Federal Income Tax</u>			
7	410.1	Excess ACRS Over Norm. Base Depr. (Line 2 x FIT Rate * -1)	3,804,222	1,141,267	2,662,956
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' Adj.-Utility	916,345	274,903	641,441
12	***	Total Unit 2 Deferred Federal Income Tax	4,708,363	1,412,509	3,295,854

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

Check Figure on Tax Page for Sch M (13,975,292)
Check Figure on Tax Page for DFIT 4,725,804

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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**UNIT 2
November, 2014**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
1		<u>ELECTRIC PLANT IN SERVICE</u>	
2	101	Electric Plant In Service	142,028,216
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	297,410
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	142,325,626

12	105	Plant Held For Future Use	0
13		<u>ACCUMULATED DEPRECIATION</u>	
14	108	Accumulated Provision for Depreciation of Electric Utility Plant	118,240,615
15	110	Accumulated Provision for Depreciation and Amort. of Elec. Utility Plant	0
16	111	Accumulated Provision for Amortization of Electric Utility Plant	27,146,064
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	145,386,679

20		<u>MATERIAL AND SUPPLIES</u>	
21	151	Fuel Stock	14,510,673
22	152	Fuel Stock Expenses - Undistributed	346,107
23	153	Residuals	0
24	154	Plant Materials and Operating Supplies	11,052,945
25	155	Merchandise	0
26	156	Other Materials and Supplies	0
27	163	Stores Expense Undistributed	3,550
28		Total Materials and Supplies (In-Service Portion)	25,913,275

29	165	Prepayments	14,345

30	186	Other Deferred Debits	0

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
OTHER WORKING CAPITAL, UNAMORTIZED DEBT EXPENSE
AND OTHER DEFERRED CREDITS**

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<u>Line No.</u>	<u>Account No.</u>	<u>Description *</u>	<u>UNIT 2 November, 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	16,750,891
6	171	Interest and Dividends Receivable	0
7	174	Miscellaneous Current and Accrued Assets	0
8	232	Accounts Payable-General	(13,200)
9	234	Accounts Payable-Associated Company	(15,276,397)
10	236	Taxes Accrued	(7,179,784)
11	237	Interest Accrued	(134,378)
12	238	Dividends Declared	0
13	241	Tax Collections Payable	0
14	242	Misc Current and Accrued Liabilities	(26,536,341)

15		Total Other Working Capital	(32,389,210)
			=====
16	181	Unamortized Debt Expense	41,604

17	253	Other Deferred Credits	45,123,442

*		debit <credit>	

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

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**UNIT 2
November, 2014**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
31		ACCUMULATED DEFERRED INCOME TAXES	
32	190	-Accumulated Deferred Income Taxes	20,088,510
33	281	+Accumulated Deferred Income Taxes - Accelerated Amortization Property	0
34	282	+Accumulated Deferred Income Taxes - Other Property	12,881,423
35	283	+Accumulated Deferred Income Taxes - Other	918,200
36		Total Accumulated Deferred Income Taxes (In-Service Portion)	----- (6,288,888) -----
37	255	+Accumulated Deferred Investment Tax Credits	15,924,082
38	186.50	-Accumulated Deferred Investment Tax Credit	0
39		Total Accumulated Deferred Investment Tax Credits	----- 15,924,082 -----
40		Total Net In-Service Investment - Unit 2	----- (64,239,674) =====

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

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**UNIT 2
November, 2014**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
		<u>Non-In-Service Investment - CWIP</u>	
1	107	Construction Work In Process	105,312,990
2		<u>MATERIAL AND SUPPLIES</u>	
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		<u>ACCUMULATED DEFERRED INCOME TAXES</u>	
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	0
16		Total Accumulated Deferred Income Taxes (CWIP Portion)	----- 0
17		TOTAL NON-IN-SERVICE INVESTMENT - CWIP	----- 105,312,990 =====
		<u>Non-In-Service Investment - Other</u>	
18	105	Plant Held for Future Use	0
19	186	Other Deferred Debits	1,391,681
20	151.10	Fuel Inventory Over Allowed Level *	(7,946,334)
21		Total Non-In-Service Investment - Other	----- (6,554,653) =====
		* INCLUDES ROCKPORT 1 AND 2	
		UNIT 1	(7,946,334)
		UNIT 2	0
		TOTAL	----- (7,946,334) =====

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
DETAIL OF NET CAPITALIZATION**

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**UNIT 2
November, 2014**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
1		<u>COMMON CAPITAL STOCK</u>	
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		<u>OTHER PAID-IN CAPITAL</u>	
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		<u>RETAINED EARNINGS</u>	
18	215	Appropriated Retained Earnings	0
19	215.1	Appropriated Retained Earnings- Amortization Reserve, Federal	0
20	216	Unappropriated Retained Earnings	6,971,607
21		Total Retained Earnings	6,971,607
22		Total Common Equity	96,833,594
23		<u>PREFERRED CAPITAL STOCK</u>	
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
November, 2014**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
28		<u>LONG-TERM DEBT</u>	
29	221	Bonds	0
30	222	Reacquired Bonds	0
31	223	Advances from Associated Companies	0
32	224	Other Long-Term Debt	64,008,272
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	64,008,272
		<u>SHORT-TERM DEBT</u>	
36a	231.02	Notes Payable (Short-Term Debt)	0
36b	231.03	Unamortized Discount	0
	233.00	Notes Payable, Assoc Co(Money Pool)	52,812,617
38		Total Short-Term Debt	52,812,617
39		<u>TEMPORARY CASH INVESTMENTS</u>	
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	213,654,483

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

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<u>Line No.</u>	<u>UNIT 2</u> <u>November, 2014</u>	
1	Capitalization Balances (Prior Month Ending) :	
2	Long-Term Debt (Accts 221 thru 226)	64,008,272
3	+ Short-Term Debt (Accts 231 + 233)	52,812,617
4	+ Preferred Stock	0
5	+ Common Equity (Accts 201 thru 216)	96,833,594
6	- Capitalization Offsets	0

7	Total Capitalization Balances	213,654,483
		=====
8	<u>Weighting of Capitalization Balances :</u>	
9	Long-Term Debt (LTD/Total Capital)	29.9588%
10	+ Short-Term Debt (STD/Total Capital)	24.7187%
11	+ Preferred Stock	0.0000%
12	+ Common Equity (Common Equity/Total Capital)	45.3225%
13	- Capitalization Offsets	0.0000%

14	Total Capitalization	100.0000%
		=====
15	<u>Capitalization Cost Rates :</u>	
16	Long-Term Debt (avg LTD int rate)	2.2486%
17	Short-Term Debt (avg money pool STD int rate)	0.3061%
18	Preferred Stock	0.0000%
19	Common Equity (FERC fixed rate)	12.1600%
20	Capitalization Offsets (sum of weighted costs of debt)	1.3704%
21	<u>Rate of Return (Net of Tax) :</u>	
22	Long-Term Debt (LTD % x avg LTD int rate)	0.6736%
23	+ Short-Term Debt (STD % x avg MP STD int rate)	0.0757%
24	+ Preferred Stock	0.0000%
25	+ Common Equity (CE % x FERC fixed rate)	5.5112%
26	- Capitalization Offsets	0.0000%

27	Total Rate of Return (Net of Tax)	6.2605%
		=====
28	Weighted Net Cost of Debt	0.7493%
	(LTD Rate of Return + STD RR - Cap Offsets RR)	
29	+ Pre-Tax Common Equity (Line 25 / .65)	8.4788%
	(Common Equity Rate of Return grossed up for tax)	-----
30	= Rate of Return (Pre-Tax)	9.2281%
		=====

