I. GENERAL

1. Please provide any and all workpapers KPCo used to produce the schedules in the Company's filing, testimony exhibits, and Filing Requirements. To the extent they are in Excel (or similar spreadsheet program), please provide such workpapers electronically, with formulas and calculations intact.

2. Please provide the Excel files, with formulas and calculations intact that were used to produce the Company's filing, testimony, exhibits, studies and workpapers.

3. For each KPCo witness that filed testimony, please provide a complete set of workpapers supporting the witness's testimony and exhibits.

4. For each KPCo witness that filed testimony, please identify all documents relied upon by the witness.

5. To the extent not already provided in response to discovery or other filings made in the current KPCo rate case, or in the witness' workpapers being provided in response to data requests, please provide a copy of the documents relied upon by each KPCo witness.

6. For each KPCo witness filing testimony, please provide the testimony electronically in native format (e.g., Word) and provide all exhibits and supporting calculations electronically in native format (e.g., Excel).

7. Please reference the Testimony of Gregory Pauley, p. 12, lines 11-13 wherein he asserts that, "even with the proposed increase, the customers of Kentucky Power will continue to enjoy electricity priced below the national average." Using data regarding the average level of consumption for the residential class, provide:

   a. How Kentucky Power residential customers rank in electricity prices compared to the national average residential customer.
   b. The most recent comparison of residential bills of KPCo, Duke Energy (Kentucky), Louisville Gas & Electric Co., and Kentucky Utilities, displayed in $/month, based on 1,000 kWh consumption per month, as provided in the format set forth in KPCo's response to AG 1-2 in Case No. 2013-00197, Attachment 1, p. 57 of 158.

c. How Kentucky Power customers rank in electricity prices in comparison to non-investor owned electricity providers in the state of Kentucky, including TVA.

8. Please reference the Testimony of Gregory Pauley, p. 9, lines 21-24 and p. 10, lines 1-10. Explain why the Company will not continue to fund the KPCo Economic Advancement Program ("EAP") through shareholder funds, instead of proposing that the customers be forced to contribute to the surcharge.

9. Please reference the Testimony of Gregory Pauley, p. 9, lines 21-24 and provide a detailed list of the three projects that were awarded $200,000 in EAP development grants, and what each project entails.

10. Please reference the Testimony of Gregory Pauley, p. 9, lines 24-26 and provide a list of the twelve (12) local banks that the Company partnered with to provide $75 million in local bank financing for upcoming capital projects.

    a. Please also provide a detailed list of all capital projects included in the $75 million loans.

11. Please reference KPCo's Application generally. Provide the rationale and justification for applying a large bulk of the rate increase upon the customer charge instead of upon the usage charge.

    a. Does the Company admit that by placing a large percentage of the rate increase upon the customer charge it will deprive its customers of the monetary incentive for conserving energy through less usage?
    b. Please identify what incentives residential customers will have to conserve energy if the Company's requested rate design is approved.
    c. Does the Company acknowledge that many, if not most of its residential members would prefer to retain the ability to control the amount of the bill they owe, and that many are likely to view the company's proposal to place a large majority of the proposed increase on the monthly customer charge as an attempt to eliminate their ability to control the amount of their bill? Cite all studies the Company has conducted of its own ratepayer base to support the

Company's decision to seek the proposed rate design in the instant case.

12. Provide copies of all studies that the Company has conducted addressing the impact that the proposed rate design will have on the elderly, low income, fixed income and home bound segments of its ratepayer base. Please provide detailed information for each specified group.

13. Please reference the Testimony of Everett Phillips, p. 11, lines 8-10 and explain if the Company has complied with the Distribution Vegetation Management Plan approved by the Commission in Case No. 2009-00459. If yes, please explain in full detail. If no, please explain in full detail why the Company has not fulfilled its obligations under the plan.

14. Reference the Direct Testimony of Everett G. Phillips, Page 21, Lines 3 to 5. Please explain the following:

    a. Are tree removals inside the previous ROW boundaries capitalized if the ROW is widened? If so, please show the capitalized amounts, by account, for each year during which the Distribution Vegetation Management Plan approved by the Commission in Case No. 2009-00459 has been in effect through calendar year 2014.
    b. Please elaborate regarding how the crews determine and report whether or not tree removal activities are capitalized.
    c. Please provide the detailed company policy on capitalization of tree removal costs from widened ROW.
    d. For each response in subparts (a) through (c), above, explain how Appalachian Power Company ("APCo") treats each item.

15. Reference the Direct Testimony of Everett G. Phillips, Section VII, and the four (4) scenarios discussed for implementing KPCo's 2015 Distribution Vegetation Management Plan.

    a. Please provide any studies, analyses or reports estimating the effect of each scenario on CAIDI, SAIFI and SAIDI for each year from 2016 to 2023.
    b. For each scenario please break down annual costs in table 10 into O&M expense and capital costs.
    c. For each year please show the miles of ROW widened under each scenario.

d. For each year please show the additional acres of ROW obtained to widen ROW under each scenario.
e. For each year, please show the assumed average cost per acre for additional ROW obtained to widen ROW under each scenario.

16. Reference the Direct Testimony of Everett G. Phillips, Page 12 and 13 where the settlement agreement in Case No. 2009-00459 is discussed. Please provide copies of:

a. all work plans provided to the Commission since 2010; and
b. all reports on "system reliability and the expenditure of funds for the previous year" since 2010.

17. Reference the Direct Testimony of Everett G. Phillips, Page 15, lines 2 to 10 where the vegetation contract issues are discussed.

a. Please provide the current contracts in effect with all vegetation contractors.
b. Please provide all training materials, handbooks, and standards regarding vegetation management practices and expectations provided to vegetation contractors.
c. Please provide the KPCo management structure and policy for oversight of vegetation contractors.
d. Please provide a list of all vegetation contractors and describe any ownership or organizational relationship to KPCo.
e. With regard to your responses to subparts (b) and (c), above, provide the similar materials utilized by APCo.

18. Reference the Direct Testimony of Jeffery D. LaFleur on page 4 regarding Kentucky Power's 50% ownership in the Mitchell Plant. Please provide the following:

a. Current ownership agreement or any other related documents that detail how management decisions are made among the owners of the Mitchell Plant.
b. A complete list of all owners, with percentage ownership.
c. Any affiliates of each owner and the related organization structure.
d. Membership of plant ownership management committee or equivalent owners' representative organization.

e. Minutes, agendas, handouts and presentations from all meetings of the ownership management committee (or equivalent) for the last 3 years.

19. Reference the Direct Testimony of Jeffery D. LaFleur on page 4 regarding Kentucky Power's 15% ownership in the Rockport Plant. Please provide the following:

a. Current ownership agreement or any other related documents that detail how management decisions are made among the owners of the Rockport Plant.
b. A complete list of all owners, with percentage ownership.
c. Any affiliates of each owner and the related organization structure.
d. Membership of plant ownership management committee or equivalent owners' representative organization.
e. Minutes, agendas, handouts and presentations from all meetings of the ownership management committee (or equivalent) for the last 3 years.
f. The amount of the demand charge KPCo pays for power produced at the Rockport plant. Confirm this sum is paid regardless of whether KPCo uses any power from Rockport.
g. Complete supporting information for the return on equity that KPCo is requesting in the current rate case on its 15% ownership in the Rockport Plant.

20. Reference the Mitchell Plant Maintenance Normalization, Adjustment W34 of Section V, Exhibit 2. Please provide the following:

a. A detailed list of all Mitchel maintenance activities, the associated costs, and the expected frequency of the maintenance activity for 2012, 2013, and 2014.
b. A detailed list of all major scheduled maintenance activities and expected frequency of these maintenance activities.
c. Maintenance activity costs for 2010 and 2011.
d. Justification for a 3-year average.

21. Reference the Direct Testimony of Andrew R. Carlin in regard to incentive compensation. Please provide the following:

a. 2014 and 2015 version of Exhibit ARC-5 for KPCo employees and AEP shared employees.

b. Are there any incentive compensation adjustments for 2015 directly related to distribution reliability? If so please provide details. If not, why not?
c. Are there any incentive compensation adjustments for 2015 directly related to improvements in SAIDI, CAIDI and SAIFI? If so please provide details. If not, why not?
d. Are there any incentive compensation adjustments for 2015 related to vegetation management and miles of ROW clearing? If so please provide details. If not, why not?
e. Are there any incentive compensation adjustments for 2015 directly related to generation plant performance? If so please provide details. If not, why not?
f. Are there any incentive compensation adjustments for 2015 directly related to providing safe and reliable service to customers? If so please provide details. If not, why not?
g. Are there any incentive compensation adjustments for 2015 directly related to environmental performance and compliance? If so please provide details. If not, why not?
h. With regard to each response in subparts (a) through (g), above, provide responses as to how APCo treats each item.

22. Reference the Direct Testimony of Amy J. Elliott on page 4. With regard to the AEP East-System Pool, please provide the following:

a. A comprehensive description of the AEP East-System Pool.
b. The AEP East System Pool agreement.
c. Any assets or allowances that were dispersed upon termination of the AEP East-System Pool and how these were dispersed, together with any agreements relevant thereto.
d. Costs incurred by KPCo in each of the years 2012, and 2013 as a direct result of participation in the AEP East-System Pool.
e. Costs incurred by KPCo in 2014, by account, that relate to KPCo's participation through December 31, 2013 in the AEP East System Pool but which were not recorded on KPCo's books until 2014.

23. Reference the Direct Testimony of Jeffery D. LaFleur in regard to the economic operation of KPCo's and APCo's generating facilities. Please provide the following:

a. Net Capability rating of each facility included in KPCo's rates for each year, 2009 through 2014.

b. Annual Equivalent Availability of each facility included in KPCo's rates for each year, 2009 through 2014.
c. Annual Net Capacity Factor of each facility included in KPCo's rates for each year, 2009 through 2014.
d. Annual Forced Outage Rate of each facility included in KPCo's rates for each year, 2009 through 2014.
e. Annual Average variable O&M cost (without fuel) per MWH of each facility included in KPCo's rates for each year, 2009 through 2014.
f. Annual Average fuel cost per MWH of each facility included in KPCo's rates for each year, 2009 through 2014.
g. All studies or reports KPCo or APCo have prepared comparing performance metrics of each facility included in KPCo's rates in 2009 through 2014.

24. Reference the Direct Testimony of Jason Yoder on Page 17 lines 7 through 14. Please provide the detailed historical Big Sandy Plant M&S inventory results used in Mr. Yoder's review.

25. State whether the proposed enhancements to the company's vegetation management program will:

    a. reduce O&M expense, and if so, by what amount;
    b. reduce both recurring annual transmission and distribution plant investment and removal costs due to longer line and equipment life; and
    c. increase revenues due to increased usage which otherwise would have been foregone during outages.

26. For each $1 million spent in the proposed enhancement program, state the percentage improvement the company expects to receive in the CAIDI, SAIFI, SAIDI indices.

27. Will the company's proposed enhancements give any priority to its ten (10) worst-performing circuits, or would all circuits receive the same priority?

28. Provide the company's line loss figures for each of the past ten (10) years.

29. Provide the annual actual late payment revenues for each year 2011 through 2012, and through the end of test year.

30. Please confirm that in 2014, the Public Service Commission of West Virginia in Case No. 14-0546-E-PC entered an order that: (i) transferred only 82.5% of the remaining undivided interest of the Mitchell Plant to Wheeling Power Co. ("WPCo") for ratemaking purposes; and (b) that the remaining 17.5% interest constituted excess capacity and would not be allowed into WPCo's ratebase until January 1, 2020.

    a. Please provide the status of WPCo's attempted merger with APCo.
    b. Please confirm that in West Virginia, both WPCo and APCo charge the same rates. Identify which AEP entity (if any) will own the remaining 17.5% interest of the Mitchell Plant until it is allowed to be included in WPCo's rate base.

31. State the consequences that: (a) the closing of Big Sandy Unit 2; (b) the re-firing of Big Sandy Unit 1 to eliminate coal as a fuel source, and (c) obtaining the 50% undivided interest in the Mitchell Plant will have on KPCo in regard to the Consent Decree entered by the United States District Court for the Southern District of New York in *United States v. American Electric Power Service Corp.*, Civil Action C2-99-1250. Please provide any savings or additional costs in a monetary quantification.

32. With regard to the proposed Kentucky Economic Development Surcharge, please confirm that all funds collected will go solely toward economic development, and exclusively within the KPCo service territory. If not, why not?

33. Please reference the Testimony of John Rogness, p. 17, lines 1-3 and explain whether the company would be willing to increase the shareholder funding of the Kentucky Economic Development Surcharge. If not, explain fully why not.

34. Does the AEPSC currently provide the services, personnel and funding for KPCo to achieve and maintain: (i) NERC compliance; and (ii) compliance with applicable cybersecurity standards? If so:

    a. Provide the annual sum AEPSC charges for these services; and
    b. Why is KPCo, through means of the proposed NERC Compliance and Cybersecurity Rider, seeking to take this

function from the Servco? Would doing so not constitute duplication of services? Please explain.

35. With regard to the proposed NERC Compliance and Cybersecurity Rider, explain why the AEPSC would not be better situated to provide centralized services for KPCo and the other AEP-East Operating Companies.

36. Reference the Elliott testimony at pp. 5-6. With regard to projects scheduled for the Mitchell plant, state the date when each such project had been identified and approved for scheduling.

37. Reference the Davis testimony at p. 3, wherein he states, "The revised depreciation rates are primarily required due to changes in investment and changes in the expected life and net salvage of Kentucky Power's property that takes into account the December 2013 transfer of a 50% undivided interest in the Mitchell generating station." For each change regarding Mitchell plant depreciation (including but not necessarily limited to curves, net salvage, expected lives, and methodologies), provide the depreciation treatment that was in place prior to the transfer of the 50% undivided interest in Mitchell to KPCo.

38. Reference the Davis testimony at p. 6, wherein he states he recommended an increase in depreciation rates because of changes in average service lives and the net salvage estimates used to calculate the Company's depreciation rates. Explain how the transfer of the 50% undivided interest in Mitchell to KPCo caused a change in average service lives.

39. Reference the Davis testimony at pp. 8-9, wherein he discusses a dismantling study performed for the Mitchell Plant by S & L. Provide any dismantling studies performed by Ohio Power Company ("OPCo"). If OPCo did not perform any such study, why not?

40. Reference the LaFleur testimony at p. 7, wherein he states that KPCo proposes to normalize the annualized Mitchell Steam Maintenance expense using the average for a three year period as adjusted for inflation, which will increase the proposed revenue requirement by approximately $3 million. If KPCo is allowed to do so, explain how much WPCo (and/or any other affiliates receiving the other undivided 50% interest in the Mitchell Plant) will pay for this same purpose, and whether its sums will also be normalized over a three-year period.

41. Please reference the Testimony of John Rogness, p. 21, lines 15-19 and elaborate on what initiatives have been created and/or implemented by SOAR thus far, that intends to improve the economy and quality of life in Eastern Kentucky.

42. Please reference the Application generally. How many Kentucky Power customer complaints has the Company received in the past five (5) years? Please provide the specific number of customer complaints for 2014, 2013, 2012, 2011, and 2010.

    a. How many customer complaints has the Company received specifically upon electricity outages?
    b. How many customer complaints has the Company received specifically upon the processes to report an electricity outage?

43. Please reference the Application generally. What process(es) does Kentucky Power have in place to address customer complaints? Please explain in full detail.

44. Please reference the Application generally. What process(es) does Kentucky Power have in place for a customer to alert the Company that there is an electricity power outage?

II. REVENUE REQUIREMENTS

45. Lead-Lag Study. Please provide the electronic Excel files, with formulas and calculations intact, which were used to produce the lead-lag study that was used for the current rate case.

46. Data requests of others: With regard to all data requests served on the Company concerning the testimony of KPCo witnesses and other issues being addressed in this proceeding and to the extent that any of the responses to these data requests involve calculations using a program such as Microsoft Excel or Access, provide a complete copy of the electronic files, with formulas, calculations, macros, and cell references intact.

47. Chart of Accounts. Please provide the detailed chart of accounts used by the Company during the test year, and how the accounts used by the Company relate to and correspond with the FERC Uniform System of Accounts. Update for any subsequent changes.

48. Please provide a complete copy of KPCo's detailed general ledger for 2011, 2012, 2013, and 2014 and for the period ended September 30, 2014. In addition, please provide new monthly data as it becomes available through the course of this proceeding.

49. Please provide a copy of KPCo's trial balances for 12/31/2011, 12/31/2012, 12/31/2013 and 12/31/2014. In addition, please provide new monthly data as it becomes available throughout the course of this proceeding.

50. Accounting Manuals. Please provide a complete copy of all of the Company's internal accounting manuals, directives, policies and procedures.