A E P GENERATING COMPANY

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

500	SUPERVISION AND ENGINEERING	427,525
501	FUEL	236,765
502	STEAM EXPENSES	53,653
503	STEAM FROM OTHER SOURCES	0
504	STEAM TRANSFERRED - CR	0
505	ELECTRIC EXPENSES	60,464
506	MISC. STEAM POWER EXPENSES	121,534
507	RENTS	5,690,253
508	OPERATION SUPPLIES AND EXPENSES	0
509	CARRYING CHARGES - ALLOWANCES	0
	TOTAL OPERATION EXPENSE	6,590,194
510	MAINTENANCE SUPER. AND ENGINEERING	91,362
511	MAINTENANCE OF STRUCTURES	15,931
512	MAINTENANCE OF BOILER PLANT	3,086,894
513	MAINTENANCE OF ELECTRIC PLANT	794,932
514	MAINTENANCE OF MISC. STEAM PLANT	30,866
515	MAINTENANCE NORMALIZING	0
	TOTAL MAINTENANCE EXPENSES	4,019,985
555	PURCHASED POWER	0
556	SYSTEM CONTROL AND LOAD DISPATCHING	(403)
557	OTHER POWER SUPPLY EXPENSES	(94)
	TOTAL OTHER SUPPLY EXPENSES	(497)

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	11
THIS BILLING IS FOR MONTH OF	November, 2014

A E P GENERATING COMPANY

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

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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 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	45,607
921	OFFICE SUPPLIES AND EXPENSES	7,962
922	ADMINISTRATIVE EXPENSES TRANSF - CR	(0)
923	OUTSIDE SERVICES	62,643
924	PROPERTY INSURANCE	6,302
925	INJURIES AND DAMAGES	3,366
926	EMPLOYEE PENSIONS AND BENEFITS	69,280
927	FRANCHISE REQUIREMENTS	0
928	REGULATORY COMMISSION	0
929	DUPLICATE CHARGES-CREDIT	0
930	MISCELLANEOUS GENERAL EXPENSES	66
931	RENTS	782
933	TRANSPORTATION EXPENSE	0
	TOTAL ADM & GEN EXPENSES OPERATION	196,009
935	MAINTENANCE OF GENERAL PLANT	18,496
	TOTAL ADM & GEN EXPENSES	214,505
	TOTAL AEG OPERATION & MAINTENANCE EXPENSES	10,824,187
	ACCOUNT 40190 TOTAL FOR CROSS FOOT	10,824,187
	-----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-Jan-15

UNIT 1
POWER BILL - - December, 2014

IN ACCORDANCE WITH POWER AGREEMENT DATED OCTOBER 1, 1984 (AS AMENDED)
 ENERGY DELIVERED FOR THE MONTH OF December, 2014
 KWH FOR THE MONTH 127,771,000

SUMMARY

TOTAL

Current Month Bill:

Return on Common Equity	227,826
Return on Other Capital	90,771
Total Return	----- 318,597
Fuel	3,232,315
Purchased Power	0
Other Operating Revenues	(2,625)
Other Operation and Maintenance Exp	523,544
Depreciation Expense	495,635
Taxes Other Than Federal Income Tax	(296,108)
Federal Income Tax	779,019
TOTAL CURRENT UNIT POWER BILL	----- 5,050,377 -----

Prior Month's Adjustment:

Return on Common Equity & Other Capital	0
Fuel Expense	0
Other Expenses (Includes taxes & interest)	364,939

TOTAL PRIOR MONTH'S ADJUSTMENTS -----
364,939

TOTAL UNIT POWER BILL =====
5,415,316
=====

AMOUNTS WILL BE PAID DIRECT FROM GENERAL FUNDS.

DUE DATE - - - January 19, 2015

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

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-Jan-15

UNIT 1
POWER BILL - - December, 2014

IN ACCORDANCE WITH POWER AGREEMENT DATED OCTOBER 1, 1984 (AS AMENDED)
 ENERGY DELIVERED FOR THE MONTH OF December, 2014
 KWH FOR THE MONTH 298,132,000

SUMMARY

TOTAL

Current Month Bill:

Return on Common Equity	531,595
Return on Other Capital	211,798
Total Return	----- 743,393
Fuel	7,542,069
Purchased Power	0
Other Operating Revenues	(6,125)
Other Operation and Maintenance Exp	1,221,604
Depreciation Expense	1,156,481
Taxes Other Than Federal Income Tax	(690,918)
Federal Income Tax	1,817,711
TOTAL UNIT POWER BILL	----- 11,784,216 -----

Prior Month's Adjustment:

Return on Common Equity & Other Capital	0
Fuel	0
Other Expenses (Includes taxes & interest)	851,524
TOTAL PRIOR MONTH'S ADJUSTMENTS	----- 851,524 -----

TOTAL UNIT POWER BILL	=====
	12,635,740
	=====

AMOUNTS WILL BE PAID DIRECT FROM GENERAL FUNDS.

DUE DATE - - - January 19, 2015

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

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
SUMMARY OF MONTHLY POWER BILL**

	<u>TOTAL UNIT 1 POWER BILL</u>	<u>KPCO SHARE</u>	<u>I&M SHARE</u>
Return on Common Equity	759,421	227,826	531,595
Return on Other Capital	302,569	90,771	211,798
Total Return	1,061,990	318,597	743,393
+ Fuel	10,774,384	3,232,315	7,542,069
+ Purchased Power	0	0	0
- Other Operating Revenues	(8,750)	(2,625)	(6,125)
+ Other Operation and Maintenance Exp	1,745,148	523,544	1,221,604
+ Depreciation Expense	1,652,116	495,635	1,156,481
+ Taxes Other Than Federal Income Tax	(987,026)	(296,108)	(690,918)
+ Federal and State Income Tax	2,596,730	779,019	1,817,711
= Total Unit 1 Monthly Power Bill	16,834,593	5,050,377	11,784,216
<u>Determination of Federal Income Tax :</u>			
Total Return (Line 3)	1,061,990	318,597	743,393
+ Unit 1 Schedule M Adjustments	2,425,048	727,514	1,697,534
+ Unit 1 Deferred Federal Income Taxes	579,010	173,703	405,306
- Unit 1 Interest Expense Deduction *	318,850	95,655	223,195
= Subtotal	3,747,197	1,124,159	2,623,038
x Gross-Up (FIT Rate / 1-FIT Rate)	0.538462	0.538462	0.538462
= Unit 1 Current Federal Income Tax	2,017,721	605,316	1,412,405
+ Unit 1 Def Fed & State Income Taxes	579,010	173,703	405,306
= Total Unit 1 Fed&State Income Taxes	2,596,730	779,019	1,817,711
<u>Proof of Federal Income Tax :</u>			
Total Unit 1 Monthly Power Bill	16,834,593	5,050,377	11,784,216
- Operation and Maintenance Expenses	12,519,532	3,755,859	8,763,673
- Depreciation Expense	1,652,116	495,635	1,156,481
- Taxes Other Than Federal Income Tax	(987,026)	(296,108)	(690,918)
- Unit 1 Interest Expense Deduction *	318,850	95,655	223,195
- Other Operating Revenues	(8,750)	(2,625)	(6,125)
= Pre-Tax Book Income	3,339,870	1,001,961	2,337,909
+ Unit 1 Schedule M Adjustments	2,425,048	727,514	1,697,534
= Unit 1 Taxable Income	5,764,918	1,729,475	4,035,443
x Current Federal Income Tax Rate	35%	35%	35%
= Unit 1 Current Federal Income Tax	2,017,721	605,316	1,412,405
+ Unit 1 Def Fed & State Income Taxes	579,009	173,703	405,306
= Total Unit 1 Fed&State Income Taxes	2,596,730	779,019	1,817,711

* 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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<u>Line No.</u>		<u>UNIT 1 December, 2014</u>
1	<u>Operating Ratio:</u>	
2	<u>Net In-Service Investment:</u>	
3	Electric Plant In-Service	800,868,918
4	- Accumulated Depreciation	594,751,779
5	+ Materials & Supplies	62,604,047
6	+ Prepayments	25,821
7	+ Plant Held For Future Use (A/C 105) *	0
8	+ Other Deferred Debits (A/C 186) *	0
9	+ Other Working Capital ***	(53,165,204)
10	+ Unamortized Debt Expense (A/C 181)	82,906
11	+ Deferred ASH pond cost (A/C182.3)	2,777,545
12	- Asset Retirement Obligation (A/C 230)	4,644,517
13	- Other Deferred Credits (A/C 253)	44,659,196
14	- Accumulated Deferred FIT	35,688,174
15	- Accumulated Deferred ITC	15,771,095
16	Total Net In-Service Investment	----- 117,679,274 -----
17	<u>Non-In-Service Investment - CWIP :</u>	
18	Construction Work In Progress	109,965,043
19	+ Materials & Supplies	0
20	- Accumulated Deferred FIT	0
21	Total Non-In-Service Investment - CWIP	----- 109,965,043 -----
22	<u>Non-In-Service Investment - Other :</u>	
23	Plant Held for Future Use (A/C 105) **	1,034,099
24	+ Other Deferred Debits (A/C 186) **	1,252,387
25	+ Fuel Inventory Over Allowed Level ****	(7,344,017)
26	Total Non-In-Service Investment - Other	----- (5,057,531) -----
27	Total Investment (Lines 16+21+26)	----- 222,586,787 =====
28	Operating Ratio (Line 16/Line 27)	52.8689%
29	Non-In-Service Investment-CWIP Ratio (Line 21/Line 27)	49.4032%
30	Non-In-Service Investment-Other Ratio (Line 26/Line 27)	-2.2721%
31	Total Investment	----- 100.0000% =====
*	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	
****	Includes Rockport 1 and 2	

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

<u>Line No.</u>	<u>UNIT 1</u> <u>December, 2014</u>	
1		<u>Net In-Service Investment Ratio:</u>
2		Unit 1 Net In-Service Investment:
3		Electric Plant In-Service 658,509,838
4		- Accumulated Depreciation 448,321,212
5		+ Materials & Supplies 34,974,032
6		+ Prepayments 12,911
7		+ Plant Held For Future Use (A/C 105) * 0
8		+ Other Deferred Debits (A/C 186) * 0
9		+ Other Working Capital ** (13,200,468)
10		+ Unamortized Debt Expense (A/C 181) 41,453
11		+ Deferred ASH pond cost (A/C182.3) 1,388,773
12		- Asset Retirement Obligation (A/C 230) 2,322,258
13		- Other Deferred Credits (A/C 253) 0
14		- Accumulated Deferred FIT 37,555,790
15		- Accumulated Deferred ITC 11,178
16		Total Unit 1 Net In-Service Investment 193,516,100
17		Unit 2 Net In-Service Investment:
18		Electric Plant In-Service 142,359,080
19		- Accumulated Depreciation 146,430,567
20		+ Materials & Supplies 27,630,015
21		+ Prepayments 12,911
22		+ Plant Held For Future Use (A/C 105) * 0
23		+ Other Deferred Debits (A/C 186) * 0
24		+ Other Working Capital ** (39,964,736)
25		+ Unamortized Debt Expense (A/C 181) 41,453
26		+ Deferred ASH pond cost (A/C182.3) 1,388,773
27		- Asset Retirement Obligation (A/C 230) 2,322,258
28		- Other Deferred Credits (A/C 253) 44,659,196
29		- Accumulated Deferred FIT (1,867,617)
30		- Accumulated Deferred ITC 15,759,917
31		Total Unit 2 Net In-Service Investment (75,836,826)
32		Total Net In-Service Investment 117,679,274
33		<u>Net In-Service Investment Ratio:</u>
34		Unit 1 (Line 16 / Line 32) 164.4400%
35		Unit 2 (Line 31 / Line 32) -64.4400%
		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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<u>Line No.</u>		<u>UNIT 1 December, 2014</u>
1	<u>Net Capitalization:</u>	
2	Long-Term Debt	64,008,272
3	+ Short-Term Debt	47,482,935
4	+ Preferred Stock	0
5	+ Common Equity	99,396,854
6	- Temporary Cash Investments	0
7	Net Capitalization	----- 210,888,061 =====
8	40% of Net Capitalization	84,355,224
9	<u>Return on Common Equity:</u>	
10	Lesser of Line 5 or Line 8	84,355,224
11	x Equity Return (Monthly Rate)	1.01333%
12	= Equity Return	854,797
13	x Operating Ratio	52.8689%
14	x Net In-Service Investment Ratio	164.4400%
15	= Subtotal	743,140
16	Excess of Line 5 Over Line 8	15,041,630
17	x Weighted Cost of Debt (Monthly Rate)	0.1245%
18	= Return on Equity over 40% of Capitalization	18,727
19	x Operating Ratio	52.8689%
20	x Net In-Service Investment Ratio	164.4400%
21	= Subtotal	----- 16,281 =====
22	Unit 1 Return on Equity (Line 15 + Line 21)	759,421
23	<u>Return on Other Capital:</u>	
24	Long-Term Debt Interest Expense (A/C 427-429)	122,124
25	+ Short-Term Debt Interest Expense (a/c 430)	225,906
26	+ Other Interest Expense (a/c 431)	0
27	- Temporary Cash Investment Income *	0
28	= Net Interest Expense	----- 348,030
29	+ Preferred Stock Dividends (a/c 437)	0
30	= Net Cost of Other Capital	----- 348,030
31	x Operating Ratio	52.8689%
32	x Net In-Service Investment Ratio	164.4400%
33	= Unit 1 Return on Other Capital	302,569
	* Line 6 x Line 19 from Pg 6 of 18	=====

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

<u>Line No.</u>	<u>UNIT 1</u>	<u>December, 2014</u>
1	<u>Debt Balances (Prior Month Ending) :</u>	
2	Long-Term Debt (Accts 221 thru 226)	64,008,272
3	+ Short-Term Debt (Accts 231 + 233)	47,482,935
4	+ Other Debt (Accts 132 thru 136 + 145)	0

5	Total Debt Balances (Prior Month Ending)	111,491,207
		=====
6	<u>Weighting of Debt Balances :</u>	
7	Long-Term Debt (LTD bal/Total Debt bal)	57.4110%
8	+ Short-Term Debt (STD bal/Total Debt bal)	42.5890%
9	+ Other Debt	0.0000%

10	Total Debt Balances	100.0000%
		=====
11	<u>Debt Cost Rates :</u>	
12	Long-Term Debt (avg LTD int rate)	2.2465%
13	Short-Term Debt (avg Money Pool STD int rate)	0.4124%
14	Other Debt	0.0000%
15	<u>Weighted Cost of Debt :</u>	
16	Long-Term Debt (LTD % x avg LTD int rate)	1.2897%
17	+ Short-Term Debt (STD % x avg MP STD int rate)	0.1756%
18	+ Other Debt	0.0000%