51. Please provide a list of all internal audit reports for 2012, 2013, 2014 and 2015 to date, for departments and/or operations which charge costs to KPCo.

52. Gross Revenue Conversion Factor (GRCF). Refer to Section V, Exhibit 1, Workpaper S-2. Please show in detail how the KPSC Maintenance Fee percentage of 0.1952% was derived. Include all supporting calculations electronically in Excel and include all supporting workpapers and documentation.

53. Please provide the monthly level of prepaid taxes by type of tax for 2011, 2012, 2013, 2014, and for the 12 months ending 9/30/2014.

54. Please provide the monthly level of Materials and Supplies in total and by type for 2011, 2012, 2013, 2014, and for the 12 months ending 9/30/2014.

55. Please provide the monthly level of Contributions in Aid of Construction for 2011, 2012, 2013, 2014, and for the 12 months ending 9/30/2014.

56. Please provide the monthly level of Customer Advances for 2011, 2012, 2013, 2014 and for the 12 months ending 9/30/2014.

57. Please provide the monthly level of Deferred Maintenance by component for 2011, 2012, 2013, 2014, and for the 12 months ending 9/30/2014.

    a. Please identify and explain each item of Deferred Maintenance, when it first arose, when amortization commenced, when amortization will be completed, why the maintenance was deferred, and commission authorization for each maintenance item that is being deferred.

58. Please provide the monthly level of Deferred Debits by component for 2011, 2012, 2013, 2014, and for the 12 months ending 9/30/2014.

    a. Please, identify and explain each item of Deferred Debits, when it first arose, when amortization commenced, when amortization will be completed, why the cost was deferred, and commission authorization for each Deferred Debit item that is being requested for inclusion in rate base.

59. Please provide the monthly level of Prepaid Pension for 2011, 2012, 2013, 2014, and for the 12 months ending 9/30/2014.

60. Please provide the monthly level of Accrued Pension for 2011, 2012, 2013, 2014, and for the 12 months ending 9/30/2014.

61. Please provide the monthly level of each Deferred Credit item on KPCo's balance sheet for 2011, 2012, 2013, 2014, and for the 12 months ending 9/30/2014.

62. Accumulated Deferred Income Taxes (ADIT).

    a. Please provide a detailed itemization of each item of ADIT, in total, as of 12/31/2011, 12/31/2012, 12/31/2013, and as of 9/30/2014.
    b. Please provide the monthly level of Accumulated Deferred Income Taxes, by timing difference item, for 2011, 2012, 2013, 2014, and for the 12 months ending 9/30/2014.
    c. For each item, identify the book/tax-timing difference that causes the ADIT, explain when that temporary timing difference first arose, identify the amount of the timing difference as of each date, and describe in detail whether and how that particular timing difference relates to an item

of utility rate base, utility revenue and/or utility expense, and how the related item has been reflected in the Company's filing for ratemaking purposes.

63. Accumulated Deferred Income Taxes (ADIT). Please identify by amount and account, the corresponding regulatory asset/(liability) and/or other deferred debit/(credit) relating to each item that comprises the total ADIT of that KPCo has included in rate base. For each component of ADIT, please provide the following information:

   a. Description of each item of ADIT that comprises the total amount KPCo has reflected in rate base.
   b. Balance sheet account in which KPCo recorded the ADIT.
   c. Related deferred asset, deferred credit or liability account for each component of ADIT.
   d. Identification of whether and where the related deferred asset, deferred credit or liability account for each component of ADIT is included in KPCo's proposed rate base, and for each item, if not, a detailed explanation of why not.

64. Please provide the following monthly KPCo labor data, in total, for December 31, 2009 through September 30, 2014, showing annual totals:

   a. Number of actual employees broken down between type (e.g. salaried, hourly, union, non-union, temporary, etc.).
   b. Number of authorized employees broken down between type (e.g. salaried, hourly, union, non-union, temporary, etc.).
   c. Regular payroll broken down between expensed, capitalized and other.
   d. Overtime payroll broken down between expensed, capitalized and other.
   e. Temporary payroll broken down between expensed, capitalized and other; and
   f. Other payroll (specify).

65. Please provide the following monthly AEPSC labor data, in total, for December 31, 2009 through September 30, 2014, showing annual totals:

   a. Number of actual employees broken down between type (e.g. salaried, hourly, union, non-union, temporary, etc.).

b. Number of authorized employees broken down between type (e.g. salaried, hourly, union, non-union, temporary, etc.).
c. Regular payroll broken down between expensed, capitalized and other.
d. Overtime payroll broken down between expensed, capitalized and other.
e. Temporary payroll broken down between expensed, capitalized and other; and
f. Other payroll (specify).

66. Please provide the actual number of KPCo employees for each month in 2011, 2012, and 2013, 2014, and for the 12 months ending 9/30/2014.

67. Please provide the actual number of AEPSC employees for each month in 2011, 2012, and 2013, 2014, and for the 12 months ending 9/30/2014.

68. Provide the budgeted number of KPCo employees for each month in 2011, 2012, and 2013, 2014, and for the 12 months ending 9/30/2014.

69. Provide the budgeted number of AEPSC employees for each month in 2011, 2012, and 2013, 2014, and for the 12 months ending 9/30/2014.

70. Provide a detailed explanation of all variations between actual and budgeted employee counts for 2010 through 9/30/2014.

71. Please provide the wage rate increases granted by KPCo by date and employee category for 2010, 2011, 2012, 2013, and 2014.

72. Please provide the wage rate increases granted by AEPSC by date and employee category for 2010, 2011, 2012, 2013, and 2014.

73. Please indicate if the employee positions used in the Company's labor calculations are authorized or actually filled positions. Identify, quantify and explain all labor-related costs in KPCo's filing that is for positions that had not been filled as of September 30, 2014.

74. Please provide a detailed list of responsibilities and duties that eligible incentive compensation employees must have or perform in addition to those necessary to meet the standards for base salary compensation in order to receive incentive compensation.

75. Please explain what adjustments, if any, were made to base salary compensation levels of eligible incentive compensation employees at the time any such incentive compensation plan(s) were initiated.

76. Please explain how the Company determines that the achievements of any incentive compensation goals are reached as a result of the incentive compensation plan, as opposed to other reasons. Provide all supporting empirical data.

77. Please provide a description of KPCo's merit and cost of living wage rate increase policies.

78. Please provide a description of AEPSC's merit and cost of living wage rate increase policies.

79. Does the Company anticipate reducing the number of employees, including any voluntary early retirement or other force reduction programs, during 2015 or 2016? If yes, state the timing and number of affected employees. Also state the projected costs and savings of any such plan.

80. Does AEPSC anticipate reducing the number of employees, including any voluntary early retirement or other force reduction programs, during 2015 or 2016? If yes, state the timing and number of affected employees. Also state the projected costs and savings of any such plan.

81. Provide the staffing as of September 30, 2014 at the Big Sandy Plant.

82. Provide the anticipated staffing at the Big Sandy plant as of each of the following dates:

    a. June 30, 2015
    b. December 31, 2015
    c. December 31, 2016

83. Payroll. Please explain how the Company determines that its work force level is not excessive and provide all related supporting documentation.

84. Payroll. Please provide complete calculations, documents and supporting workpapers for the pro forma amount of payroll cost, by account, by position, that KPCo has reflected in its filing.

85. Executive Compensation. Please explain fully and in detail how KPCo and separately, AEPSC determine that the total compensation package for executives, and/or separate parts thereof, reasonably compare with the competitive markets for such executives. In addition, provide copies of all related surveys, analyses, studies, etc.

86. Stock-Based Compensation.

   a. List, by amount and account, all stock-based compensation expense charged to KPCo during the test year, including but not limited to executive stock options, performance share awards, accruals made pursuant to ASC 718 (formerly SFAS 123R) and any other stock-based compensation awards that resulted in cost being charged to KPCo during the test year.
   b. Please provide a description of each distinct stock-based compensation program that resulted in charges to KPCo during the test year.
   c. List, by amount and account, all stock-based compensation expense in KPCo's cost of service for the rate effective period, including but not limited to executive stock options, performance share awards, accruals made pursuant to ASC 718 (formerly SFAS 123R) and any other stock-based compensation awards that were charged to KPCo during the rate effective period.
   d. Please provide a description of each distinct stock-based compensation program that is included in the charges to KPCo during the test year ended September 30, 2014.

87. Stock-Based Compensation.

   a. List, by amount and account, all AEPSC stock-based compensation expense charged to KPCo during the test year, including but not limited to executive stock options, performance share awards, accruals made pursuant to ASC 718 (formerly SFAS 123R) and any other stock-based compensation awards that resulted in cost being charged or allocated to KPCo during the test year.
   b. Please provide a description of each distinct AEPSC stock-based compensation program that resulted in charges or allocations to KPCo during the test year.

c. List, by amount and account, all stock-based compensation expense in AEPSC's cost of service for the rate effective period, including but not limited to executive stock options, performance share awards, accruals made pursuant to ASC 718 (formerly SFAS 123R) and any other stock-based compensation awards that were charged or allocated to KPCo during the rate effective period.
d. Please provide a description of each distinct AEPSC stock-based compensation program that is included in the charges or allocations to KPCo during the test year ended September 30, 2014.

88. Supplemental Executive Retirement Program (SERP).

a. Please provide the level of SERP expense, by account, included in the Company's cost of service for the test year.
b. Please provide the level of SERP expense, by account, included in the Company's cost of service for the rate effective period.
c. Please provide the comparable SERP expense for each calendar year, 2011, 2012, 2013 and 2014.
d. Provide the most recent three actuarial reports for SERP.
e. Provide all actuarial studies, reports and estimates used for SERP for the rate effective period.
f. If different for AEPSC SERP costs charged or allocated to KPCo, also answer parts a-e above for AEPSC SERP costs.

89. Defined Benefit Plan pension expense.

a. Please provide the level of Defined Benefit Plan pension expense, by account, included in the Company's cost of service for the test year.
b. Please provide the comparable Defined Benefit Pension Plan expense for each year, 2011, 2012, 2013, 2014, and for the 12 months ending 9/30/2014.
c. Provide the most recent three actuarial reports for Defined Benefit Pension Plan.
d. Provide all actuarial studies, reports and estimates used for Defined Benefit Pension Plan for the test year.

90. Other Post Employment Benefits (OPEB) expense.

a. Please provide the level of OPEB expense, by account, included in the Company's cost of service for the test year.
b. Please provide the level of OPEB expense, by account, included in the Company's cost of service for the rate effective period.
c. Please provide the comparable OPEB expense for each year, 2011, 2012, 2013, 2014, and for the 12 months ending 9/30/2014.
d. Provide the most recent three actuarial reports for OPEB.
e. Provide all actuarial studies, reports and estimates used for OPEB for the test year.

91. Please provide the following for each employee position during the test year and the actual periods 2013 and 2014, that experienced a change of incumbent:

a. Position title;
b. Employee replaced;
c. Annual salary of replaced employee;
d. Replacement employee;
e. Annual salary of replacement employee; and
f. Date of replacement

92. Please provide a description of each employee benefit program or plan.

a. Also show the related test year cost.
b. Provide this information:
   i. For KPCo employees
   ii. For AEPSC employees that had charged or allocated cost to KPCo during the test year.

93. Concerning worker's compensation expense:

a. Please provide the most current workers' compensation premiums and related invoices.
b. Show in detail how the current workers' compensation premiums and/or invoices were used to derive KPCo's requested amount of workers' compensation cost.
c. Reconcile the amount of KPCo's requested amount of workers' compensation cost to the most current invoices. Identify, quantify and explain all differences.

94. Concerning health care cost:

   a. Please provide the most current health care premiums and related invoices.
   b. Show in detail how the current health care premiums and/or invoices were used to derive KPCo's requested amount of health care cost.
   c. Reconcile the amount of KPCo's requested amount of health care cost to the most current invoices. Identify, quantify and explain all differences.

95. Please provide the basis for the Company's cost of each separate employee benefit (e.g., flat rate per employee, percentage of payroll, claims experience, etc.), and provide the most current known cost rate for each separate benefit.

96. Please provide the monthly level of each separate benefit cost broken down between expensed, capitalized and other for 2012, 2013 and 2014 with annual totals.

97. Please provide the level of accumulated pension plan funding at December 31, 2013 and December 31, 2014 and explain how such amounts are treated for ratemaking purposes, and why.

98. Please provide an analysis (description, dates and amounts) of any gains or losses on utility property sold during 2011, 2012, 2013, and by month through 9/30/2014. Also, please explain how such amounts have been treated for ratemaking purposes.

99. Please provide the level of country club dues incurred in the test year by account and indicate how they have been treated for ratemaking purposes.

   a. Also, show amounts of AEPSC costs charged to KPCo.

100. Please provide the level of lobbying included in cost of service by separate payee, along with a description of each payee. In addition, indicate how lobbying expense has been treated for ratemaking purposes.

   a. Also, show amounts of AEPSC costs charged to KPCo.

101. Please provide the requested level of self-funded reserve accruals and balances for all types of injuries, claims and damages by type of item.

102. Does KPCo have any self-funded reserves? If so, please provide the following monthly data for each separate type of self-funded reserve for injuries, claims and damages in 2012, 2013, and through 9/30/2014, by account, and provide the level reflected in revenue requirement and explain how such amounts have been treated for ratemaking purposes. Also, please provide new monthly data as it becomes available through the course of this proceeding.

    a. Accruals;
    b. Actual claims; and
    c. Balance

103. Please identify the amounts included in cost of service during the test year for the following items:

    a. Membership dues in service, social and professional organizations (identify);
    b. Lobbying expenses;
    c. Charitable contributions;
    d. Investor relations expenses; and
    e. Public relations expense, including an explanation of the nature and purpose of the activities

104. Rate Case Expense.

    a. Please identify the test year, filing date and rate effective date for the Company's last five rate cases.
    b. Please provide the level of rate case expense incurred for the last five rate cases broken down by payee or type of activity.
        i. Also, indicate which cases were settled and which were litigated. For the settled cases, please also indicate at which stage they were settled (e.g., after KPCo rebuttal, before hearings, etc.).
    c. Please explain fully and in detail why the Company normalized rate case expense over three years versus some other period.

105. Please provide, in list form, the details of all judgments and/or settlements resulting from suits brought which involved the Company, its parent (American Electric Power Company, Inc.), its affiliated service company (American Electric Power Service Company), or any other affiliates that charge cost to KPCo, as a defendant in 2013 or 2014, which resulted in the payment during agreement to pay or being ordered to pay an amount in excess of $10,000, including but not limited to:

   a. The case name;
   b. The date filed;
   c. The date of settlement or the date of judgment; and
   d. The amount the Company was ordered or agreed to pay
   e. Provide this information even if appeals are pending and note every instance of an appeal.

106. Outside Services Expense. Please provide an itemization of outside services expense in excess of $20,000 for 2012, 2013, 2014, and for the 12 months ending 9/30/2014. Indicate in what accounts the amounts are recorded, or would be recorded when incurred for the budgeted/forecast items.

107. Please provide the test year, and if different, the most recent actual property tax assessments, rates, and property tax payment amounts and payment dates.

108. Uncollectibles. Please provide the following annual data related to uncollectible accounts for 2011, 2012, 2013, 2014, and for the 12 months ending 9/30/2014 :

   a. Bad debt expense;
   b. Bad debt write-offs;
   c. Collections of written-off accounts;
   d. Billed revenues

109. Uncollectibles. Please provide the net charge-off percentage for uncollectibles for 2011, 2012, 2013, 2014, and for the 12 months ending 9/30/2014. Explain any material variations in the percentage between years.

110. Filing Information. As the Company discovers errors in its filing, identify such errors and provide documentation to support any changes. Please update this response as additional information becomes available.

111. Precedent. Are there any aspects of the Company's accounting adjustments and revenue requirement claim which represents a conscious deviation from the principles and policies established in prior Commission Orders? If so:

   a. Identify each area of deviation, and for each deviation, explain the Company's perception of the principle established in the prior Commission Orders.
   b. Explain how the Company's proposed treatment in this rate case deviates from the principles established in the prior Commission Orders.
   c. Explain the dollar impact resulting from such deviation. Show which accounts are affected and the dollar impact on each account for each such deviation.

112. Injuries and Damages. State the amount of injuries and damages expense for 2012, 2013, 2014, and for the 12 months ending 9/30/2014.

113. Insurance Expense. Itemize each component of insurance expense included in the test year, and provide comparative information for calendar years 2012 through 2014. Indicate the accounts and amounts in which each item of insurance is recorded.

114. Legal Expense. Please itemize the amount of non-rate case legal expense, by account, for the test year. For each distinct item over $20,000, show payee, amount, account, and indicate what services were performed and what the subject matter of the services was.