19	Total Weighted Cost of Debt	1.4653%
		=====

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

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UNIT 1

<u>Line No.</u>		<u>December, 2014</u>
1	<u>Unit 1 Materials and Supplies:</u>	
2	Fuel Stock - Coal (per Line 23)	21,075,703
3	Fuel Stock Expenses - Undistributed (152)	577,474
4	Fuel Stock - Oil (151)	2,297,710
5	Plant Materials & Operating Supplies	11,015,964
6	Merchandise	0
7	Undistributed Stores Expense	7,182
8	Total Materials & Supplies	34,974,032
9	<u>Support of Coal Inventory Value:</u>	
10	Actual Coal Inventory (a/c 151.10)	13,731,686
11	+ Equivalent Inventory re: Deferred Return	19,432,410,447
12	= Imputed Coal Inventory	19,446,142,133
13	<u>Coal Inventory W/68 Day Supply Cap</u>	
14	Tons Consumed - CHANGE ANNUALLY FROM DEC PG 24	2,573,388
15	/ Hours Available * CHG ANNUALLY FROM GADS RPT 511	8232.6
16	= Tons Consumed per Hour	312.59
17	x 24 Hours per Day	24
18	= Tons Consumed Per Day	7502.16
19	x 68 days	68
20	= 68 day Supply (Tons)	510,147
21	x Coal Cost per Ton (per a/c 151.10 at End of Prior Month)	41.313
22	= 68 day Coal Inventory	21,075,703
23	Lesser of Imputed or Capped Coal Inventory	21,075,703
24	Imputed Inventory Minus Line 23	19,425,066,430
25	<u>Accumulated Deferred Inventory Return - Unit 1 (Memo Item):</u>	
26	Beginning Balance	157,031,024
27	+ Current Month Return on Beginning Balance	1,279,287
28	+ Current Month Deferral	0
29	- Current Month Recovery	55,920
30	= Ending Balance **	158,254,391

* 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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UNIT 1

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>December, 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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UNIT 1

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>December, 2014</u>
1	500,502-508	Steam Power Generation - Operation	424,565
2	501	Fuel - Operation	10,774,384
3	510-515	Steam Power Generating - Maintenance	1,096,179
4		Total Steam Power Generation Expenses	12,295,128
5	555-557	Other Power Supply Expenses	(62,579)
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 - Operation	230,122
16	935	Administrative and General Expenses - Maintenance	56,860
17		Total Administrative & General Exp.	286,983
18		Total Operation & Maintenance Expenses	12,519,532

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

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UNIT 1

December, 2014

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
	1 403	Depreciation Expense	1,631,547
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 Acquisition Adjustments	0
	5 407	Amortization of Property Losses, Unrecovered Plant and Regulatory Study Costs	0
	6	Total Depreciation Exp. & Amortization	1,634,890
			=====
	7 411.10	ARO Accretion Expense	17,227
	8	Total Depreciation, Amortization & Accretion Expenses	1,652,116

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

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UNIT 1

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>December, 2014</u>
BS1			
1	408.1	Taxes Other Than Federal Income Taxes, Utility Operating Income	137,975
2	409.1	State Income Taxes	(1,125,000)
3		Total Taxes Other than FIT	----- (987,026) =====

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

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<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>TOTAL</u>	<u>KPCO SHARE</u>	<u>I&M SHARE</u>
1		<u>Unit 1 Schedule `M' Adjustments*</u>			
2	N/A	Excess ACRS Over Normalization Base Depreciation	6,500	1,950	4,550
3	N/A	Excess Normalization Base Over Book Depreciation	(25,000)	(7,500)	(17,500)
4	N/A	Other Unit 1 Schedule `M' Adjustments	2,443,548	733,064	1,710,484
5	***	Total Unit 1 Schedule `M' Adjustments	2,425,048	727,514	1,697,534
6		<u>Unit 1 Deferred Federal Income Tax</u>			
7	410.1	Excess ACRS Over Norm. Base Depr. (Line 2 x FIT Rate * -1)	601,328	180,398	420,930
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.	(2,282)	(684)	(1,598)
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' Adj.-Utility	(19,989)	(5,997)	(13,992)
12	***	Total Unit 1 Deferred Federal Income Tax	579,010	173,703	405,306

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

=====

=====

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

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**UNIT 1
December, 2014**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
1		<u>ELECTRIC PLANT IN SERVICE</u>	
2	101	Electric Plant In Service	658,155,964
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	353,875
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	658,509,838
12	105	Plant Held For Future Use	0
13		<u>ACCUMULATED DEPRECIATION</u>	
14	108	Accumulated Provision for Depreciation of Electric Utility Plant	447,849,434
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	448,321,212
20		<u>MATERIAL AND SUPPLIES</u>	
21	151	Fuel Stock	23,373,413
22	152	Fuel Stock Expenses - Undistributed	577,474
23	153	Residuals	0
24	154	Plant Materials and Operating Supplies	11,015,964
25	155	Merchandise	0
26	156	Other Materials and Supplies	0
27	163	Stores Expense Undistributed	7,182
28		Total Materials and Supplies (In-Service Portion)	34,974,032
29	165	Prepayments	12,911
30	186	Other Deferred Debits	0

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
OTHER WORKING CAPITAL, UNAMORTIZED DEBT EXPENSE
AND OTHER DEFERRED CREDITS**

<u>Line No.</u>	<u>Account No.</u>	<u>Description *</u>	<u>UNIT 1 December, 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	14,210,025
6	171	Interest and Dividends Receivable	0
7	174	Miscellaneous Current and Accrued Assets	0
8	232	Accounts Payable-General	(6,685)
9	234	Accounts Payable-Associated Company	(13,967,670)
10	236	Taxes Accrued	(10,137,903)
11	237	Interest Accrued	(184,592)
12	238	Dividends Declared	0
13	241	Tax Collections Payable	0
14	242	Misc Current and Accrued Liabilities	(3,113,642)

15		Total Other Working Capital	(13,200,468)
			=====
16	181	Unamortized Debt Expense	41,453

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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<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
31		<u>ACCUMULATED DEFERRED INCOME TAXES</u>	
32	190	-Accumulated Deferred Income Taxes	3,269,526
33	281	+Accumulated Deferred Income Taxes - Accelerated Amortization Property	0
34	282	+Accumulated Deferred Income Taxes - Other Property	40,010,558
35	283	+Accumulated Deferred Income Taxes - Other	814,759
36		Total Accumulated Deferred Income Taxes (In-Service Portion)	----- 37,555,790 -----
37	255	+Accumulated Deferred Investment Tax Credits	11,178
38	186.50	-Accumulated Deferred Investment Tax Credit	0
39		Total Accumulated Deferred Investment Tax Credits	----- 11,178 -----
40		Total Net In-Service Investment - Unit 1	----- 194,449,585 =====

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

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**UNIT 1
December, 2014**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
		<u>Non-In-Service Investment - CWIP</u>	
1	107	Construction Work In Process	109,965,043
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		<u>ACCUMULATED DEFERRED INCOME TAXES</u>	
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	0
16		Total Accumulated Deferred Income Taxes (CWIP Portion)	----- 0
17		TOTAL NON-IN-SERVICE INVESTMENT - CWIP	----- 109,965,043 =====
		<u>Non-In-Service Investment - Other</u>	
18	105	Plant Held for Future Use	1,034,099
19	186	Other Deferred Debits	1,252,387
20	151.10	Fuel Inventory Over Allowed Level *	(7,344,017)
21		Total Non-In-Service Investment - Other	----- (5,057,531) =====
		* INCLUDES ROCKPORT 1 AND 2	
		UNIT 1	(7,344,017)
		UNIT 2	0
		TOTAL	----- (7,344,017) =====

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
DETAIL OF NET CAPITALIZATION**

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December, 2014

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
1		<u>COMMON CAPITAL STOCK</u>	
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		<u>OTHER PAID-IN CAPITAL</u>	
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		<u>RETAINED EARNINGS</u>	
18	215	Appropriated Retained Earnings	0
19	215.1	Appropriated Retained Earnings- Amortization Reserve, Federal	0
20	216	Unappropriated Retained Earnings	9,534,867
21		Total Retained Earnings	9,534,867
22		Total Common Equity	99,396,854
23		<u>PREFERRED CAPITAL STOCK</u>	
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
December, 2014**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
28		<u>LONG-TERM DEBT</u>	
29	221	Bonds	0
30	222	Reacquired Bonds	0
31	223	Advances from Associated Companies	0
32	224	Other Long-Term Debt	64,008,272
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	64,008,272
		<u>SHORT-TERM DEBT</u>	
36a	231.02	Notes Payable (Short-Term Debt)	0
36b	231.03	Unamortized Discount	0
37	233.00	Notes Payable, Assoc Co(Money Pool)	47,482,935
38		Total Short-Term Debt	47,482,935
39		<u>TEMPORARY CASH INVESTMENTS</u>	
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	210,888,061

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

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**UNIT 1
December, 2014**

Line No.

1	<u>Capitalization Balances (Prior Month Ending) :</u>	
2	Long-Term Debt (Accts 221 thru 226)	64,008,272
3	+ Short-Term Debt (Accts 231 + 233)	47,482,935
4	+ Preferred Stock	0
5	+ Common Equity (Accts 201 thru 216)	99,396,854
6	- Capitalization Offsets	0

7	Total Capitalization Balances	210,888,061
		=====
8	<u>Weighting of Capitalization Balances :</u>	
9	Long-Term Debt (LTD/Total Capital)	30.3518%
10	+ Short-Term Debt (STD/Total Capital)	22.5157%
11	+ Preferred Stock	0.0000%
12	+ Common Equity (Common Equity/Total Capital)	47.1325%
13	- Capitalization Offsets	0.0000%

14	Total Capitalization	100.0000%
		=====
15	<u>Capitalization Cost Rates :</u>	
16	Long-Term Debt (avg LTD int rate)	2.2465%
17	Short-Term Debt (avg money pool STD int rate)	0.4124%
18	Preferred Stock	0.0000%
19	Common Equity (FERC fixed rate)	12.1600%
20	Capitalization Offsets (sum of weighted costs of debt)	1.4653%
21	<u>Rate of Return (Net of Tax) :</u>	
22	Long-Term Debt (LTD % x avg LTD int rate)	0.6818%
23	+ Short-Term Debt (STD % x avg MP STD int rate)	0.0929%
24	+ Preferred Stock	0.0000%
25	+ Common Equity (CE % x FERC fixed rate)	5.7313%
26	- Capitalization Offsets	0.0000%

27	Total Rate of Return (Net of Tax)	6.5060%
		=====
28	Weighted Net Cost of Debt	0.7747%
	(LTD Rate of Return + STD RR - Cap Offsets RR)	
29	+ Pre-Tax Common Equity (Line 25 / .65)	8.8174%
	(Common Equity Rate of Return grossed up for tax)	-----
30	= Rate of Return (Pre-Tax)	9.5921%
		=====

A E P GENERATING COMPANY

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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	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
	TOTAL SALES EXPENSES	0
920	ADMIN. & GENERAL SALARIES	43,604
921	OFFICE SUPPLIES AND EXPENSES	10,021
922	ADMINISTRATIVE EXPENSES TRANSF - CR	0
923	OUTSIDE SERVICES	91,810
924	PROPERTY INSURANCE	6,302
925	INJURIES AND DAMAGES	(1,860)
926	EMPLOYEE PENSIONS AND BENEFITS	67,587
927	FRANCHISE REQUIREMENTS	0
928	REGULATORY COMMISSION	0
929	DUPLICATE CHARGES-CREDIT	0
930	MISCELLANEOUS GENERAL EXPENSES	11,804
931	RENTS	854
933	TRANSPORTATION EXPENSE	0
	TOTAL ADM & GEN EXPENSES OPERATION	230,122
935	MAINTENANCE OF GENERAL PLANT	56,860
	TOTAL ADM & GEN EXPENSES	286,983
	TOTAL AEG OPERATION & MAINTENANCE EXPENSES	12,519,532
	ACCOUNT 40190 TOTAL FOR CROSS FOOT	12,519,532
	-----DIFFERENCE-----	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
07-Jan-15

UNIT 2
POWER BILL - - December, 2014

IN ACCORDANCE WITH POWER AGREEMENT DATED OCTOBER 1, 1984 (AS AMENDED)
 ENERGY DELIVERED FOR THE MONTH OF December, 2014
 KWH FOR THE MONTH 141,140,000

<u>SUMMARY</u>	<u>TOTAL</u>
Current Month Bill:	
Return on Common Equity	(209,292)
Return on Other Capital	(83,386)
Total Return	----- (292,678)
Fuel	3,691,216
Purchased Power	0
Other Operating Revenues	(6,125)
Other Operation and Maintenance Exp	6,131,835
Depreciation Expense	718,799
Taxes Other Than Federal Income Tax	(684,862)
Federal Income Tax	519,272
TOTAL CURRENT UNIT POWER BILL	----- 10,077,458 -----
Prior Month's Adjustment:	
Return on Common Equity & Other Capital	0
Fuel Expense	0
Other Expenses (Includes taxes & interest)	(1,783,872)
TOTAL PRIOR MONTH'S ADJUSTMENTS	----- (1,783,872) -----
TOTAL UNIT POWER BILL	=====
	8,293,586 =====

AMOUNTS WILL BE PAID DIRECT FROM GENERAL FUNDS.

DUE DATE - - January 19, 2015

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**

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

**ESTIMATE
07-Jan-15**

**UNIT 2
POWER BILL - - December, 2014**

IN ACCORDANCE WITH POWER AGREEMENT DATED OCTOBER 1, 1984 (AS AMENDED)
ENERGY DELIVERED FOR THE MONTH OF December, 2014
KWH FOR THE MONTH 60,488,000

<u>SUMMARY</u>	<u>TOTAL</u>
Current Month Bill:	
Return on Common Equity	(89,696)
Return on Other Capital	(35,737)
Total Return	----- (125,433)
Fuel	1,581,950
Purchased Power	0
Other Operating Revenues	(2,625)
Other Operation and Maintenance Exp	2,627,930
Depreciation Expense	308,057
Taxes Other Than Federal Income Tax	(293,512)
Federal Income Tax	222,546
TOTAL CURRENT UNIT POWER BILL	----- 4,318,913 =====
Prior Month's Adjustment:	
Return on Common Equity & Other Capital	0
Fuel Expense	0
Other Expenses (Includes taxes & interest)	(764,517)
TOTAL PRIOR MONTH'S ADJUSTMENTS	----- (764,517) -----
TOTAL UNIT POWER BILL	=====
	3,554,396 =====

AMOUNTS WILL BE PAID DIRECT FROM GENERAL FUNDS.