115. Are any one time or non-recurring expenses included in the test year? If so, provide the dollar amount, account and a brief description of the expense.

116. Pension Expense.

   a. Please reconcile the amount of pension expense in the test year to the most recent actuarial reports concerning the determination of the net periodic benefit cost for each pension plan in which KPCo employees participate. Identify, quantify and explain each reconciling item.

b. Please reconcile the amount of pension expense in the test year to the most recent actuarial reports concerning the determination of the net periodic benefit cost for each pension plan in which AEPSC employees charging cost to KPCo participate. Identify, quantify and explain each reconciling item.

117. OPEB Expense.

a. Please reconcile the amount of OPEB expense in the test year to the most recent actuarial reports concerning the determination of the net periodic benefit cost for each Postretirement Benefit Plan in which KPCo employees participate. Identify, quantify and explain each reconciling item.
b. Please reconcile the amount of OPEB expense in the test year to the most recent actuarial reports concerning the determination of the net periodic benefit cost for each Postretirement Benefit Plan in which AEPSC employees charging cost to KPCo participate. Identify, quantify and explain each reconciling item.

118. Is KPCo using outside service providers for any services that the AEP Service Company is capable of providing? If so, please explain why and identify the specific services, their cost by account, and how they were accounted for in the test year ending 9/30/14.

119. Does KPCo or its affiliates including AEPSC have any information concerning how KPCo's expenses in total or on a per customer basis compare with other American Electric Power Company electric utility subsidiaries? If not, explain fully why not. If so, please provide all such information for 2013, and 2014 that KPCo and its affiliates have.

120. Please provide consolidating accounting information for American Electric Power for 2012, 2013, and 2014. Please show the amounts for each subsidiary by account and all eliminations and adjustments in the consolidation.

121. Please provide the consolidation pages and schedules for the AEP federal income tax returns for tax years 2008 through 2013.

122. For each KPCo and American Electric Power pension plan for 2012, 2013, and 2014, please provide a list of the pension plan investments by category or type of investment, and please provide the earned return for each investment category for 2012, 2013 and 2014, and in total.

123. Please explain fully and in detail why KPCo is requesting CWIP in rate base in the current rate case.

124. Provide an itemization of each project that is included in KPCo's test year request for inclusion of CWIP in rate base.

125. Please show in detail how the CWIP included by KPCo in the test year was financed.

126. Provide the details of KPCo's AFUDC rates for each year, 2011, 2012, 2013, 2014, and for the 12 months ending 9/30/2014.

127. Provide a complete description of KPCo's procedures for accruing AFUDC including how KPCo identifies which construction projects accrue AFUDC.

128. Please provide a detailed breakout of the AEPSC costs included in the KPCo filing, including complete details on the costs included for each AEPSC department and function that has charged or allocated cost to KPCo.

129. Affiliate management fee charges. (a) Provide the information that underlies the KPCo expenses for affiliate service company cost allocations; (b) Please provide similar information as of each of the following dates: (1) 12/31/2011; (2) 12/31/2012; (3) 12/31/2013; (4) the test year ended 9/30/2014; and (5) calendar 2014.

130. Please provide the 2012 American Electric Power Service Company results by function, preferably in Excel, and show the charges from each function to KPCo.

131. Please provide the 2013 American Electric Power Service Company results by function, preferably in Excel, and show the charges from each function to KPCo.

132. Please provide the American Electric Power Service Company results by function, preferably in Excel, and show the charges from each function to KPCo for the 12 months ending 9/30/2014.

133. Meter replacements. (a) Please provide the dollar amount and quantity of meters, by type, (1) in service and (2) replaced as of December 31 for each of the past five years through December 31, 2014. (b) Please provide the dollar amount and quantity of meters, by type, for each month of 2013 and 2014 through 9/30/2014.

134. Please provide a copy of the Company's meter change-out program.

135. Has the Company included any rate case expense or non-cash items (e.g., depreciation expense, common equity, etc.) in its request for cash working capital? If so, please identify (1) all rate case expense and (2) any and all non-cash expenses included in KPCo's cash working capital calculations.

136. Has the Company included any rate case expense in rate base? If so, please explain fully why and identify by amount and account.

137. Does the Company's request for rate case expense include any amounts related to past cases? If not, explain fully why not. If so, please identify the amount, and identify and explain the basis for including expense for past cases.

138. Please identify each type of revenue based tax and revenue based assessment that was paid during the test year. Also, please provide the related returns, and the amount and date of each such payment, and identification as to which type of revenue-based tax each such payment was for.

139. Has the Company included any plant in rate base for which the Company has not received permits to begin construction? If so, please identify the amounts by account.

140. Pension Trust Fund Assets. Please provide the following:

a. The overall expected rate of return used for pension assets;
b. The expected rates of return for alternative assets classes (long-term bonds, common stock) used in determining the overall expected rate of return used for pension assets; and
c. Copies of all documentation used in determining the expected rates of return for alternative assets classes (long-term bonds, common stock).

141. Please show in detail how KPCo has reflected the inclusion of net negative salvage in accumulated depreciation (a rate base reduction).

142. Please provide a list of the items included in the increase to ratebase since the last case. In both cases, show the applicable accounts and amounts.

143. Please identify and explain all new or upgraded software and systems costing over $20,000 per year for KPCo since the last KPCo rate case, including software and systems charged to KPCo from AEPSC or other affiliates. For each new software and system:

a. Please provide all costs and expenses associated with the software since inception. Include both capital costs associated with this software and as well as any O&M expenses. Include a description of each cost or expense.
b. For the costs and expenses shown in part a., please indicate how much of each cost and expense was charged to KPCo.
c. Were any prudence reviews conducted prior to purchasing the software? If yes, please provide those reviews. If not, explain why not.
d. Please provide any cost-benefit studies conducted prior to purchasing such software.

144. Please provide a copy of the KPCo and AEP Board of Directors minutes for 2011, 2012, 2013, and 2014.

145. Identify each KPCo and AEP Board committee. Provide a copy of the KPCo and AEP Board committee meeting minutes for 2011, 2012, 2013, and 2014.

146. Please list all procedures the Company follows to ensure that there was a proper assignment of costs to the test year and that the test year only includes charges incurred during the test period.

147. Provide a copy of each adjusting entry proposed by the Company's independent Auditors in the two most recent audits of the Company, the parent company, and the affiliated service company. Include supporting documentation.

148. Provide a copy of the Company's (and the parent company's) two most recent management letters and recommendations received from the Company's independent auditors.

149. Provide a copy of the Company's most recent management and operations audit.

150. Have there been any independent audits or regulatory commission sponsored reviews done of AEPSC in 2012, 2013 or 2014? If so, please identify each such review and provide a copy of the related reports and testimony.

151. If applicable, list the expense associated with the most recent management audit. If the Company is amortizing the expense, list the amount of base and test period expense, the unamortized amount at December 31, 2012, 2013, and 2014 and state when the amortization will end.

152. List each proposed pro forma entry which was considered in this filing but not made and state the reason(s) why the entry was not made.

153. Indicate whether and how check-clearing time was included in the revenue or expense lag calculations in the lead-lag study. If included in the study, indicate the number of days it added to the lead or lag by category.

154. If check-clearing time was not included in the revenue or expense lag calculations in the lead-lag study, indicate the number of days between the receipt of a customer's payment and the time the Company has use of the funds. Also, provide an estimate of the number of days after a check mailed to a vendor is reduced from the Company's bank account. If the number of days varies by type of expense or vendor, indicate those differences if known. Indicate any payments made by wire (in total by expense category).

155. Indicate whether tax payment lead days are calculated on actual or statutory percentages and payment dates in the cash working capital calculation.

156. Indicate whether in the cash working capital calculation, the payroll expense lead day result is based upon a composite of the separate net wage lag and withholding deposit period lag, or whether it is based on the single lag associated with gross wages (i.e., middle of pay period to payroll date).

157. Indicate the average period of time between rendering of service to customers to meter reading date (by type of customer if different), meter reading to billing date, and billing date to receipt of payment for Kentucky jurisdictional customers, if known; otherwise for total company if known.

158. Provide for each month from December 2009 to the present, the following information:

   a. Monthly revenues
   b. Accounts receivable
   c. Allowance for Doubtful Accounts
   d. Accounts receivable (aging and amounts) net of uncollectibles.

159. Customer Advances.

   a. What is the ratemaking treatment for customer advances proposed by the Company in its filing? Where is such proposal found in the filing?
   b. Provide the monthly level of customer advances for the period December 2012 thru December 2014 and also provide monthly updates when available.
   c. Provide the monthly interest expense paid by the Company on customer advances for the same period.

160. Customer Deposits.

   a. What is the ratemaking treatment for customer deposits proposed by the Company? Where is such proposal found in the filing?

b. Provide the monthly level of customer deposits for the period December 2012 thru December 2014.
c. Provide the monthly interest expense paid by the Company on customer deposits for the same period.

161. Customer Deposits.

a. What is the interest rate on customer deposits?
b. Identify the tariff or statute that establishes the interest rate.
c. Does the Company accrue interest on inactive customer deposits?
d. How often is interest on customer deposits paid?
e. Is interest on customer deposits paid by check, in the form of a bill credit, or credited as an addition to the customer deposit balance?
f. What is the Company's policy on customer deposits for collection, refund, and use as an offset against an uncollectible balance?
g. Provide a copy of the Company's policy(s) relating to customer deposits.

162. For the test year and the preceding two years, has the Company sold any property which had formerly been included in Plant Held for Future Use or devoted to utility service? If so, for each sale, describe the property sold; state whether, when and in what manner it had been included in rate base; show the details of how the gain or loss was calculated; indicate when the sale occurred; explain how and whether the Company is amortizing such gain or loss; and show how such amortization was computed.

163. The following questions are related to the Company's policies regarding accounting for CWIP, plant in service and depreciation:

a. For each item of CWIP which the Company has transferred into utility plant in service for purposes of this filing, has a full 12 months of depreciation expense been included in the cost of service?
b. For each item of CWIP which the company has transferred into utility plant in service for the purposes of this filing, has an amount representing a full 12 months of depreciation

expense been added to the total accumulated depreciation by which rate base is reduced?

c. Provide the same information as requested in subsection b. above for the deferred taxes related to the depreciation timing differences.

164. List all revenue, expense and rate base amounts by account included in the test year relating to any Company or affiliate owned or leased airport, airplane and helicopter facilities, if applicable.

165. Provide flight logs for all affiliate owned or leased aircraft for 2013 and 2014.

166. Identify how much of the Company's materials and supplies balance at December 31, 2011, December 31, 2012, December 31, 2013 and through September 30, 2014 is related to construction activities.

167. Please provide a copy of the parent company's corporate federal tax returns and supporting "M" schedules and all consolidating schedules for tax years 2008 through 2013.

168. Please provide workpapers detailing the calculation of each statutory addition and deduction used in arriving at taxable income in the above calculation, as well as the calculations provided in the filing. Also provide a narrative explanation of the effect of each statutory addition and deduction on tax and/or book income, and the Internal Revenue Code Section or Treasury Regulation calling for the adjustment.

169. For tax years 2008 through 2013, please provide a copy of the parent company and KPCo's Kentucky Corporate Income Tax Return and all other Kentucky Tax Returns. If separate returns were not prepared, please provide the detailed worksheets that were used to prepare the consolidated return.

170. Please provide the following information regarding deferred income taxes:

a. Calculation of all timing differences reflected in DFIT; show book amount and tax amount; indicate when amounts were included in book and in tax returns;
b. Tax rate applied to each timing difference;

c. Calculation of actual DFIT;
d. If different, reconcile book amount per cost of service and book amount in DFIT calculation. Identify and quantify all reconciling items.
e. For each year 2011 through 2014 the gross and net additions to deferred taxes. Please breakdown such additions within each year by sub-account, providing the number and name for each account and sub-account. For each item by year, please reconcile the gross to net additions and explain how that reconciliation was derived.
f. For 2009 and 2013 (to date) please provide information requested in (e) above for each month.

171. Please state whether the Company has or will claim 50 bonus tax depreciation on its federal or state tax return for 2014 and if so, list the KPCo 2014 plant additions by account and amount that are expected to qualify for 2014 bonus tax depreciation.

a. Also, show the estimated impact on test year ADIT from 2014 bonus tax depreciation.
b. If not included in its filing, please specify the expected test year jurisdictional revenue requirement impact of including bonus tax depreciation allowance in the Company's overall cost of service for qualified property placed into service before January 1, 2015, as provided by the Tax Increase Prevention Act of 2014.
c. Please provide all of the adjustments that would be necessary to produce the Company's test year jurisdictional revenue requirements that include the impact of bonus tax depreciation for qualified property placed in service prior to January 1, 2015 as provided by the Tax Increase Prevention Act of 2014, summarized for all applicable rate base and expense categories presented in the Company's Filing Requirements schedules.
d. The adjustments referenced in part b., above should allow for a complete assessment of the revenue requirement impact of inclusion of 2014 bonus tax depreciation in the overall cost-of-service. As part of this response, please include all electronic workpapers with formulas intact used in the derivation of the bonus tax depreciation impact.

172. Does KPCo's filed rate base reflect impacts from 2014 bonus tax depreciation?

   a. If not, explain why not.
   b. If so, please identify the amounts and shown how they were calculated.

173. Please list the name and business function of all Company subsidiaries and affiliates and separately list those which are included in this case, and which charged cost to KPCo during 2012, 2013, 2014, and the test year.

174. Please provide the following amounts for 2012, 2013, and 2014:

   a. Income tax expense, current, deferred, deferred-credit, investment tax credit deferred and investment tax credit amortized from prior years. Identify by Uniform System Account number.
   b. Identify and explain the book-timing accounting difference giving rise to each charge.
   c. Divide federal and state amounts.
   d. Cite the order or ruling on which the Company bases rate treatment of these benefits (normalized or flow-through). Note rate treatment (normalized or flow-through).
   e. State the accumulated total for each as it appears on the test year balance sheets. Identify by Uniform System Account Number.
   f. State the rate base treatment of each item (e.g. deducted from rate base, cost-free capital, treated as equity, etc.).
   g. Cite the order or ruling on which the Company bases treatment identified in f.

175. Please provide a detailed derivation of 2012, 2013, and 2014 research and development credits, including:

   a. A list of all research, development and experimentation expenditures, and for each item provide;
   b. Separately the amounts payable to inside and outside contractors;
   c. The amount payable in the test year;
   d. The total expenditures to be expensed in determining federal taxable income; and

e. The total expenditures qualifying for the R & E credit under I.R.C. paragraph 44f.

176. Identify all net operating loss carrybacks and carryforwards for AEP and each AEP subsidiary for each tax year 2008 through 2013.

177. Provide detailed descriptions of any IRS audit, settlements with the Internal Revenue Service, or audit adjustments made during the three years ending December 31, 2014.

178. Provide a copy of any and all revenue ruling requests, IRS responses, and correspondence between the Company and the IRS during the ten years ending December 31, 2014.

179. List total property taxes and property tax refunds or abatements each year, for the test year and the most recent three years for which actual information is available. Describe and show the accounting treatment accorded to each item, showing journal entries, dates, accounts, amounts and descriptions.

180. List all amounts of property taxes under dispute at December 31, 2014, and indicate the tax year and the taxing district to which each relates.

181. List all property tax refunds, by geographical area and taxing authority, by year, received in the most recent three years through 2014.

182. Please explain and provide all workpapers and source documents supporting the derivation of the taxable bases for Kentucky income and property taxes for the year ended 9/30/2014.

183. Provide full supporting documentation, workpapers and correspondence associated with refunds of any and all taxes other than income taxes received in 2014 and the years 2009 through 2013. Indicate which accounts were affected and the associated dollar amounts. Also describe how the Company intends to treat this item for rate case purposes.

184. Please state whether any settlements, penalties or interest resulting from audits by taxing authorities are included in expense per books in the test year either as incurred by the Company or as charged by AEP. If so, provide full details including the periods and issues resolved, the dollar amounts of settlement by issue, the taxing authority penalty or interest by

issue, the taxing authority involved, the date of settlement, the current status of the payment, and the final resolution of the matter or status of the protest if unresolved.

185. Provide hard copies of all workpapers underlying the Depreciation Study. Provide Excel files for all portions of the Depreciation Study that were prepared using Excel.

186. Please provide all notes taken during any meetings or site visits regarding the depreciation study. Identify by name and title, all KPCo personnel who provided the information, and explain the extent of their participation and the information they provided.

187. Identify all plant tours taken during the preparation of the Depreciation Study.

   a. Identify those in attendance and their titles and job descriptions.
   b. Provide all conversation notes taken during the tour.
   c. Provide all photographs and images taken during the tour.