DUE DATE - - January 19, 2015

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
ROCKPORT POWER BILL
SUMMARY OF MONTHLY POWER BILL**

	TOTAL UNIT 2 POWER BILL	KPCO SHARE	I&M SHARE
Return on Common Equity	(298,988)	(89,696)	(209,292)
Return on Other Capital	(119,123)	(35,737)	(83,386)
Total Return	(418,111)	(125,433)	(292,678)
+ Fuel	5,273,166	1,581,950	3,691,216
+ Purchased Power	0	0	0
- Other Operating Revenues	(8,750)	(2,625)	(6,125)
+ Other Operation and Maintenance Exp	8,759,765	2,627,930	6,131,835
+ Depreciation Expense	1,026,856	308,057	718,799
+ Taxes Other Than Federal Income Tax	(978,374)	(293,512)	(684,862)
+ Federal and State Income Tax	741,819	222,546	519,272
= Total Unit 2 Monthly Power Bill	14,396,372	4,318,913	10,077,458
<u>Determination of Federal Income Tax :</u>			
Total Return (Line 3)	(418,111)	(125,433)	(292,678)
+ Unit 2 Schedule M Adjustments	1,179,696	353,909	825,787
+ Unit 2 Deferred Federal Income Taxes	171,691	51,507	120,184
- Unit 2 Interest Expense Deduction *	(125,533)	(37,660)	(87,873)
= Subtotal	1,058,809	317,643	741,166
x Gross-Up (FIT Rate / 1-FIT Rate)	0.538462	0.538462	0.538462
= Unit 2 Current Federal Income Tax	570,128	171,039	399,089
+ Unit 2 Def Fed & State Income Taxes	171,691	51,507	120,184
= Total Unit 2 Fed&State Income Taxes	741,819	222,546	519,272
<u>Proof of Federal Income Tax :</u>			
Total Unit 2 Monthly Power Bill	14,396,372	4,318,913	10,077,458
- Operation and Maintenance Expenses	14,032,931	4,209,880	9,823,051
- Depreciation Expense	1,026,856	308,057	718,799
- Taxes Other Than Federal Income Tax	(978,374)	(293,512)	(684,862)
- Unit 2 Interest Expense Deduction *	(125,533)	(37,660)	(87,873)
- Other Operating Revenues	(8,750)	(2,625)	(6,125)
= Pre-Tax Book Income	449,241	134,773	314,467
+ Unit 2 Schedule M Adjustments	1,179,696	353,909	825,787
= Unit 2 Taxable Income	1,628,937	488,682	1,140,254
x Current Federal Income Tax Rate	35%	35%	35%
= Unit 2 Current Federal Income Tax	570,128	171,039	399,089
+ Unit 2 Def Fed & State Income Taxes	171,691	51,507	120,184
= Total Unit 2 Fed&State Income Taxes	741,819	222,546	519,273

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

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

<u>Line No.</u>	<u>UNIT 2</u> <u>December, 2014</u>	
1	Operating Ratio:	
2	<u>Net In-Service Investment:</u>	
3	Electric Plant In-Service	800,868,918
4	- Accumulated Depreciation	594,751,779
5	+ Materials & Supplies	62,604,047
6	+ Prepayments	25,821
7	+ Plant Held For Future Use (A/C 105) *	0
8	+ Other Deferred Debits (A/C 186) *	0
9	+ Other Working Capital ***	(53,165,204)
10	+ Unamortized Debt Expense (A/C 181)	82,906
11	+ Deferred ASH pond cost (A/C182.3)	2,777,545
12	- Asset Retirement Obligation (A/C 230)	4,644,517
13	- Other Deferred Credits (A/C 253)	44,659,196
14	- Accumulated Deferred FIT	35,688,174
15	- Accumulated Deferred ITC	15,771,095
16	Total Net In-Service Investment	117,679,274
17	<u>Non-In-Service Investment - CWIP :</u>	
18	Construction Work In Progress	109,965,043
19	+ Materials & Supplies	0
20	- Accumulated Deferred FIT	0
21	Total Non-In-Service Investment - CWIP	109,965,043
22	<u>Non-In-Service Investment - Other :</u>	
23	Plant Held for Future Use (A/C 105) **	0
24	+ Other Deferred Debits (A/C 186) **	1,252,387
25	+ Fuel Inventory Over Allowed Level ****	(7,344,017)
26	Total Non-In-Service Investment - Other	(6,091,630)
27	Total Investment (Lines 16+21+26)	221,552,687
28	Operating Ratio (Line 16/Line 27)	53.1157%
29	Non-In-Service Investment-CWIP Ratio (Line 21/Line 27)	49.6338%
30	Non-In-Service Investment-Other Ratio (Line 26/Line 27)	-2.7495%
31	Total Investment	100.0000%
	* 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	

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

<u>Line No.</u>		UNIT 2 December, 2014
1	Net In-Service Investment Ratio:	
2	<u>Unit 2 Net In-Service Investment:</u>	
3	Electric Plant In-Service	142,359,080
4	- Accumulated Depreciation	146,430,567
5	+ Materials & Supplies	27,630,015
6	+ Prepayments	12,911
7	+ Plant Held For Future Use (A/C 105) *	0
8	+ Other Deferred Debits (A/C 186) *	0
9	+ Other Working Capital **	(39,964,736)
10	+ Unamortized Debt Expense (A/C 181)	41,453
11	+ Deferred ASH pond cost (A/C182.3)	1,388,773
12	- Asset Retirement Obligation (A/C 230)	2,322,258
13	- Other Deferred Credits (A/C 253)	44,659,196
14	- Accumulated Deferred FIT	(1,867,617)
15	- Accumulated Deferred ITC	15,759,917
16	Total Unit 2 Net In-Service Investment	(75,836,826)
17	<u>Unit 1 Net In-Service Investment:</u>	
18	Electric Plant In-Service	658,509,838
19	- Accumulated Depreciation	448,321,212
20	+ Materials & Supplies	34,974,032
21	+ Prepayments	12,911
22	+ Plant Held For Future Use (A/C 105) *	0
23	+ Other Deferred Debits (A/C 186) *	0
24	+ Other Working Capital **	(13,200,468)
25	+ Unamortized Debt Expense (A/C 181)	41,453
26	+ Deferred ASH pond cost (A/C182.3)	1,388,773
27	- Asset Retirement Obligation (A/C 230)	2,322,258
28	- Other Deferred Credits (A/C 253)	0
29	- Accumulated Deferred FIT	37,555,790
30	- Accumulated Deferred ITC	11,178
31	Total Unit 1 Net In-Service Investment	193,516,100
32	Total Net In-Service Investment	117,679,274
33	<u>Net In-Service Investment Ratio:</u>	
34	Unit 2 (Line 16 / Line 32)	-64.4400%
35	Unit 1 (Line 31 / Line 32)	164.4400%
		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**

<u>Line No.</u>		<u>UNIT 2 December, 2014</u>
1	Net Capitalization:	
2	Long-Term Debt	64,008,272
3	+ Short-Term Debt	47,482,935
4	+ Preferred Stock	0
5	+ Common Equity	99,396,854
6	- Temporary Cash Investments	0

7	Net Capitalization	210,888,061
		=====
8	40% of Net Capitalization	84,355,224
9	<u>Return on Common Equity:</u>	
10	Lesser of Line 5 or Line 8	84,355,224
11	x Equity Return (Monthly Rate)	1.01333%
12	= Equity Return	854,797
13	x Operating Ratio	53.1157%
14	x Net In-Service Investment Ratio	-64.4400%
15	= Subtotal	(292,578)
16	Excess of Line 5 Over Line 8	15,041,630
17	x Weighted Cost of Debt (Monthly Rate)	0.1245%
18	= Return on Equity over 40% of Capitalization	18,727
19	x Operating Ratio	53.1157%
20	x Net In-Service Investment Ratio	-64.4400%
21	= Subtotal	(6,410)

22	Unit 2 Return on Equity (Line 15 + Line 21)	(298,988)
		=====
23	<u>Return on Other Capital:</u>	
24	Long-Term Debt Interest Expense (A/C 427-429)	122,124
25	+ Short-Term Debt Interest Expense (a/c 430)	225,906
26	+ Other Interest Expense (a/c 431)	0
27	- Temporary Cash Investment Income *	0

28	= Net Interest Expense	348,030
29	+ Preferred Stock Dividends (a/c 437)	0

30	= Net Cost of Other Capital	348,030
31	x Operating Ratio	53.1157%
32	x Net In-Service Investment Ratio	-64.4400%
33	= Unit 2 Return on Other Capital	(119,123)
		=====