188. Regarding the current and proposed depreciation rates:

   a. How are the depreciation rates currently in use calculated?
   b. Please provide the details of KPCo's current depreciation rates in electronic format (Excel), with all formulae intact, including (1) Plant Balances, (2) Accumulated Depreciation, (3) Net Plant, (4) Cost of Removal/Salvage, (5) Remaining Useful Life, (6) Annual Accrual, (7) Depreciation Ratio, etc.

189. Does the Company's depreciation study include any adjustment or calculation to amortize the variance between the book depreciation reserve and the calculated accrued depreciation?

   a. If so, please provide that calculation in electronic (Excel) format with all formulae intact. If not, explain fully why not.
   b. Based on the Company's calculations, does KPCo have a reserve excess or deficiency?
   c. Is KPCo proposing any amortization of any reserve imbalance? If yes, explain where that is shown in his study and also in the Company's revenue requirement filing.

190. Provide all internal and external audit reports, management letters, consultants' reports, etc. which address in any way, the Company's property accounting and/or depreciation practices.

191. Please provide copies of all Board of Director's minutes and internal management meeting minutes in which the subject of the Company's depreciation rates or retirement unit costs was discussed.

192. Provide copies of all internal correspondence which deals in any way with the Company's retirement unit costs, depreciation rates, and/or the Depreciation Study.

193. Provide copies of all industry statistics used by the Company and AEPSC relating to electric company depreciation rates.

194. Identify all industry statistics upon which KPCo relied in formulating the depreciation proposals.

195. Provide explanatory examples of the debits and credits relating to customer advances and contributions-in-aid of construction.

196. Provide explanatory examples of the debits and credits relating to the accounts for which depreciation is charged to clearing accounts.

197. Provide a copy of the Company's current capitalization policy. If the policy has changed at all since 2009, provide a copy of all prior policies in effect during any portion of that period.

198. Identify and explain all changes since the last depreciation study which might affect depreciation rates.

199. Please provide on diskette or CD all tabulations included in the Depreciation Study and all data necessary to recreate in their entirety, all analyses and calculations performed for the preparation of the study. Please provide this and all electronic data in Excel (or .txt format if appropriate), with all formulae intact. Please provide any record layouts necessary to interpret the data. Please include in the response electronic spreadsheet copies of all of the schedules and/or tables included in the Depreciation Study, with all formulae intact.

200. If not provided elsewhere, please provide KPCo's amortization calculations and workpapers for general plant accounts in electronic format (Excel) with all formulae intact.

201. For each plant account, and for each year since the inception of the account up to and including 2014, please provide the following standard depreciation study data as identified at pages 30-33 of the August 1996 NARUC Public Utility Depreciation Practices Manual ("NARUC Manual"). Provide the data in electronic format (Excel or .txt). Include data prior to 1995 if available. Also, provide aged vintage data if available. Use the codes identified for each type of data, unless the Company regularly uses other codes. In those circumstances, identify and explain the Company's coding system.

Code	**Data Type**
9	Addition
0	Ordinary Retirement
1	Reimbursement
2	Sale
3	Transfer – In
4	Transfer – Out
5	Acquisition
6	Adjustment
7	Final retirement of life span property (see NARUC Manual, Chapter X)
8	Balance at Study Date

	Initial Balance of Installation

202. If the depreciation study data provided in response to the preceding question is not the exact set of data used for the depreciation study submitted in this case, explain all differences and reconcile the amounts provided to those used in the case.

203. If not provided elsewhere, provide the cost of removal and gross salvage data used in the Depreciation Study net salvage calculation. If this data differs from that reflected on the Company's books, please explain the differences and provide a reconciliation. Please provide this data in electronic (Excel or .txt) format.

204. Provide the following annual accumulated depreciation amounts for all plant accounts for the last 15 years (up to, and including, 2014). If the requested data is not available for the last 15 years, provide the data for as many years as are available. Please provide data in both hard copy and electronic format (Excel or .txt).

   a. Beginning and ending reserve balances,
   b. Annual depreciation expense,
   c. Annual retirements,
   d. Annual cost of removal and gross salvage,
   e. Annual third party reimbursements.

205. Please provide a comparison of the annual cost of removal and gross salvage amounts shown on KPCo's federal tax returns with the corresponding book amounts, for the last 5 years. Provide the annual deferred tax expense associated with each of the differences. Also, provide the beginning and ending accumulated deferred tax balances and state whether they are rate base additions or rate base deductions.

206. Provide a summary of annual maintenance expense by USOA account (for all accounts) for the last 10 years through 2014. If the requested data is not available for the last 10 years, provide the data for as many years as are available. Please provide data in both hard copy and electronic format.

207. Explain what consideration, if any, was given to annual maintenance expense data in KPCo's estimation of service lives, dispersion patterns and net salvage.

208. If not provided elsewhere, provide the calculation of the rates proposed in the Depreciation Study in electronic format (Excel) with all formulae intact.

209. Please provide the proposed depreciation rates, split into three separate components: capital recovery, gross salvage and cost of removal.

210. Please provide a calculation of the theoretical reserves reflecting both KPCo's proposed procedures and the existing procedures. Provide these calculations in electronic format (Excel) with all formulae intact and include all supporting calculations and workpapers.

211. Does the Company maintain its book reserve by plant account? If not, explain why not.

212. If the Company does not maintain its book reserve by plant account, provide the calculation of the book reserve shown in the depreciation study.

213. If applicable, calculate all depreciation rates using the same weighting procedure used in the current depreciation rates, i.e., the same procedure used the last time depreciation rates were calculated.

214. If not provided elsewhere, please provide all remaining life calculations resulting from the depreciation study in electronic format (Excel) with all formulae intact.

215. If not provided elsewhere, provide electronic (Excel) versions of the net salvage studies included in the depreciation study, with all formulae intact.

216. If not provided elsewhere, please provide all workpapers supporting terminal net salvage (decommissioning) estimates for each account for which terminal net salvage is a factor. Include any decommissioning studies relied upon, and explain how the results of those studies were incorporated into the net salvage estimate proposed by KPCo. Please include all calculations in electronic format (Excel), with all formulae intact.

217. Do KPCo's net salvage recommendations, including any terminal net salvage estimates, incorporate inflation expected to be incurred in the

future? If yes, please explain fully how this inflation is factored into each recommendation, and provide supporting calculations in electronic format (Excel). If not, please provide support showing no future inflation was included.

218. If KPCo's net salvage recommendations include inflation expected to be incurred in the future, please provide the net present value of KPCo's net salvage recommendations.

219. Does KPCo agree that including inflation expected to be incurred in the future in net salvage estimates results in charging today's ratepayers for tomorrow's inflation? Please explain why or why not.

220. Does KPCo believe that including future inflation in net salvage estimates falls under the "known and measurable" standard usually followed in rate cases? Please explain why or why not.

221. On an account-by-account basis, for each of the five years ending 2014, explain whether the gross salvage and cost of removal incurred was normal or abnormal and why.

222. Explain, and provide examples of, the Company's retirement unit cost procedures for each account. Identify all changes to retirement unit costs which have occurred over the years.

223. Explain the Company's accounting procedures for gross salvage and cost of removal.

224. Explain how cost of removal relating to replacements is allocated between cost of removal and new additions. Provide copies of actual source documents showing this allocation.

225. Does KPCo agree that, in the case of a replacement, KPCo has control over how much of the cost of the replacement is assigned to the retirement as cost of removal, and how much is capitalized to plant-in-service? If not, explain fully why not. Please explain the answer fully.

226. Please provide all manuals, guidelines, memoranda or other documentation that deals with the Company's policies on the assignment of capital costs and net salvage with regard to the replacement of retired

plant. Also, please provide a sample work order for a replacement project, showing these cost assignments.

227. Identify and explain the Company's expectations with respect to future removal requirements and markets for retired equipment and materials. Please provide the basis for these expectations.

228. Please provide the Company's construction and capital budgets for the years 2014-2016 inclusive. Please identify all retirements, replacements, new additions and cost of removal reflected in these budgets. Please provide by account where available and explain how the cost estimates are derived for these items.

229. Provide narrative explanations of the Company's aging and pricing procedures.

230. Explain how the Company accounts for third party reimbursements and how they are reflected in the depreciation study.

231. If third-party reimbursements were excluded from the net salvage studies, was the related retirement also excluded from the life studies?

232. Identify and explain all Company programs which might affect plant lives.

233. Provide all internal life extension studies prepared by the Company. Life extension refers to any program, maintenance or capital, designed to extend lives and/or increase capacity of its existing plant-in-service. Identify the functions to which these studies relate.

234. Provide the following information for all retirements by plant account for the last 15 years. If requested data is not available for the last 15 years, provide the data for as many years as are available:

a. Date of retirement
b. Amount of retirement
c. Account
d. Reason for retirement
e. Whether or not retirement was excluded from historical interim retirement rate studies.

235. Provide a copy of the Company's most recent prior depreciation study and the Order(s) establishing the present deprecation rates.

236. Please provide a calculation of the current depreciation rates in electronic format (Excel) with all formulae intact. Show all parameters used, and provide a source for those rates and underlying parameters. If the rates and parameters are not the same as approved in the most recent prior case, please explain why not. Also, if there are any differences in the account numbers used, please provide a reconciliation.

237. Identify and explain all changes between the current study and the most recent prior study.

238. Please provide the <u>current</u> depreciation rates, split into three separate components: capital recovery, gross salvage and cost of removal.

239. Provide any and all internal studies and correspondence concerning the Company's and the parent company's (American Electric Power) implementation of FASB Statement No. 143 and FIN 47.

240. Provide complete copies of all correspondence with the following parties regarding the Company's implementation of FASB Statement No. 143 and FIN 47:

    a. External auditors and other public accounting firms.
    b. Consultants
    c. External counsel
    d. Federal and State regulatory agencies
    e. Internal Revenue Service

241. Regarding FASB Statement No. 143 and FIN 47, on a plant account-by-plant account basis, please identify any and all "legal obligations" associated with the retirement of the assets contained in the account that result from the acquisition, construction, development and (or) the normal operation of the assets in the account. For the purposes of this question, use the definition of a "legal obligation" provided in FASB Statement No. 143: "an obligation that a party is required to settle as a result of an existing or enacted law, statute, ordinance, or written or oral contract under the doctrine of promissory estoppel."

242. For any asset retirement obligations identified above, provide the "fair value" of the obligation. For the purposes of the question, fair value means "the amount at which that liability could be settled in a current [not future] transaction between willing parties, that is, other than in a forced or liquidation transaction." Provide all assumptions and calculations underlying these amounts.

243. Provide complete copies of all Board of Director's minutes and internal management meeting minutes during the past five years in which any or all of the following subjects were discussed: the Company's depreciation rates; retirement unit costs; SFAS No. 143; and FIN 47.

244. Please provide the accounting entries (debits and credits) used to implement SFAS No. 143 and FIN 47, along with all workpapers supporting those entries. Please provide all these workpapers and calculations in electronic format (Excel) with all formulae intact.

245. Has KPCo recorded any regulatory asset or regulatory liability relating to cost of removal or accounting for asset retirement obligations? If so, please identify the amounts recorded in each account for (1) cost of removal and (2) AROs, as of each date: (a) 12/31/2012; (b) 12/31/2013; (c) 12/31/2014; and (d) 9/30/2014.

246. Does KPCo record any removal costs as O&M expense? If not, explain fully why not. If so, please identify the amounts of removal costs recorded as O&M expense by account for each of the five years through 2014.

247. Provide an analysis of the regulatory liability for cost of removal since inception identifying and explaining each debit and credit entry and amount.

248. What impact did the application of FIN 47 have upon the proposed depreciation rates and expense in this rate case? Provide all workpapers supporting the answer.

249. Provide KPCo's projection of the annual year-end balance in the regulatory liability for cost of removal shown in its most current two Annual Reports, for the next 20 years. If not available for the next twenty years provide for as many years into the future that the projection is available. If this projection has not been made, please explain why not.

a. For this projection assume that all of KPCo's proposed depreciation rates are approved as requested. Provide in hard copy and in electronic format with all formulae intact.
b. Explain all assumptions used to make this projection.

250. Provide the calculation of the annual amount of future net salvage incorporated into KPCo's existing depreciation rates and in its proposed depreciation rates by account. If the amount is reduced by the total amount of non-legal AROs included in year-end accumulated depreciation, show that calculation.

251. With respect to the Regulatory Liability relating to asset cost of removal which you reclassified out of accumulated depreciation:

a. Do you agree that this constitutes a regulatory liability for regulatory purposes in Kentucky? If not, please explain why not.
b. Do you agree that this amount is a refundable obligation to ratepayers until it is spent on its intended purpose (cost of removal)? If not, why not?
c. Please explain the repayment provisions associated with this regulatory liability.
d. Explain when you expect to spend this money for cost of removal.
e. Explain what you have done with this money as you have collected it. If you say that you have spent it on plant additions, please prove it.
f. Identify and explain all other similar examples of KPCo's advance collections of estimated future costs for which it does not have a legal obligation.
g. Does KPCo agree that the Kentucky Public Service Commission will never know whether or not KPCo will actually spend all of this money for cost of removal until and if KPCo goes out of business? If not, why not?
h. Does KPCo believe that amounts recorded in accumulated depreciation represent capital recovery? If not, why not?
i. Whose capital is reflected in accumulated depreciation – shareholders' or ratepayers'?

252. For all accounts for which KPCo has collected removal costs not related to AROs, but instead recorded a regulatory liability, please provide the fair

value of the related asset retirement cost as of December 31, 2012, December 31, 2013 and December 31, 2014.

253. Please indicate, if known and quantifiable, any anticipated changes in jurisdictional allocation factors and the impacts thereof on the rate effective period.

254. Indicate the number of, and expenses related to, temporary or seasonal employees included in 2010, 2011, 2012, 2013, and 2014 jurisdictional expenses.

255. Provide as complete a breakdown as possible of the expenses billed by AEPSC and included in jurisdictional expense for the years 2013 and 2014. Include separately:

  a. Labor
  b. Employee benefits (by type)
  c. Employment taxes
  d. Outside services
  e. Promotional, institutional and/or corporate advertising
  f. Contributions (by entity)
  g. dues to organizations and social clubs (by entity)
  h. AEP owned or leased aircraft
  i. Regulatory costs (list docket no., jurisdictional entity, dates and description)
  j. Travel costs
  k. Lobbying or politically related activities
  l. Miscellaneous. (describe)

256. Please provide copies of any studies or analyses prepared by or for the Company, the Service Corporation or any AEP subsidiary regarding the level of the Company's or the Service Company's wages compared to the wages paid by other utilities, service companies, or any other entity.

257. Please provide the FICA wage base dollars included in total wages paid for the year ended December 31, 2013 and 2014.

258. Please provide a copy of all incentive compensation/bonus plans and provide the level of related bonus payments included in cost of service.

259. Please provide a copy of any Company labor productivity analyses which have been performed during the past three years.

260. With regard to pension expense:

a. Please provide the most recent actuarial study.
b. Please identify the amount of pension expense included in 2012, 2013, and 2014, and 2015 and 2016 as forecasted. Also please provide workpapers showing the derivation of these amounts.
c. Please state whether the pension expense provided in part b, includes interest charges or earnings based on the time of payment. If yes, please identify the amount and provide workpapers or supporting documentation.
d. Please state the frequency with which pension contributions are made and the relationship of the payment date(s) to the period for which the contribution is being made. If the pension contributions are paid to the parent or service company, please identify both Company payment date(s) and the date(s) on which the contribution is actually made by the affiliate.
e. Please identify where pension expense has been included in the last working capital study and how the pension contribution date was recognized in determining the lag days for that category.

261. Has the Company considered reducing the amount of post retirement health care, dental and life insurance coverage? If yes, provide details of any proposed reductions. If no, provide an explanation of why not.

262. List employee relocation expense for the base and test years and the previous three years. Indicate annually the amounts and accounts in which such expense is recorded.

263. Provide a complete copy of the Company's policy with respect to employee relocation, including full details as to cost reimbursement.

264. List each athletic and employee association to which the Company contributes and the associated amounts for the test year and preceding year. State how the Company has treated these expenses for ratemaking purposes in the test year.

265. List all Company owned automobiles, other than service vehicles, and state the Company's policy for charging employees for the personal use of these automobiles and the Company policy of reporting the personal usage of these automobiles for Federal income tax purposes.

266. Does the Company maintain any recreational sites for the use of the public and/or Company employees? If so, please:

   a. Identify each site and the type of recreational facility.
   b. State whether each site is for public use or exclusively for employee use.
   c. For each site identified in (a) above, state the amount of expense incurred during the test year to maintain it.

267. For the base year list all payments made for employee gifts, employee awards, employee luncheons and dinners, employee picnics and all other similar type items. For each, list the dollar amount paid, the payee, the account charged and state the purpose. Provide copies of invoices which exceed $5,000.

268. Identify all expenses incurred during the test year for athletic events, tickets, sky boxes and all sporting activities.

   a. Specifically identify the activity and dollar amount.
   b. Provide copies of paid vouchers and invoices supporting these expenditures.

269. Please list all steps the Company has taken to reduce the cost of medical insurance.

   a. Does the Company's insurance coverage require a coordination of benefits and, if so, how does it function?
   b. Does the Company plan require a co-pay percentage by the employee? If so, what is the percentage and has it increased over the past three years? State the various levels over the past three years.

270. For each advertising expense over $10,000 recorded or forecast by the Company during the test year, state the payee, amount, date and purpose. Also provide a copy of the associated invoice and a copy of (or if a non-print ad, the text of) each advertisement.

271. Are there any advertising costs being incurred by the Company which cannot be identified with a specific advertisement? If so, please itemize and describe each such cost, and list the associated amounts for the test year.

272. Break down the Company's advertising expense for the test year and the three years, 2012, 2013 and 2014 into its components, i.e., labor, overhead, materials and fees to agencies, etc.

273. Please provide a listing of and a copy of any and all Commission Orders the Company has reviewed or relied upon in preparation of its filing in this case concerning the ratemaking treatment of costs for each distinct type of advertising expense it incurs, including but not limited to these categories: (1) sales or promotional, (2) institutional, (3) conservation related, (4) rate case, and (5) other.

274. Does the Company's proposed rate increase include any claim for attrition or suppression of sales or for declining per-customer usage?

   a. If so, please reference where this is presented. If not, explain fully why not.
   b. Provide a complete copy of any and all attrition or customer usage studies or analyses prepared by or for the Company during the period 2009 through 2014.

275. Please list by customer and amount and by year for the period 2011 through 2013 and in 2014 any uncollectible accounts which have been written off and which exceeded $50,000.

276. Do any of the Company's personnel actively participate on Committees and/or any other work for any industry organization to which the Company belongs?

   a. If so, state specifically which employees participate, how they are compensated for their time (amount and source of compensation), and the purpose and accomplishments of any such association related work.
   b. List any and all reimbursements received from industry associations, for work performed for such organizations by Company employees.

277. For each injury and damage claim, where the settlement exceeded $10,000 for the years 2011, 2012, 2013, 2014 and as forecasted for 2015, list by year each such claim, the basis for the claim, the dollar amount of the claim paid and the associated legal fees.

278. State the amount of injuries and damages expense for each calendar year 2012-2014 and the test year ending 9/30/2014.

279. List all fees during the test year and 2012, 2013, and 2014 for maintaining lines of credit. List such fees for each line of credit which the Company maintains. Indicate in which account such fees are recorded.

280. Does the Company employ a fringe-benefit or overhead factor to assign overhead costs to specific projects? If so, state what these factors were in 2011, 2012, 2013, and 2014 and show in detail how they were calculated.

281. List each facility, location and asset which is included as rental expense. For each item include a description, the annual or monthly rental rate, the account and amount included in the base and test year expense.

282. Please list storm damage expense for each year for the 10-year period ending with 2014.

283. Provide, by year, all affiliated operating expenses charged to the Kentucky jurisdiction for the 3 years ending 2014 plus as forecasted for 2015 and 2016.

284. Provide a general ledger listing or similar report of all transactions that comprise the corporate and affiliated charges allocated to KPCo for the test year.

285. Capitalization. Refer to (1) the Direct Testimony of Company witness Wohnhas, (2) Section V, Exhibit 1, Schedule 2 (page 1), and (3) Filing Requirement 807 KAR 5:001 Section 16 (4)(i) (pages 391-392).

    a. Please explain fully and in detail why the Company's revenue requirement is calculated using the capitalization amount of $1,147,480,328 versus the Kentucky jurisdictional rate base amount of $1,158,186,514.
    b. Please cite by date and docket number, the Commission Order which authorized KPCo to use a capitalization

amount (of $1,147,480,328) in its revenue requirement calculation that is different from the rate base amount (of $1,158,186,514).

c. Referring to page 392 of Filing Requirement 807 KAR 5:001 Section 16 (4)(i), please explain fully and in detail the difference of $39,598,442 that is reflected on Line 19 of page 392.
d. Please provide a breakout of the components which comprise the unreconciled difference of $39,598,442.

286. Big Sandy Retirement Rider (BSRR). Refer to the Direct Testimony of Company witnesses Wohnhas and Yoder and the table below. On page 7 of his testimony, Mr. Wohnhas stated that the annual revenue requirement related to the BSRR is $21,855,982. However, on page 15 of his testimony, Mr. Yoder provided a breakout of the components of the Big Sandy coal-related retirement costs (replicated in the table below) which he stated would be recovered through the BSRR on a levelized basis over 25 years and which totals $22,166,310.

Component	Amount
Net Book Value (NBV)	$ 201,911,435
Unusable M&S	$ 4,342,987
Removal Costs and Salvage	$ 43,797,850
Ongoing Big Sandy Unit 2 Expense	$ 6,058,782
ARO Costs	$ 56,025,824
Less: ADFIT	$ (72,189,048)
Net Retirement Costs	$ 239,947,830
Carrying Costs	$ 314,209,917
Total Retirement Costs	$ 554,157,747
Total Retirement Costs / 25 Years	$ 22,166,310
Source: Table on page 15 of Mr. Yoder's testimony	

a. Please explain and reconcile the $310,328 difference ($22,166,310 - $21,855,982) between the amounts provided by Messrs Wohnhas and Yoder. Identify, quantify and explain each reconciling item.
b. Please provide electronically in Excel, a schedule which shows how the BSRR annual revenue requirement of $21,855,982, referenced by Mr. Wohnhas in his testimony, was derived. Show detailed calculations.
c. Please explain fully and in detail how the carrying cost amount of $314,209,917 was derived. Show detailed calculations.

d. Similar to the table on page 15 (and replicated above) of Mr. Yoder's testimony, please provide a breakout of the components of the BSRR which calculates to the $21,855,982 annual BSRR revenue requirement referenced on page 7 of Mr. Wohnhas' testimony.
e. Please explain fully and in detail how the estimates shown in the table on page 15 of Mr. Yoder's testimony were derived. Show detailed calculations.

287. Big Sandy Unit 1 Operation Rider (BS1OR). Refer to the Direct Testimony of Company witness Wohnhas and Company Exhibit AEV 4, which was filed in conjunction with the Direct Testimony of Company witness Vaughn. On page 7 of his Direct Testimony, Mr. Wohnhas stated that KPCo is proposing to recover (1) the non-fuel costs of operating Big Sandy Unit 1 as a coal facility until the conversion to natural gas; (2) the non-fuel costs of operating Big Sandy Unit 1 as a natural gas-fired generating station; and (3) the return on and of the capital investment required for the conversion of Big Sandy Unit 1 to a natural gas-fired unit once the gas-fired unit is in place. In addition, Mr. Wohnhas stated that the annual revenue requirement for the BS1OR (without recovery of any capital costs associated with the conversion to natural gas) totals $18,245,413.

a. Please explain fully and in detail the Company's rationale for proposing the BS1OR and why each of the specific components related to Big Sandy Unit 1, as discussed on page 7 (lines 13-21) of Mr. Wohnhas' testimony, are being proposed to be recovered through the proposed BS1OR.
b. Please reconcile the $18,245,413 annual revenue requirement related to the BS1OR to each component of the BS1OR noted above and on the referenced page of Mr. Wohnhas' testimony. Identify, quantify and explain each reconciling item.
c. Please explain fully and in detail why the Company proposes that the BS1OR remain in place until the rates established in the Company's next base rate case become effective.
d. Please clarify whether Mr. Wohnhas was referring to the base rates established in the instant proceeding or a base rate case filed subsequent to the instant proceeding. Explain fully.

288. Kentucky Economic Development Surcharge (KEDS). Refer to the direct testimony of Company witnesses Wohnhas and Rogness. On page 8 of his testimony, Mr. Wohnhas stated that, based on test year data, the proposed KEDS will collect $307,506 annually from the Company's customers. In

addition, on pages 16-17 of his testimony, Mr. Rogness stated that the proposed KEDS is comprised of a monthly surcharge totaling $0.15, which will yield the $307,506 noted above, and will be added to each customer account for the purpose of funding economic activities. Please provide a schedule electronically in Excel (with all formulas and calculations intact) which reflects the derivation of the $307,506 referenced by Messrs. Wohnhas and Rogness in their respective testimonies.

289. Kentucky Economic Development Surcharge (KEDS). Refer to the Direct Testimony of Company witness Rogness at pages 17-18.

a. Please provide complete copies of the Phase I, Phase II and Phase III studies that were conducted by InSite Consulting, LLC.
b. Identify and provide the contract with InSite Consulting, LLC.

c. Identify and provide all invoices from InSite Consulting, LLC.
d. Show in detail how the Company has recorded the costs for InSite Consulting, LLC.

290. Pro Forma Debt Adjustment. Refer to the Direct Testimony of Company witness Wohnhas and Section V, Exhibit 1, Schedule 3.

a. Please explain fully and in detail why KPCo proposes to increase the long-term debt component of its capitalization by $5 million based on transactions that were completed after the end of the test year ended September 30, 2014.
b. For each transaction after September 30, 2014 affecting long-term debt, show in detail how the Company recorded it on its books, and provide the related journal entries.

291. Long Term Debt. Refer to pages 7 (lines 21-23) and 8 (lines 1-18) of the Direct Testimony of Company witness Reitter.

a. Please explain fully and in detail whether the $1.9 million in long-term interest expense savings that was achieved in 2014 is reflected in the Company's filing. If so, identify by account where the $1.9 million is reflected in the filing. If not, explain fully why not.

b. Please show how the $1.9 million in long-term interest expense savings was derived. Show detailed calculations.

292. Long Term Debt. Refer to pages 8 (lines 19-23) and 9 (lines 1-10) of the Direct Testimony of Company witness Reitter.

a. Please explain fully and in detail whether the $673,000 in long-term interest expense savings is reflected in the Company's filing. If so, identify by account where the $673,000 is reflected in the filing. If not, explain fully why not.
b. Please show how the $673,000 in long-term interest expense savings was derived. Show detailed calculations.
c. Please explain fully and in detail (beyond Mr. Reitter's testimony) the Company's rationale for the pro forma adjustment of $5 million.

293. Prepaid Pension Asset. Refer to the Direct Testimony of Hugh E. McCoy and Exhibit HEM-3.

a. Please identify, by account, exactly where KPCo's prepaid pension asset of $53,709,968 is reflected in rate base in the Company's filing.
b. Please identify by account, exactly where KPCo's prepaid pension asset of $53,709,968 is recorded on the Company's books.
c. Please allocate the prepaid pension asset of $53,709,968 ratably among long-term debt, short-term debt and common equity based on each component's percent share of total capitalization.
d. Referring to page 17 (lines 3-6) of Mr. McCoy's testimony, please explain fully and in detail the combination of factors that increased significantly the difference between the accumulated pension benefit obligation and the pension fund assets.
e. Please provide Exhibit HEM-3 electronically in Excel with all formulas and calculations intact.

294. Prepaid Pension Asset. Refer to the Direct Testimony of Hugh E. McCoy and Exhibit HEM-3.

a. Is the Company aware of any Commission Orders which disallowed rate base inclusion of KPCo's prepaid pension asset? If so, identify those Commission Orders.
b. Are pension funding decisions evaluated by the AEP Board of Directors and/or by any AEP board committees?
    1) If not, explain fully why not.

2) If so, identify and provide the AEP board and board committee minutes and the materials that were presented to the board and board committees for each of the pension funding decisions for 2002 through 2014 listed on Exhibit HEM-3.

c. Has any pension funding occurred in 2014 beyond the September 2014 amount listed on Exhibit HEM-3 of $1.923 million?
   1) If not, explain fully why not.
   2) If so, identify the dates and amounts of such funding.
d. Identify and provide all analysis related to 2014 pension funding decisions.
e. For each amount on Exhibit HEM-3, please reconcile it to an actuarial report and show the reconciliation in detail.
f. Provide a complete actuarial report for each year shown on Exhibit HEM-3.
g. For each year shown on Exhibit HEM-3, identify and provide all analysis of pension cost and pension funding.
h. For each year shown on Exhibit HEM-3, identify and provide all Kentucky Power and AEP board minutes and board committee minutes that addressed pension cost and/or pension funding.
i. For each year shown on Exhibit HEM-3, show the amount of pension cost that was reflected in the Company's rates.

295. Prepaid Pension Asset. Refer to Exhibit HEM-3 from the current proceeding and Exhibit HEM-4 from withdrawn Case No. 2013-00197 and the tables below.

Exhibit HEM-3 from Current Case No. 2014-00396			
Description	**Plan Contribution**	**Less Qualified FAS 87 Cost**	**Additional Contribution**
2005 Contribution	$ 29,430,947	$ 2,135,256	$ 27,295,691
2010 Contribution	$ 13,012,606	$ 4,704,090	$ 8,308,516
2011 Contribution	$ 22,146,267	$ 4,103,290	$ 18,042,977
2012 Contribution	$ 8,482,245	$ 4,179,727	$ 4,302,518

Exhibit HEM-4 from Withdrawn Case No. 2013-00197			
Description	**Plan Contribution**	**Less Qualified FAS 87 Cost**	**Additional Contribution**
2005 Contribution	$ 15,775,528	$ 1,486,940	$ 14,288,588
2010 Contribution	$ 6,183,898	$ 2,995,603	$ 3,188,295
2011 Contribution	$ 10,535,000	$ 2,894,613	$ 7,640,387
2012 Contribution	$ 4,902,000	$ 3,244,941	$ 1,657,059

Difference			
Description	**Plan Contribution**	**Less Qualified FAS 87 Cost**	**Additional Contribution**
2005 Contribution	$ 13,655,419	$ 648,316	$ 13,007,103
2010 Contribution	$ 6,828,708	$ 1,708,487	$ 5,120,221
2011 Contribution	$ 11,611,267	$ 1,208,677	$ 10,402,590
2012 Contribution	$ 3,580,245	$ 934,786	$ 2,645,459

As noted in the tables, the amounts shown for 2005, 2010, 2011 and 2012 pension contributions between Exhibit HEM-3 from the current proceeding are significantly higher than the pension contributions reflected for the same periods on Exhibit HEM-4 from withdrawn Case No. 2013-00197

a. Given that the periods between the two exhibits are the same, please explain fully and in detail why the pension contributions on Exhibit HEM-3 are so much higher than the amounts reflected on Exhibit HEM-4 from withdrawn Case No. 2013-00197.
b. Please explain and reconcile these discrepancies. Identify, quantify and explain each reconciling item.

296. Normalization of Major Storms. Refer to the Direct Testimony of Company witness Wohnhas and Section V, Exhibit 2, page 13.

a. Please explain fully and in detail the Company's rationale for adjusting the three-year average storm damage expense by the Handy-Whitman Contract Labor Index.
b. Please cite by date and docket number, the Commission Order(s) which authorized adjusting normalization adjustments for inflation using the Handy-Whitman Contract Labor Index.
c. Referring to Section V, Exhibit 2, page 13 (lines 1-3), please provide similar data for calendar years 2012, 2013 and 2014.
d. Identify and provide all pages from the Handy-Whitman index used.

297. Amortization of Major Storm Deferral. Refer to the Direct Testimony of Company witness Wohnhas and Section V, Exhibit 2, page 14 from the Company's filing.

a. Please provide a detailed breakout of the deferred 2012 storm costs which total $12,146,521. Include in this break out, a separation of these costs by the four storms that were the subject of the Commission's Order in Case No. 2012-00445 (i.e., the February 2012 snowstorm; March 2012 tornadoes and windstorms; June 29, 2012 Derecho; and severe thunderstorms on July 5, 2012).
    i. For each storm, show a detailed breakout of the costs by type of cost, e.g., direct labor, overtime, meals, travel, contract labor, materials, overhead allocations, etc.
b. Provide supporting documentation for the costs broken out in part "a" above which totals $12,146,521.
c. Please provide a detailed explanation of the Company's storm preparedness prior to the four storms that were the subject of the Commission's Order in Case No. 2012-00445.
d. Please provide a detailed explanation of the Company's storm preparedness in the wake of the four storms that were the subject of the Commission's Order in Case No. 2012-00445 and beyond.
e. Please provide a detailed explanation of the Company's response to the outages that occurred in the wake of the four major storms identified in part "a" above.