* 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 2
December, 2014**

1	Debt Balances (Prior Month Ending) :	
2	Long-Term Debt (Accts 221 thru 226)	64,008,272
3	+ Short-Term Debt (Accts 231 + 233)	47,482,935
4	+ Other Debt (Accts 132 thru 136 + 145)	0
5	Total Debt Balances (Prior Month Ending)	----- 111,491,207 =====
6	<u>Weighting of Debt Balances :</u>	
7	Long-Term Debt (LTD bal/Total Debt bal)	57.4110%
8	+ Short-Term Debt (STD bal/Total Debt bal)	42.5890%
9	+ Other Debt	0.0000%
10	Total Debt Balances	----- 100.0000% =====
11	<u>Debt Cost Rates :</u>	
12	Long-Term Debt (avg LTD int rate)	2.2465%
13	Short-Term Debt (avg Money Pool STD int rate)	0.4124%
14	Other Debt	0.0000%
15	<u>Weighted Cost of Debt :</u>	
16	Long-Term Debt (LTD % x avg LTD int rate)	1.2897%
17	+ Short-Term Debt (STD % x avg MP STD int rate)	0.1756%
18	+ Other Debt	0.0000%
19	Total Weighted Cost of Debt	----- 1.4653% =====

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

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UNIT 2

INCLUDE A/C 431 ON PG 5

<u>Line No.</u>		<u>December, 2014</u>
1	Unit 2 Materials and Supplies:	
2	Fuel Stock - Coal (per Line 23)	13,731,686
3	Fuel Stock Expenses - Undistributed (152)	577,474
4	Fuel Stock - Oil (151)	2,297,710
5	Plant Materials & Operating Supplies	11,015,964
6	Merchandise	0
7	Undistributed Stores Expense	7,182

8	Total Materials & Supplies	27,630,015
		=====
9	<u>Support of Coal Inventory Value:</u>	
10	Actual Coal Inventory (a/c 151.10)	13,731,686
11	+ Equivalent Inventory re: Deferred Return	954,789,786

12	= Imputed Coal Inventory	968,521,472

13	<u>Coal Inventory W/68 Day Supply Cap</u>	
14	Tons Consumed - CHANGE ANNUALLY FROM DEC PG 24	1,793,019
15	/ Hours Available * CHG ANNUALLY FROM GADS RPT 511	5871.3
16	= Tons Consumed per Hour	305.39
17	x 24 Hours per Day	24
18	= Tons Consumed Per Day	7329.36
19	x 68 days	68
20	= 68 day Supply (Tons)	498,396
21	x Coal Cost per Ton (per a/c 151.10 at End of Prior Month)	41.313

22	= 68 day Coal Inventory	20,590,234

23	Lesser of Imputed or Capped Coal Inventory	20,590,234

24	Imputed Inventory Minus Line 23	947,931,238
		=====
25	<u>Accumulated Deferred Inventory Return - Unit 2 (Memo Item):</u>	
26	Beginning Balance	7,715,544
27	+ Current Month Return on Beginning Balance	62,856
28	+ Current Month Deferral	52,007
29	- Current Month Recovery	0

30	= Ending Balance **	7,830,407
		=====
	* Excludes Forced Outages, Scheduled Outages, and Curtailments	
	** May Not Be Less Than Zero	
	Total Unit 2 Monthly Power Bill with Actual	9,353,992
	Total Unit 2 Monthly Power Bill with 68 Day Capped	9,405,999
	Difference	52,007

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
DETAIL OF OTHER OPERATING REVENUES**

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UNIT 2

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>December, 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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UNIT 2

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>December, 2014</u>
1	500,502-508	Steam Power Generation - Operation	6,177,778
2	501	Fuel - Operation	5,273,166
3	510-515	Steam Power Generating - Maintenance	2,287,459
4		Total Steam Power Generation Expenses	13,738,403
5	555-557	Other Power Supply Expenses	(62,579)
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 Expensese	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	300,246
16	935	Administrative and General Expenses - Maintenance	56,860
17		Total Administrative & General Exp.	357,107
18		Total Operation & Maintenance Expenses	14,032,931

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

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**UNIT 2
December, 2014**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
1	403	Depreciation Expense *	449,294
1a	403.1	ARO Depreciation Expense	3,343
2	404	Amortization of Limited-Term Electric Plant **	556,993
3	405	Amortization of Other Electric Plant	0
4	406	Amortization of Electric Plant Acquisition Adjustments	0
5	407	Amortization of Property Losses, Unrecovered Plant and Regulatory Study Costs	0
			-
6		Total Depreciation Exp. & Amortization	1,009,629
			=
7	411.10	ARO Accretion Expense	17,227
8		Total Depreciation, Amortization & Accretion Expenses	1,026,856

* 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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UNIT 2

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>December, 2014</u>
1	408.1	Taxes Other Than Federal Income Taxes, Utility Operating Income	146,627
2	409.1	State Income Taxes	(1,125,000)
3		Total Taxes Other than Federal Income Taxes	----- (978,374) =====

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

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>TOTAL</u>	<u>KPCO SHARE</u>	<u>I&M SHARE</u>
1		<u>Unit 2 Schedule `M' Adjustments*</u>			
2	N/A	Excess ACRS Over Normalization Base Depreciation	6,500	1,950	4,550
3	N/A	Excess Normalization Base Over Book Depreciation	309,000	92,700	216,300
4	N/A	Other Unit 2 Schedule `M' Adjustments	864,196	259,259	604,937
5	***	Total Unit 2 Schedule `M' Adjustments	1,179,696	353,909	825,787
			=====	=====	=====
6		<u>Unit 2 Deferred Federal Income Tax</u>			
7	410.1	Excess ACRS Over Norm. Base Depr. (Line 2 x FIT Rate * -1)	(32,353)	(9,706)	(22,647)
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.	716	215	502
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' Adj.-Utility	203,508	61,053	142,456
			-----	-----	-----
12	***	Total Unit 2 Deferred Federal Income Tax	171,691	51,507	120,184
			=====	=====	=====

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

Check Figure on Tax Page for Sch M 1,179,696
Check Figure on Tax Page for DFIT 171,691

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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**UNIT 2
December, 2014**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
1		<u>ELECTRIC PLANT IN SERVICE</u>	
2	101	Electric Plant In Service	142,109,622
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	249,459
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	142,359,080
12	105	Plant Held For Future Use	0
13		<u>ACCUMULATED DEPRECIATION</u>	
14	108	Accumulated Provision for Depreciation of Electric Utility Plant	118,733,472
15	110	Accumulated Provision for Depreciation and Amort. of Elec. Utility Plant	0
16	111	Accumulated Provision for Amortization of Electric Utility Plant	27,697,094
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	146,430,567
20		<u>MATERIAL AND SUPPLIES</u>	
21	151	Fuel Stock	16,029,396
22	152	Fuel Stock Expenses - Undistributed	577,474
23	153	Residuals	0
24	154	Plant Materials and Operating Supplies	11,015,964
25	155	Merchandise	0
26	156	Other Materials and Supplies	0
27	163	Stores Expense Undistributed	7,182
28		Total Materials and Supplies (In-Service Portion)	27,630,015
29	165	Prepayments	12,911
30	186	Other Deferred Debits	0

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
OTHER WORKING CAPITAL, UNAMORTIZED DEBT EXPENSE
AND OTHER DEFERRED CREDITS**

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<u>Line No.</u>	<u>Account No.</u>	<u>Description *</u>	<u>UNIT 2 December, 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	14,531,850
6	171	Interest and Dividends Receivable	0
7	174	Miscellaneous Current and Accrued Assets	0
8	232	Accounts Payable-General	(6,685)
9	234	Accounts Payable-Associated Company	(13,907,668)
10	236	Taxes Accrued	(7,757,480)
11	237	Interest Accrued	(184,592)
12	238	Dividends Declared	0
13	241	Tax Collections Payable	0
14	242	Misc Current and Accrued Liabilities	(32,640,160)