298. For the periods 2010, 2011 and 2012, please provide the Company's budgeted and actual vegetation management costs.

299. For the periods 2013 and 2014, please provide the Company's budgeted and actual vegetation management costs.

300. Amortization of Major Storm Deferral. Refer to the Direct Testimony of Company witness Wohnhas and Section V, Exhibit 2, page 14 from the Company's filing.

   a. For each of the four storms that were the subject of the Commission's Order in Case No. 2012-00445, please provide the start date the first cost was recorded and the end date of when the last cost was recorded.
   b. For each of the four storms that were the subject of the Commission's Order in Case No. 2012-00445, please provide an explanation of the type of costs included in the non-incremental amounts and provide a break out of the costs by type.

301. IGCC Costs.

   a. Provide regulatory orders in other jurisdictions that have addressed the ratemaking treatment of IGCC Study costs that KPCo is requesting in this case and indicate the portion of such costs that have been allowed to be recovered through rates in each other jurisdiction. In addition, please cite by date and case number, the Commission Order(s) which authorize the recovery of IGCC feasibility study costs by amortizing such costs over a specified time period.
   b. Identify all prior Kentucky PSC orders of which the Company is aware that have addressed IGCC costs.

302. IGCC Costs. Refer to the Direct Testimony of Company witness Wohnhas at page 16 (lines 3-14) and Section V, Exhibit 2, page 21 from the Company's filing.

   a. Please provide a breakout of the deferred IGCC costs which total $1,331,254.
   b. Please explain fully and in detail why the Kentucky General Assembly failed to adopt the legislation that would support the recovery of the IGCC facility's costs through rates.
   c. Referring to part "b" above, please provide all documentation (e.g., reports, letters, memos, etc.) that was issued by the Kentucky General Assembly which discusses the reason(s) why it failed to adopt the legislation which made the IGCC facility uneconomic.

d. Please explain fully and in detail the specific scope of issues that were addressed in the IGCC related feasibility study.
e. Please identify the specific time period in which the deferred IGCC costs of $1,331,254 were incurred, and show the amount by year. Also, show in detail how total amounts were allocated to each AEP utility, including but not limited to Kentucky Power Company.
f. Please explain fully and in detail why the Company believes that the deferred IGCC costs, incurred without the Kentucky General Assembly legislation being adopted, was prudently incurred.

303. IGCC Costs. Refer to the Direct Testimony of Company witness Wohnhas at page 16 (lines 3-14) and Section V, Exhibit 2, page 21 from the Company's filing.

a. Please state whether KPCo submitted filings with the Commission seeking approval to incur IGCC costs. If so, provide copies of all such filings. If not, explain fully why not.
b. Please explain fully and in detail why KPCo incurred preliminary engineering and development costs related to the IGCC facility absent the Kentucky General Assembly legislation.
c. Please explain fully and in detail how the preliminary engineering and development costs were incurred. Show the details by year. Also, show in detail the total amounts by year and how they were allocated to KPCo.
d. Please state whether these costs were incurred by KPCo, by AEPSC, or by the affiliates for a specific location in Kentucky. If so, provide all documentation in support of this claim. If not, explain fully why not.
e. Please provide the journal entries to record the IGCC costs.

304. CCS FEED Study. Refer to the Direct Testimony of Company witness Wohnhas at pages 16 (lines 15-20) and 17 (lines 1-6) and Section V, Exhibit 2, page 22 from the Company's filing.

a. Please provide a breakout of the deferred CCS FEED Study costs which total $872,858 and show how it was determined that this amount should be allocated to KPCo.
    i. Show the total amounts by year and type of costs.
    ii. Show in detail how the amounts were allocated to each AEP utility, included KPCo.

b. Please identify the specific time period in which the deferred CCS study costs of $872,858 were incurred, and shown the amounts incurred in each year.
c. Please explain fully and in detail why Kentucky ratepayers should be responsible for costs associated with the Mountaineer generating station located in West Virginia.
d. Referring to page 16 (lines 1-20), please explain fully and in detail how the benefits of the CCS study would be enjoyed by each operating company with coal-fired generation.
e. Please explain fully and in detail the specific scope of issues that were addressed in the CCS study.
f. Please explain fully and in detail the results and/or conclusions that resulted from the CCS study.
g. Please explain fully and in detail how the costs associated with the investigation of mechanisms to address emerging environmental regulations were incurred.
h. Please provide the journal entries to record the CCS FEED study costs.
i. Are any generating plants owned by AEP and its subsidiaries, including but not limited to KPCo, currently employing any form of CCS? If so, identify and explain.
j. Do any generating plants owned by AEP and its subsidiaries, including but not limited to KPCo, have any plans to employ CCS? If so, identify and explain.

305. CCS FEED Study. Refer to the Direct Testimony of Company witness Wohnhas at pages 16 (lines 15-20) and 17 (lines 1-6) and Section V, Exhibit 2, page 22 from the Company's filing.

a. Please cite by date and case number, the Kentucky Commission Order(s) which authorize the recovery of CCS study costs by amortizing such costs over a specified time period.
b. Identify the specific provisions in each Commission order being relied upon by KPCo for its proposed amortization period.
c. Please confirm that the CCS study for which KPCo seeks recovery in the current proceeding is completely separate from the regulatory assets for the Carbon Management Research Group (CMRG) and the Kentucky Consortium for Carbon Storage (KCCS) that were authorized by KPSC in Case No. 2008-00308 as well as the amortization related to these regulatory assets in Case No. 2009-00459. If not confirmed, explain fully why not.

d. Show separately all costs in total and allocated to KPCo for the CMRG KCCS.

306. CCS Study Costs.

a. Provide regulatory orders in other jurisdictions that address the ratemaking treatment of CCS Study costs that KPCo is requesting in this case.
b. Indicate the portion of such costs that have been allowed to be recovered through rates in each other jurisdiction.
c. Indicate the costs that have been denied recovery in each jurisdiction.

307. CARRS Site Costs. Refer to the Direct Testimony of Company witness Wohnhas at page 17 (lines 7-19) and Section V, Exhibit 2, page 23 from the Company's filing.

a. Please provide a breakout of the deferred CARRS site costs which total $2,619,935.
b. Please identify the specific time period in which the deferred CARRS site costs of $2,619,935 were incurred.
c. Please explain fully and in detail why the Company elected not to pursue the construction of new generation at the CARRS site.
d. Please quantify the land related costs for the CARRS site that the Company removed from rate base and indicate the date when these costs were removed. In addition, identify the plant accounts from which the CARRS site land costs were removed.
e. Referring to part "d" above, please explain fully and in detail whether there are any other CARRS site related costs (other than land) included in KPCo's rate base. If so, quantify and explain fully exactly where these other CARRS site costs are reflected in rate base. If not, explain fully why not.

308. CARRS Site Costs. Refer to the Direct Testimony of Company witness Wohnhas at page 17 (lines 7-19) and Section V, Exhibit 2, page 23 from the Company's filing.

a. Please state whether KPCo submitted filings with the Commission seeking approval of the proposed generation facility on the CARRS site. If so, provide copies of all such filings. If not, explain fully why not.

b. Please state whether the Company has sought and/or obtained a certificate of need for the proposed generation facility. If so, provide a copy of the certificate. If not, explain fully why not.
c. Please show in detail each type of cost and the dollar amount for the preliminary engineering and development costs for the CARRS site.
d. Please state whether these costs were incurred by KPCo, by AEPSC or other affiliates for the CARRS site and reconcile the amounts incurred by each entity, and how they were allocated to KPCo.
e. Provide all documentation in support of KPCo's claim for CARRS costs.
f. Identify and provide the journal entries to record the CARRS site costs.

309. Big Sandy FGD Costs. Refer to the Direct Testimony of Company witness Wohnhas and Section V, Exhibit 2, page 24 from the Company's filing.

a. Please provide a breakout of the deferred Big Sandy FGD costs which total $28,024,682.
b. Please identify the specific time period in which the deferred Big Sandy FGD costs of $28,024,682 were incurred, and show the amounts incurred in each year by cost type.
c. Referring to page 19 (lines 3-9) of Mr. Wohnhas' testimony, please explain fully and in detail the Company's rationale for its proposal to recover the Big Sandy 2 investigative FGD costs by amortizing them over 25 years.
d. Did the Commission explicitly deny recovery of such costs in its Order dated October 7, 2013 in Case No. 2012-00578?
e. Did KPCo file its written acceptance of the Commission's modification to the Stipulation and Settlement in that prior proceeding? If not, explain fully.
f. Please provide a complete copy of KPCo's written acceptance (dated October 14, 2013) of the Commission's modifications to the Stipulation and Settlement Agreement in Case No. 2012-00578.

310. Mitchell Plant Maintenance Normalization. Refer to the Direct Testimony of Company witness Wohnhas and Section V, Exhibit 2, page 34 from the Company's filing.

a. Given that KPCo acquired its 50% interest in the Mitchell Plant as of December 31, 2013, please explain fully and in detail the

Company's rationale for proposing to normalize Mitchell Plant Maintenance expense by calculating a three year average using the dates September 30, 2012, 2013 and an annualized 2014 maintenance expense, the first two years of which were prior to KPCo's acquisition of 50% of the Mitchell Plant.

b. Provide details, by account, of all Mitchell Plant O&M expenses for the test year period ending December 31, 2013 when it was owned and operated by an AEP affiliate other than KPCo.
c. Since KPCo used September 30, 2012 and 2013 for the first two years in calculating its three average of Mitchell Plant related maintenance expense, please explain fully and in detail why the 2014 maintenance expense was annualized.
d. Please provide the actual Mitchell Plant related maintenance expense for the twelve months ending September 30, 2014.
e. Please provide the actual Mitchell Plant related maintenance expense for the twelve months ending December 31, 2014.
f. Please explain fully and in detail the Company's rationale for adjusting the Mitchell Plant related maintenance expense to a constant dollar amount using the Handy-Whitman index.
g. Referring to Section V, Exhibit 2, page 34 (lines 1-3), please provide similar data for calendar years 2012, 2013 and 2014.

311. Amortization of Intangible Plant. Refer to the Direct Testimony of Company witness Wohnhas and Section V, Exhibit 2, page 38 from the Company's filing.

a. Referring to page 22 (lines 4-6), please explain fully and in detail how the Company's proposed annualization adjustment of intangible plant represents the on-going level intangible plant amortization expense.
b. Referring to Section V, Exhibit 2, page 38 (column 3, line 1), please provide the intangible plant balance as of December 31, 2014.
c. Please provide the related amortization (if different from the $272,534) and show how the amount was derived. Show detailed calculations.
d. Show the monthly amortization of intangible plant for the period January 2009 through December 2014.
e. Please explain fully and in detail how the amortization amount of $272,534 was derived. Show detailed calculations.
f. Please provide the Company's intangible plant amortization expense for the 12 months ended September 30, 2011; September

30, 2012; September 30, 2013; and September 30, 2014, showing the specific amortizations for each component of intangible plant.

g. Provide the Company's intangible plant amortization expense for each calendar year: 2011, 2012, 2013, and 2014.

312. AFUDC Offset. Refer to the Direct Testimony of Company witness Wohnhas and Section V, Exhibit 2, page 52 from the Company's filing.

a. Referring to page 23 (lines 2-5) of Mr. Wohnhas' testimony, please cite by date and docket number, the Commission Order(s) which authorized KPCo to make the adjustment to record AFUDC above the line in the manner described in Mr. Wohnhas' testimony and reflected in Adjustment W52.
b. Please explain fully and in detail how the Company determined that $74,280,499 of CWIP is subject to AFUDC. Show detailed calculations.
c. Please explain fully and in detail how the Kentucky jurisdictional test year amount of AFUDC in the amount of $5,521,834 was derived. Show detailed calculations.
d. Show in detail the AFUDC rates, and how they were derived, that KPCo applied in each year 2009 through 2014.

313. Vegetation Management. For each year 2009 through 2014, provide, by account, the amount expensed and the amount capitalized for scheduled tree trimming, for enhanced tree trimming, for other right of way clearing and for tree trimming other than scheduled tree trimming and enhanced tree trimming (the costs should exclude all tree trimming costs that are included in the Company's request for storm recovery).

314. Vegetation Management. For each year 2009 through 2014, please provide:

a. By account, the amount expensed, the amount capitalized and the amount deferred for storm tree trimming, for other related enhanced tree trimming and for other storm related right of way clearing.
b. The number of distribution and, separately, transmission miles subject to trimming or if the number of miles subject to trimming is not available, provide the total distribution and transmission system miles.

c. Referring to parts "a" and "b" above, please break out the requested information between distribution and transmission.

315. Vegetation Management. For each year 2009 through 2014, please provide the number of miles budgeted for trimming and the number of miles actually trimmed under the Company's scheduled tree trimming. Please break out the requested information between distribution and transmission.

316. Vegetation Management. For each year 2009 through 2014, please provide the number of miles (or trees) budgeted and the number of miles (or trees) actually performed (removed) under the Company's planned enhanced tree trimming.

a. Please break out the requested information between distribution and transmission.

317. Vegetation Management. Refer to the Direct Testimony of Company witness Phillips and Section V, Exhibit 2, page 19. On page 23 (lines 9-11) of his testimony, Mr. Phillips stated that the Company now estimates that it will take 8.5 years to complete re-clearing versus the 7 years that was initially designated in KPCo's Distribution Vegetation Management Plan that was part of the Settlement Agreement in Case No. 2009-00459 and approved by the Commission in its Order dated June 28, 2010.

a. Referring to Section V, Exhibit 2, page 19, please explain fully and in detail how the proposed additional reliability O&M expenses of $10,424,960 were derived. Show detailed calculations.
b. Referring to part "a" above and page 11 , please provide a break out of the $10,424,960 between the categories of distribution O&M expense that are reflected on Table 2.
c. Show in detail how the $10,424,960 relates to the number of distribution miles trimmed.

318. Annualization of Mitchell Generation Expense. Refer to the Direct Testimony of Company witness Yoder and Section V, Exhibit 2, pages 33-1 and 33-2 from the Company's filing.

a. Please explain fully and in detail the Company's rationale for proposing to annualize the Mitchell Generation expense.
b. Please provide the actual Mitchell generation expense, by account, for calendar year 2014.

c. Provide comparable Mitchell operating expenses, by account, for each calendar year 2009 through 2013.
d. Referring to page 33-2, please provide a description of each component of the Mitchell per books taxes other than income which totals $5,679,991.
e. Referring to page 7 (lines 11-13) of Mr. Yoder's testimony, please specify the adjustments that are being sponsored by Company witness Bartsch which were not included in Adjustment No. W33.
f. Referring to page 7 (lines 18-20) of Mr. Yoder's testimony, please explain fully and in detail why the Company is proposing to annualize the Mitchell generation expense with Adjustment No. W33, but is proposing to normalize Mitchell related maintenance expense by using an inflation adjusted three-year average (i.e., Section V, Exhibit 2, Adjustment No. W34).

319. Reclassification of Cost of Removal Credit. Refer to the Direct Testimony of Company witness Yoder and Section V, Exhibit 2, page 36 from the Company's filing. On page 8 (lines 1-3) of his testimony, Mr. Yoder stated that Adjustment No. W36, in addition to increasing O&M expense by $69,695, also decreases rate base by the same amount.

a. Please identify by account and Company schedule, where the $69,695 reduction to rate base is reflected in the Company's filing.
b. Referring to part "a" above, please allocate the cost of removal credit of $69,695 ratably among long-term debt, short-term debt and common equity based on each component's percent share of total capitalization.
c. Please explain fully and in detail why the rate base component of the Company's proposed $69,695 adjustment is not reflected on Section V, Exhibit 1, Schedule 3.

320. Annualization of ARO Depreciation Expense. Refer to the Direct Testimony of Company witness Yoder and Section V, Exhibit 2, page 41 from the Company's filing and the table below. On page 8 (lines 14-16) of his testimony, Mr. Yoder stated that the annualized amount of ARO depreciation expense is $605,925 and the test year amount of ARO depreciation expense is $365,154. However, as shown in the table below, the annualized amount of ARO depreciation expense is $486,872, or a difference of $119,053 based on annualizing the test year amount.

Description	Amount
Test Year ARO Depreciation Expense (as of 9/30/2014)	$ 365,154
Divided by Nine Months	9
Subtotal	$ 40,573
Multiplied by 12 Months	12
Annualized Amount of ARO Depreciation Expense	$ 486,872
Annualized ARO Depreciation Expense per Company	$ 605,925
Difference	$ (119,053)

a. Please explain and reconcile this discrepancy. Identify, quantify and explain each reconciling item.
b. Please provide the ARO depreciation expense as of December 31, 2014.
c. Provide comparable ARO depreciation expense for each year 2009 through 2013.
d. Show in detail each ARO asset and related ARO liability KPCo has recorded on its books as of each of the following dates: December 31, 2009, 2010, 2011, 2012, 2013, and 2014.

321. RTO Amortization. Refer to the Direct Testimony of Company witness Yoder and Section V, Exhibit 2, page 42 from the Company's filing.

a. Please explain fully and in detail the nature of the deferred RTO costs that were amortized over 10 years (until December 31, 2014), and identify by date and docket number, the Commission Order authorizing such treatment.
b. Please explain fully and in detail the nature of the deferred RTO costs that are to be amortized over 15 years (until December 2019), and identify by date and docket number, the Commission Order authorizing such treatment.
c. Please provide detailed calculations which support the decrease in amortization expense of $151,844 (prior to jurisdictionalization) that is reflected on Adjustment No. W42.
d. Reconcile all RTO costs being claimed by KPCo to PJM invoices. Include a copy of the reconciliation.

322. Annualization of ARO Accretion Expense. Refer to the Direct Testimony of Company witness Yoder and Section V, Exhibit 2, page 43 from the Company's filing.

a. Please explain fully and in detail how the Company has determined that the ARO accretion expense for the period October 2014 through September 2015 is known and measurable.
b. Please provide detailed calculations which support the proposed increase to ARO accretion expense of $368,701 (prior to jurisdictionalization).
c. Show in detail the comparable ARO accretion expense for each year 2009 through 2014, and show how it was calculated.

323. Refer to the Direct Testimony of Company witness Yoder at pages 10 (lines 13-15) and 11 (lines 1-13).

a. Please explain fully and in detail how Mr. Yoder, by using the Mitchell Plant joint book billing information, was able to determine the amount of Mitchell Plant costs that remained with KPCo for its 50% undivided interest.
b. Please explain fully and in detail where the remaining $12.5 million of Kentucky related Mitchell Plant costs are reflected in the Company's records since, according to Mr. Yoder's testimony, the accounts in which the $12.5 million is reflected do not run through the joint book billing process until after the Company's monthly close process.

324. Show, by account, all rate base and operating expenses being claimed for KPCo's 50% interest in plant Mitchell in the current rate base proceeding.

325. Refer to the Direct Testimony of Company witness Yoder at page 18 (lines 6-8). Please provide a complete copy of the most recent demolition study that was prepared for the Big Sandy plant in March 2013.

326. Big Sandy Decommissioning Costs. Refer to Table 3 on page 11 of the Direct Testimony of Company witness LaFleur. Please explain fully and in detail how the Big Sandy Unit 2 decommissioning expense amounts of $1,198,780 (July 2015 - June 2016); $880,002 (July 2016 - June 2017); $730,000 (July 2017 - June 2018) and $250,000 annually (July - June, 2018 - 2031) were derived. Show detailed calculations.

327. Payroll Expense. Refer to Table ARC-1 on page 10 of the Direct Testimony of Company witness Carlin.

a. Referring to the Company's base salary increase percentage for 2014, please explain fully and in detail the .35% that was designated as a Promotional and Equity Adjustment.
b. Referring to part "a" above, please explain fully and in detail whether the Promotional and Equity Adjustment has been factored into base salary increases in years prior to 2014. If so, identify the year(s) and provide the portion of the base salary increase percentage that was allocated to the Promotional and Equity Adjustment(s) in each of those years. If not, explain fully why not.
c. Please state whether the Company's annualized payroll expense adjustment (Section V, Exhibit 2, page 26) has factored in the Promotional and Equity adjustment. If so, please state the applicable percentage and quantify the impact on the Company's pro forma payroll expense. Show detailed calculations. If not, explain fully why not.

328. Refer to the Direct Testimony and exhibits of Company witness Carlin.

a. Identify and provide a copy of each comparative wage and benefit study relied upon by KPCo in this proceeding.
b. Identify the geographical location of each company to which KPCo, AEPSC, and AEP compensation levels are being compared.
c. Provide the cost of living index in Kentucky for each year 2009 through 2014.
d. Provide the cost of living index for each geographical location indentified in response to part b.

329. List KPCo's ten largest commercial and industrial customers and the level of demand and energy sales and revenue from each in 2013 and 2014.

330. Has KPCo added any large commercial or industrial customers since 9/30/2014?

a. If so, list the customers (can be by code to address confidentiality concerns) and identify the MWh sales and revenues related with such customer additions.

331. Have any of KPCO's large commercial or industrial customers told KPCo about expanding operations or increasing electricity purchases since 9/30/2014?

a. If so, list the customers (can be by code to address confidentiality concerns) and identify the MWh sales and revenues related with such customer increases in demand or usage.

332. Have any of KPCO's large commercial or industrial customers told KPCo about closing operations or decreasing electricity purchases since 9/30/2014?

a. If so, list the customers (can be by code to address confidentiality concerns) and identify the MWh sales and revenues related with such customer changes in demand and/or usage.

333. Refer to Exhibit JMS-2. Provide a complete copy of the Company's Cost of Service Study in Excel with formulas intact.

334. Refer to Exhibit JMS-3. Provide a complete copy of the Company's Proposed Revenue Allocation in Excel with formulas intact.

335. Refer to Exhibit JMS-3. If the transmission revenue requirement were to remain in KPCo's base rates, would that be accomplished by eliminating column 10 from Exhibit JMS-3?

a. If not, what other adjustments would be necessary to keep the transmission revenue requirement in KPCo's base rates?

336. Refer to the testimony of Mr. Stogran.

a. Identify all NERC compliance and cybersecurity costs, by account, in the test year.
b. Identify all NERC compliance and cybersecurity costs, by account, in each calendar year, 2009 through 2014.

c. Identify all NERC compliance and cybersecurity costs, by account, budgeted and/or forecast for AEP in total for each year, 2015 through 2017.
d. Identify all NERC compliance and cybersecurity costs, by account, budgeted and/or forecast for AEP in total for each year, 2015 through 2017, to be allocated or charged to KPCo.

e. Which other AEP utility operating companies have proposed a NERC Compliance and Cybersecurity Rider? Identify each utility and each docket in each jurisdiction.
f. Do any other AEP utility operating companies currently have a regulatory commission authorized NERC Compliance and Cybersecurity Rider? (1) If not, explain fully why not. (2) If so, identify each utility and each docket in each jurisdiction.

337. Refer to the testimony of Mr. Vaughan concerning the PJM Rider.

a. Identify all transmission costs, by account, in the test year.
b. Identify all transmission costs, by account, in each calendar year, 2009 through 2014.
c. Identify all transmission costs, by account, budgeted and/or forecast for KPCo for each year, 2015 through 2017.
d. Identify all transmission costs, by account, budgeted and/or forecast for AEP in total for each year, 2015 through 2017, to be allocated or charged to KPCo.
e. Which other AEP utility operating companies have proposed a PJM Rider? Identify each utility and each docket in each jurisdiction.
f. Do any other AEP utility operating companies currently have a regulatory commission authorized PJM Rider? (1) If not, explain fully why not. (2) If so, identify each utility and each docket in each jurisdiction, and provide a complete copy of such rider.
g. For each AEP utility operating company that has a PJM Rider that is similar to KPCo's proposal, identify the date such rider was implemented and the dates and test years used in that utility's last five rate cases.
h. Refer to the Vaughan testimony at page 16, lines 19-21. Identify and provide all KPCo rate filing plans (1) with the PJM Rider and (2) without the PJM Rider.
i. For each year, 2009 through 2014, identify the total amounts, by account, of each type of cost that KPCo is proposing be recovered in a PJM Rider.

338. Refer to the testimony of Mr. Vaughan concerning the BS1OR.

a. When will Big Sandy be converted to a natural gas fired generating plant?
b. For each year, 2009 through 2014, identify the total amounts, by account, of each type of cost that KPCo is proposing be recovered in the BS1OR Rider.

339. Refer to the testimony of Mr. Vaughan concerning the Treatment of Transmission Function Revenues and Expenses.

a. For each year, 2009 through 2014, identify the total amounts, by account, of each type of transmission, revenue, cost and investment that KPCo had recorded.
b. For the test year identify the total amounts, by account, of each type of transmission, revenue, cost and investment that KPCo had recorded.
c. Using the test year amounts identified in response to part b, show in detail exactly which items KPM is proposing be recovered in a the PJM Rider, and which transmission costs would remain in KPCo's base rates.
d. Identify and provide all analysis reviewed by Mr. Vaughan for the statement at page 20, line 20: "The annual level of PJM charges and credits can vary significantly."
e. Identify and provide all analysis reviewed by Mr. Vaughan for the statement at page 20, line 21-22: KPCo's "transmission rates would be comparable to other customers within the AEP Transmission Zone." (1) Identify the rates of each other customer within the AEP Transmission zone. (2) Show in detail how the rates proposed by KPCo compare with the information identified in response to (1).
f. Refer to page 21, line 8, show in detail how the $53,779,456 was developed, including each operating expense amount (by account), each rate base amount (by account), and the cost of capital by component, the gross revenue conversion factor, and any other calculations which produced the $53,779,456.

340. Refer to the testimony of Mr. Vaughan at page 22 etc, re adjustment 9.

a. Identify and provide the sales for resale by account for each calendar quarter in 2013 and 2014.

b. Show exactly how the information for the 4th calendar quarter of 2013 was used for KPCo's proposed adjustment.
c. Show the amounts of purchased power expense, by account, for each calendar quarter in 2013 and 2014.
d. Show exactly how the purchased power expense information for the 4th calendar quarter of 2013 was used for KPCo's proposed adjustment.

341. Coal inventory.

a. Identify the quantity and cost of the coal inventory at Big Sandy for each month of 2012, 2013 and 2014 and the estimated coal inventory quantify and cost for each month of 2015 through anticipated closure of existing coal-fired generating units.
b. Has the Company included any amounts in its revenue requirement request for coal inventory remaining at Big Sandy after closure of existing coal-fired generating units? (1) If not, explain fully why not. (2) If so, explain fully and show in detail how the amounts requested for Big Sandy coal inventory were derived, and exactly how and where the request for remaining coal inventory has been reflected in KPCo's filing.
c. After May 2015, will any coal-fired generating units at Big Sandy be in service? (1) If so, please identify which units.

342. Big Sandy Coal Assets. Refer to the testimony of witness Wohnhas at page 12, lines 3-5.

a. Identify and provide the Company's anticipated accounting entries to remove all coal-related assets at the Big Sandy Plant.
b. Is any Big Sandy coal inventory included in the Company's proposed BSRR? (1) If not, explain fully why not. (2) If so, identify the amounts of coal inventory that is being requested in the BSRR.
c. When did the Company realize that Big Sandy coal-related assets would need to be retired?

343. Big Sandy Unit 2 FGD investigation costs. Refer to the testimony of Witness Wohnhas at page 20, lines 15-21.

a. Did the five-year recovery period attributed to the Stipulation and Settlement include any provision for KPCo to include in rate base the unamortized Big Sandy Unit 2 FGD investigation costs? If so, explain fully.
b. Have the Big Sandy Unit 2 FGD investigation costs ever been used and useful in providing electricity to Kentucky ratepayers? If so, during what periods, were such costs used and useful in providing electricity to Kentucky ratepayers?
c. How much KPCo direct labor cost is included in the $28.113 million?
d. How much affiliated company labor cost is included in the $28.113 million?
e. Show the build-up of the $28.113 million by year, and by type of cost.

344. Steam Plant Maintenance Cost Normalization. Refer to the testimony of Witness Wohnhas at page 21, lines 19-20. Show in detail all calculations from each of the last five KPCo rate cases, where the Company historically normalized steam plant maintenance expenses for the Big Sandy Plant.

345. AFUDC rate applied to Big Sandy. Refer to the testimony of Witness Wohnhas at page 23, lines 7-8.

a. Show in detail how the 7.71% is calculated.
b. Does KPCo use the FERC instructions for calculating its AFUDC rates? (1) If not, explain fully why not. (2) If so, please show the AFUDC rates that KPCo computed using the FERC guidance for each month of 2013, 2014 and 2015 to date.

346. System Sales Margins to be credited against base rates. Refer to the testimony of Witness Wohnhas at page 24, lines 6-11.

a. How much system sales margin has KPCo reflected in its proposed revenue requirement? Exactly where in KPCo's filing is that reflected?
b. How much system sales margin has KPCo recorded during each month of 2014?

347. Kentucky Power jurisdictional cost of service allocation. For each rate base account and for each revenue and operating expense account, show

the Kentucky Power jurisdictional cost of service allocation as a percentage of the total cost in each such account.

348. Refer to the testimony of Mr. Vaughan at page 26 re non OATT PJM charges.

a. Identify the amount, by account, of KPCo, non-OATT PJM charges for each month of 2012, 2013 and 2014.
b. Identify the amount, by account, of KPCo, non-OATT PJM charges for each year, 2012, 2013 and 2014.
c. Show in detail how each amount on page 26, line 11, was derived.
d. Show in detail how the $53.78 million at page 26, line 21 was calculated.
e. Show the actual PJM OATT charges based on the new PJM OATT rates that began July 1, 2014, by account, for each month in 2014.
    i. Update the response as additional actual PJM OATT charges become available for months in 2015.
f. Identify the FERC docket in which the PJM OATT rates that began on July 1, 2014 were developed, and identify the specific pages and calculations in that docket which show the development of such rates.

349. Refer to the testimony of Mr. Vaughan concerning adjustment 10, Off System Sales Margins.

a. Show complete calculations for each step of the OSS margin adjustment.
b. Show in detail how each amount on page 28, lines 21-22, was developed.
c. Provide the monthly information for January - September 2014, by account, that was used by the Company.
d. Provide additional comparative information, by account, for each month October - December 2014.
e. Provide the "OSS Margin Model" referenced at page 29, lines 15-16, in Excel, with formulas intact.

350. Refer to the testimony of witness Yoder at page 5. Is the Company requesting any rate base inclusion for any of these deferred cost items, and, if so, please identify the amounts for each that KPCo is requesting be

included in rate base both in total (based on the account 183 or 182.3 amounts), and after netting any related ADIT:

a. IGCC?
b. CCS Feed Study?
c. CARRS Site?
d. Preliminary Big Sandy FGD Costs?

351. Refer to the testimony of witness Yoder at page 5.

a. Why is the CCS FEED Study shown as being in account 182.3?
b. Why are the three other items in account 183?
c. What are the total amounts that are being proposed for amortization for each of the four items?
d. Do any of the four items represent costs that were incurred by an affiliated entity that were allocated to KPCo? If so, please provide the following information: (1) name of the entity that incurred the cost; (2) the total amount of the cost; (3) complete details of how the cost was allocated among the AEP companies; (4) which AEP companies, if any, have been authorized to recover such cost from their respective ratepayers; and (5) which AEP companies, if any, have been denied recovery of such cost from their respective ratepayers.

352. Refer to the testimony of witness Yoder at page 15.

a. Show in detail exactly how the $314,209,917 in Carrying Costs was derived. Include complete details on each component of the cost of capital, the weighting, any income tax gross-ups that were applied, and the period over which such costs were estimated.

b. Provide a complete amortization table, including cost recovery and carrying costs, in each year, that shows the $554,153,747 total retirement costs, and the amounts related to each year during the 25 year recovery period for (1) carrying costs, (2) non-carrying cost recovery.

353. Refer to the testimony of witness Reitter at page 5. Identify and provide the journal entries showing how the dividends and return of paid in capital payments by KPCo to the Parent company were recorded.

354. Capital structure. Why does KPCo have negative amounts in its proposed capital structure?

355. Refer to the testimony of witness Reitter at page 9.

   a. Identify and provide the details of the 5.98% cost of long term debt filed in Case No. 2013-00197.
   b. Did KPCO's proposed capital structure in Case No. 2013-00197 include negative amounts for any components of the capital structure? If not, explain fully why not.

356. Compensation. Refer to the Direct Testimony of Company witness Carlin. On page 13 (lines 4-12), Mr. Carlin stated in part that the Company has taken steps to control compensation by (1) substantially reducing the use of external contractors and temporary employees, and (2) substantially reducing the employee workforce through staff reductions and severance programs.

   a. Please explain fully and in detail whether the Company's filing reflects the impacts of each of the cost reduction steps noted above. If so, quantify and identify, by amount and account, where these cost reducing impacts are reflected in the Company's filing. If not, explain fully why not.
   b. Are additional steps being taken in 2015? If not, explain fully why not. If so, identify and explain each step and its annual input.
   c. When was the last severance program? What was its cost and how much savings was produced?

357. Compensation. Refer to the Direct Testimony of Company witness Carlin at pages 13 (lines 25-26) and 14 (lines 1-3). Please quantify and explain

fully and in detail how the Company's target total cash compensation (base pay plus annual incentive compensation) and target total direct compensation (total cash compensation plus target long-term incentive compensation) were affected by the steps taken to control compensation costs. Show detailed calculations.