15		Total Other Working Capital	(39,964,736)
			=====
16	181	Unamortized Debt Expense	41,453

17	253	Other Deferred Credits	44,659,196

*		debit <credit>	

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

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<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
31		ACCUMULATED DEFERRED INCOME TAXES	
32	190	-Accumulated Deferred Income Taxes	20,603,142
33	281	+Accumulated Deferred Income Taxes - Accelerated Amortization Property	0
34	282	+Accumulated Deferred Income Taxes - Other Property	17,821,655
35	283	+Accumulated Deferred Income Taxes - Other	913,870
36		Total Accumulated Deferred Income Taxes (In-Service Portion)	----- (1,867,617) -----
37	255	+Accumulated Deferred Investment Tax Credits	15,759,917
38	186.50	-Accumulated Deferred Investment Tax Credit	0
39		Total Accumulated Deferred Investment Tax Credits	----- 15,759,917 -----
40		Total Net In-Service Investment - Unit 2	----- (74,903,340) =====

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

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**UNIT 2
December, 2014**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
		<u>Non-In-Service Investment - CWIP</u>	
1	107	Construction Work In Process	109,965,043
2		<u>MATERIAL AND SUPPLIES</u>	
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		<u>ACCUMULATED DEFERRED INCOME TAXES</u>	
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	0
16		Total Accumulated Deferred Income Taxes (CWIP Portion)	----- 0
17		TOTAL NON-IN-SERVICE INVESTMENT - CWIP	----- 109,965,043 =====
		<u>Non-In-Service Investment - Other</u>	
18	105	Plant Held for Future Use	0
19	186	Other Deferred Debits	1,252,387
20	151.10	Fuel Inventory Over Allowed Level *	(7,344,017)
21		Total Non-In-Service Investment - Other	----- (6,091,630) =====
		* INCLUDES ROCKPORT 1 AND 2	
		UNIT 1	(7,344,017)
		UNIT 2	0
		TOTAL	----- (7,344,017) =====

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
DETAIL OF NET CAPITALIZATION**

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**UNIT 2
December, 2014**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
1		<u>COMMON CAPITAL STOCK</u>	
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		<u>OTHER PAID-IN CAPITAL</u>	
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		<u>RETAINED EARNINGS</u>	
18	215	Appropriated Retained Earnings	0
19	215.1	Appropriated Retained Earnings- Amortization Reserve, Federal	0
20	216	Unappropriated Retained Earnings	9,534,867
21		Total Retained Earnings	9,534,867
22		Total Common Equity	99,396,854
23		<u>PREFERRED CAPITAL STOCK</u>	
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
December, 2014**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
28		<u>LONG-TERM DEBT</u>	
29	221	Bonds	0
30	222	Reacquired Bonds	0
31	223	Advances from Associated Companies	0
32	224	Other Long-Term Debt	64,008,272
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	64,008,272
		<u>SHORT-TERM DEBT</u>	
36a	231.02	Notes Payable (Short-Term Debt)	0
36b	231.03	Unamortized Discount	0
	233.00	Notes Payable, Assoc Co(Money Pool)	47,482,935
38		Total Short-Term Debt	47,482,935
39		<u>TEMPORARY CASH INVESTMENTS</u>	
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	210,888,061

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

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<u>Line No.</u>		UNIT 2 December, 2014
1	Capitalization Balances (Prior Month Ending) :	
2	Long-Term Debt (Accts 221 thru 226)	64,008,272
3	+ Short-Term Debt (Accts 231 + 233)	47,482,935
4	+ Preferred Stock	0
5	+ Common Equity (Accts 201 thru 216)	99,396,854
6	- Capitalization Offsets	0

7	Total Capitalization Balances	210,888,061
		=====
8	<u>Weighting of Capitalization Balances :</u>	
9	Long-Term Debt (LTD/Total Capital)	30.3518%
10	+ Short-Term Debt (STD/Total Capital)	22.5157%
11	+ Preferred Stock	0.0000%
12	+ Common Equity (Common Equity/Total Capital)	47.1325%
13	- Capitalization Offsets	0.0000%

14	Total Capitalization	100.0000%
		=====
15	<u>Capitalization Cost Rates :</u>	
16	Long-Term Debt (avg LTD int rate)	2.2465%
17	Short-Term Debt (avg money pool STD int rate)	0.4124%
18	Preferred Stock	0.0000%
19	Common Equity (FERC fixed rate)	12.1600%
20	Capitalization Offsets (sum of weighted costs of debt)	1.4653%
21	<u>Rate of Return (Net of Tax) :</u>	
22	Long-Term Debt (LTD % x avg LTD int rate)	0.6818%
23	+ Short-Term Debt (STD % x avg MP STD int rate)	0.0929%
24	+ Preferred Stock	0.0000%
25	+ Common Equity (CE % x FERC fixed rate)	5.7313%
26	- Capitalization Offsets	0.0000%

27	Total Rate of Return (Net of Tax)	6.5060%
		=====
28	Weighted Net Cost of Debt	0.7747%
	(LTD Rate of Return + STD RR - Cap Offsets RR)	
29	+ Pre-Tax Common Equity (Line 25 / .65)	8.8174%
	(Common Equity Rate of Return grossed up for tax)	-----
30	= Rate of Return (Pre-Tax)	9.5921%
		=====

A E P GENERATING COMPANY

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

500	SUPERVISION AND ENGINEERING	197,191
501	FUEL	5,273,166
502	STEAM EXPENSES	64,764
503	STEAM FROM OTHER SOURCES	0
504	STEAM TRANSFERRED - CR	0
505	ELECTRIC EXPENSES	80,811
506	MISC. STEAM POWER EXPENSES	144,768
507	RENTS	5,690,244
508	OPERATION SUPPLIES AND EXPENSES	0
509	CARRYING CHARGES - ALLOWANCES	0
	TOTAL OPERATION EXPENSE	11,450,944
510	MAINTENANCE SUPER. AND ENGINEERING	87,773
511	MAINTENANCE OF STRUCTURES	14,668
512	MAINTENANCE OF BOILER PLANT	1,593,269
513	MAINTENANCE OF ELECTRIC PLANT	556,015
514	MAINTENANCE OF MISC. STEAM PLANT	35,734
515	MAINTENANCE NORMALIZING	0
	TOTAL MAINTENANCE EXPENSES	2,287,459
555	PURCHASED POWER	0
556	SYSTEM CONTROL AND LOAD DISPATCHING	963
557	OTHER POWER SUPPLY EXPENSES	(63,541)
	TOTAL OTHER SUPPLY EXPENSES	(62,579)

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	12
THIS BILLING IS FOR MONTH OF	December, 2014

A E P GENERATING COMPANY

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

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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 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	58,059
921	OFFICE SUPPLIES AND EXPENSES	10,026
922	ADMINISTRATIVE EXPENSES TRANSF - CR	0
923	OUTSIDE SERVICES	147,475
924	PROPERTY INSURANCE	6,302
925	INJURIES AND DAMAGES	(1,860)
926	EMPLOYEE PENSIONS AND BENEFITS	67,587
927	FRANCHISE REQUIREMENTS	0
928	REGULATORY COMMISSION	0
929	DUPLICATE CHARGES-CREDIT	0
930	MISCELLANEOUS GENERAL EXPENSES	11,804
931	RENTS	854
933	TRANSPORTATION EXPENSE	0
	TOTAL ADM & GEN EXPENSES OPERATION	300,246
935	MAINTENANCE OF GENERAL PLANT	56,860
	TOTAL ADM & GEN EXPENSES	357,107
	TOTAL AEG OPERATION & MAINTENANCE EXPENSES	14,032,931
	ACCOUNT 40190 TOTAL FOR CROSS FOOT	14,032,931
	-----DIFFERENCE-----	0