358. Compensation. Refer to the Direct Testimony of Company witness Carlin. On page 16 (lines 1-3) of his testimony, Mr. Carlin stated that the Human Resources Committee of AEP's Board of Directors frequently engages a nationally recognized, independent executive compensation consulting firm to conduct a compensation study of AEP's management and executive positions.

   a. Please identify the nationally recognized, independent executive compensation consulting firm.
   b. For the period 2011 through 2014, please state the frequency with which the consulting firm identified in part "a" above has conducted independent executive compensation studies for AEP's management and executive positions.
   c. For each year 2011, 2012, 2013 and 2014, please provide copies of the compensation studies that were conducted for AEP by the consulting firm identified in part "a" above.
   d. For each year 2011, 2012, 2013 and 2014, please state whether similar executive compensation studies have been conducted with respect to KPCo's management and executive positions. If so, please provide copies of such studies. If not, explain fully why not.

359. Incentive Compensation. Refer to the Direct Testimony of Company witness Carlin at page 16 (lines 6-9).

   a. Please explain Mr. Carlin's statement that "when incentive compensation is provided as a component of a market competitive total compensation package, it has no incremental cost above the cost of providing market competitive using base pay alone."
   b. If a payout occurs that is above 100% of target, explain how that is not above the base pay alone levels.

360. Incentive Compensation. Refer to the Direct Testimony of Company witness Carlin.

   a. Please identify the "several other smaller groups" that is referenced on page 20 (line 12) of Mr. Carlin's testimony.
   b. Please quantify the impact, if any, of the incentive compensation awarded to the "several other smaller groups"

identified in part "a" on the Company's filing. Show detailed calculations.

c. Referring to page 20 (lines 19-20) of Mr. Carlin's testimony, please explain fully and in detail the strategic initiatives that vary each year, from which 15% of KPCo's incentive compensation is funded by the performance of such strategic initiatives.

361. Incentive Compensation. Refer to the Direct Testimony of Company witness Carlin at page 24 (lines 1-3). Please quantify and explain fully and in detail Mr. Carlin's statement that: "the cumulative total of all ongoing benefits incentive compensation has produced in past years that have already been captured in rates will be captured in rates through this proceeding." Identify all such amounts and how they are derived.

362. Incentive Compensation. Refer to the Direct Testimony of Company witness Carlin at page 24 (lines 3-7). Please quantify and explain fully and in detail the following portion of Mr. Carlin's testimony where he states:

a. "To the extent that substantial additional benefits are produced going forward, shareholders will pay the incremental incentive compensation expense associated with the above target portion of the inventive payouts this performance produces. This is appropriate because the financial benefit of this performance improvement would not be captured by customers until the next base rate case, although customers would immediately receive the benefits of any operational improvements."

363. Incentive Compensation. Identify all KPSC orders of which the Company is aware that address whether and to what extent incentive compensation costs are allowable in a utility's revenue requirement.

364. Incentive Compensation. Refer to the Direct Testimony of Company witness Carlin at page 27 (lines 15-17). Please explain fully and in detail Mr. Carlin's statement that the EPS funding measure and incentive compensation in general, is a mechanism for balancing the interests of employees, ratepayers and shareholders.

365. Incentive Compensation. Refer to the Direct Testimony of Company witness Carlin at page 28 (lines 5-8). Please quantify and explain fully and in detail Mr. Carlin's statement that: "If only 1 percent of the Company's O&M expense is saved each year due to the incentive compensation program, then millions of dollars per year has been saved by Kentucky customers by virtue of tying incentive compensation to the Company's financial performance measures."

366. Incentive Compensation. Refer to the Direct Testimony of Company witness Carlin at page 29 (lines 7-11). Please explain fully and in detail why the Company's claimed substantial cost savings through financial discipline and other benefits provided by the Company's annual incentive compensation program are "unquantifiable".

367. Long-Term Incentive Compensation. Refer to the Direct Testimony of Company witness Carlin.

   a. Please state the reasonable and appropriate levels at which the total shareholder return (TSR) and EPS measures are capped.
   b. Please explain fully and in detail the statement "participants' satisfaction of vesting conditions" as noted on page 30 (lines 3-4 and 13) of Mr. Carlin's testimony.

368. Long-Term Incentive Compensation. Refer to the Direct Testimony of Company witness Carlin. Please quantify and explain fully and in detail Mr. Carlin's statement that: "As with annual incentive compensation, if the long-term incentive program results in only 1 percent annual O&M expense savings, then millions of dollars per year has been saved by Kentucky customers by virtue of this program."

369. Incentive Compensation. Identify and provide a complete copy of all incentive compensation plans for which KPCo is claiming expenses.

   a. Show the amount of expense that KPCo is claiming, by account, for each such incentive compensation plan.

370. Depreciation Expense. Refer to the Direct Testimony of Company witness Davis and Section V, Exhibit 2, pages 37 and 39 and the table below. On page 9 (lines 1-4) of his testimony, Mr. Davis stated that: "Based on the results of the depreciation study which includes a 50% share of the

Mitchell Generating Station I recommend an increase in annual depreciation expense due to a change in depreciation rates of $5,551,314 using depreciable plant balances at December 31, 2013." However, the combined adjustments shown on pages 37 and 39 of Exhibit 2 reflect an overall increase to depreciation expense of $16,535,979 ($12,771,261 + $3,764,718), or a difference of $10,984,665.

a. Please explain and reconcile this discrepancy. Identify, quantify and explain each reconciling item.

371. Depreciation Expense. Refer to the Direct Testimony of Company witness Davis at page 9 (lines 12-17). Please provide a copy of the Livingston Survey dated December 12, 2013, from which the 2.35% escalation rate discussed in Mr. Davis' testimony was taken.

372. Depreciation Expense. Refer to the Direct Testimony of Company witness Davis at page 10 (lines 6-7). Please explain fully and in detail how AEP Engineering determined that the depreciable life of the Mitchell Plant SCR catalyst is approximately eight years.

373. Refer to the Direct Testimony and exhibits of Company witness Elliott. Please provide Company Exhibits AJE-3 and AJE-4 electronically in Excel with all formulas and calculations intact.

374. Refer to the Direct Testimony and exhibits of Company witness Elliott at page 6 (lines 5-9). Please explain fully and in detail why (1) the operational costs associated with environmental projects at Big Sandy Unit 1 are proposed to be recovered through the BS1OR, and (2) the environmental capital investment for environmental projects associated with Big Sandy Unit 1 are proposed to be included in the BSRR, versus all Big Sandy Unit 1 costs being recovered (1) through base rates, or (2) through a single rider.

375. Refer to the Direct Testimony of Company witness Elliott at page 8 (lines 18-23).

a. Please provide a copy of the Unit Power Agreement ("UPA") between KPCo and AEP Generating Company.
b. Please confirm that the UPA is the same as the Unit Power Supply Agreement ("UPSA") which was approved by the

Commission in its Order dated October 25, 2004 in Case No. 2001-00420. If not confirmed, explain fully why not.

c. Identify all FERC proceedings from 2004 through 2014 that have addressed the Rockport Unit Power Supply Agreement.

376. Mitchell Plant Maintenance Normalization. Refer to the Direct Testimony of Company witness LaFleur and Section V, Exhibit 2, page 34 from the Company's filing.

a. Please explain fully and in detail why the Company proposes to use an inflation adjusted three-year average to normalize the annualized Mitchell Steam Maintenance expense.
b. Please cite by date and docket number, the Commission Order(s) which authorize the use of a three-year average adjusted for inflation.

377. Big Sandy Unit 1. Refer to the Direct Testimony of Company witness LaFleur at page 8 (lines 15-17). For each calendar year 2011, 2012, 2013 and 2014, please provide the Big Sandy Unit 1 generation non-fuel O&M expenses incurred by KPCo, by account.

378. Big Sandy Unit 2 Decommissioning Costs. Refer to Table on page 11 of the Direct Testimony of Company witness LaFleur as well as page 12. Please reconcile the decommissioning related activities listed on page 12 (lines 9-19) to the projected costs listed on Table 3 on page 11. Identify, quantify and explain each reconciling item.

379. 2014 Environmental Compliance Plan. Refer to Table 4 on page 16 of the Direct Testimony of Company witness LaFleur.

a. Referring to Table 4, please state whether any of capital costs for the Mitchell plant and Rockport plant projects listed that

have in-service dates that are prior to 2014 are included in the Company's initial environmental compliance plan. If so, identify each such project. If not, explain fully why not.
b. Please confirm that the capital costs shown for the Rockport related environmental projects shown in Table 4 are in accordance with the terms of the Unit Power Agreement that

expires in December 2022. If confirmed, please show how these amounts were derived and show detailed calculations. If not, explain fully why not.

380. Vegetation Management. Refer to the testimony of witness Phillips at pages 11-31.

a. Identify the amount of spending, by account, for the Company's Distribution Vegetation Management Plan in each year since it was approved in Case No. 2009-00459 through calendar 2014.
b. Identify the number of distribution miles trimmed in each year since the Company's Distribution Vegetation Management Plan was approved in Case No. 2009-00459 through calendar 2014.
c. Do the "Forestry" amounts listed in Table 2 on page 11, for each year 2011 through 2013 reflect the four-year trimming cycle? If not, explain.
d. Please provide comparable calendar year 2014 information for Tables 2, 3, 4 and 5 in Mr. Phillips' testimony.
e. Show in detail how the re-clearing cost of $17,605 per mile mentioned on page 28, line 5 was developed. Include supporting calculations and Excel files.
f. Show in detail how the maintenance level cost of $11,563 per mile mentioned on page 28, line 10 was developed. Include supporting calculations and Excel files.
g. Refer to table 10 on page 30. Show how each amount in the table was derived. Include supporting calculations and Excel files.
h. What amounts for vegetation management has KPCo budgeted for 2015 and 2016?
i. Which scenario in the table 10 presentation has KPCo reflected in its proposed revenue requirement in the current rate case? Explain.

381. Rockport. Refer to the testimony of witness Rogness at pages 6-7.

a. Identify and provide a complete copy of the Rockport unit power agreement.
b. Show how much Rockport capacity charge KPCo collected in each year, 2005 through 2014.

382. Refer to the testimony of witness Rogness at page 8.

a. Identify the amounts of each consultant cost that KPCo recorded during each year, by account.
b. Did KPCo request Commission authority to defer any of the consultant costs listed on page 8? (1) If not, explain fully why not. (2) If so, identify and provide a copy of the request, and a copy of any related Commission authorization for deferral.

383. Rate case expense. Refer to the testimony of witness Rogness at page 10.

a. Show in detail the components of the $860,000.
b. How much of the $860,000 is for KPCo labor?
c. How much of the $860,000 is for AEPSC labor?
d. How much has been incurred through December 31, 2014?
e. Provide invoices for amounts incurred through December 31, 2014.

384. Postage. Does the Company have any program in which customer bills are transmitted electronically, e.g., through email? If so, provide the following information:

a. Identify the number of bills transmitted electronically each month in 2013 and 2014.
b. Identify the number of customers that elected into the electronic bill transmittal program as of each month-end in 2013 and 2014.

385. Postage.

a. Identify the Company's total postage expense, by account, for each month in 2013 and 2014.
b. Identify the Company's postage expense, by account, for calendar years 2013 and 2014.

c. Identify the number of bills and notices mailed from January 1 through January 6, 2014.
d. Identify the number of bills, notices and letters mailed each month of 2013 and 2014.

386. Property tax expense.

a. Show in detail how the Company estimated the property tax expense for the Mitchell Plant.
b. What amount of property tax expense is the Company claiming for environmental control equipment at the Mitchell Plant? Show in detail how that amount was derived.

387. Coal inventory. Refer to the Rogness testimony at pages 12-13.

a. Show in detail how the 45 days level of coal supply for Plant Mitchell was derived.
b. Provide the amount of coal burn (tons, total cost and cost per ton) at Plant Mitchell for each month during the period January 2011 through December 2014.
c. Provide the amount of coal in inventory at Plant Mitchell (tons, total cost and cost per ton) for each month end during the period December 3,1 2010 through December 31, 2014.

388. Economic Development. Refer to the Rogness testimony at pages 20-21.

a. Please clarify which amounts KPCo is attempting to recover from ratepayers for economic development and show in detail how each of those amounts were developed.
b. Please clarify which amounts are being funded by shareholders.
c. Was any economic development in KPCo's service area achieved in 2013 or 2014? (1) If not, explain fully why not. (2) If so, identify, quantify and explain the additional MWH sales and job creation that resulted in each year, 2013 and 2014, from KPCo's economic development efforts.
d. Does KPCo project that any economic development in KPCo's service area will be achieved in 2015 or 2016? (1) If not, explain fully why not. (2) If so, identify, quantify and explain the additional MWH sales and job creation that is expected by KPCo to result in each year, 2015 and 2016, from KPCo's economic development efforts (i) without the additional ratepayer-charged funding and (ii) with the additional ratepayer-charges that KPCo is proposing.

389. Rockport. Refer to JAR-1.

a. Why is KPCo proposing to charge Rockport fixed charges on the basis of a per-kWh charge to customers?
b. Would it make sense for KPCo to charge Rockport fixed charges on the basis of a fixed monthly charge, rather than on the basis of a per-kWh charges that will vary with kWh usage? If not, explain fully why not.

390. Rockport. Refer to JAR-3. Has KPCo analyzed recovery of Rockport charges for any months prior to August 2013? If not, explain fully why not. If so, identify and provide such analysis.

391. Reconnect charges. Refer to JAR-4, JAR-5 and JAR-6. What amount of additional revenue for each type of reconnect charge and non-recurring charge listed on those exhibits has KPCo reflected in the development of its proposed base rate revenue deficiency (excess)?

392. Income Taxes, Section 199 Deduction. Refer to the testimony of witness Bartsch.

a. Identify and provide a copy of all separate return based calculations of the section 199 deductions for KPCo for each tax year 2005 through 2013.
b. Identify and provide all consolidated AEP Calculations of the section 199 deduction for each tax year, 2005 through 2013.
c. Identify and provide all tax forms and supporting schedules filed with AEP consolidated federal income tax returns for each tax year, 2005 through 2013, related to each of the following: (1) consolidating information, (2) section 199 deduction, (3) tax depreciation, (4) repairs deductions.
d. Refer to JBB-1. Is the benefit of the §199 deduction shown on line 15 of the schedule computed by multiplying those amounts by the 35% federal income tax rate? If not, explain fully how the income tax benefit in each year is derived.
e. Have any of the amounts listed on JBB-1 been impacted in any way by KPCo's participation in the AEP consolidated federal income tax return? If so, identify, quantify and explain all such impacts.

f. Is it KPCo's position that the Section 199 deduction has provided KPCo with tax savings in some years, but will not necessarily provide a net tax savings in all years?
g. Should a multiple year average of the results shown on JBB-1 be used for the ratemaking impact on KPCo for the Section 199 deduction? If not, explain fully why not.
h. Does KPCo expect that the operation of the Mitchell plant will qualified as domestic production activities? If not, explain fully why not.
i. Does the Rockport plant generate any Section 199 deduction? If not, explain fully why not. If so, how is that calculated, and how much is allocated to KPCo.
j. Did KPCo obtain any tax benefits from its purchase of capacity and power from the Rockport plant? If not, explain fully why not. If so, identify, quantify and explain the tax benefits to KPCo.

393. Income taxes. Parent company loss.

a. Show the amount of the AEP parent company loss that was reflected on each AEP consolidated federal income tax return for each tax year, 2005 through 2013.
b. Show how much of the AEP parent company loss that was reflected on each AEP consolidated federal income tax return for each tax year, 2005 through 2013, has been allocated as a reduction to KPCo income tax expense in each year. Include supporting calculations.
c. What amount of reduction for the AEP parent company loss has been reflected as a reduction to KPCo income tax expense in the Company's current rate case? Where is that reflected, and how was it calculated? Show supporting calculations in detail.

394. Rockport. Refer to the testimony of witness Elliott.

a. Identify and provide the FERC order that approved a 12.16% return on equity for the Rockport Plant.
b. Show in detail the capital structure and capital costs that KPCo is using for the Rockport Plant.

c. Is the Rockport Plant operated by KPCo's affiliate, Indiana and Michigan Electric Company?
d. Has the return on equity for the Rockport plant ever been addressed by the Indiana or Michigan regulatory commissions? (1) If so, identify the last three Indiana proceedings to address the return on equity. (2) Identify the last three Michigan PSC proceedings to address the return on equity.
e. Identify and provide the FERC Order and the filings in the FERC Docket where the Rockport UPA was approved, and identify the date when the 12.16% return on equity was allegedly approved.
f. Has KPCo ever used a 12.16% return on equity for the Rockport Plant in any other rate case or regulatory proceedings before the Kentucky PSC? (1) If not, explain fully why not. (2) If so, identify all previous proceedings before the Kentucky PSC wherein KPCo used a 12.16% return on equity for the Rockport Plant.
g. What risks are being borne by KPCo for the Rockport Plant that would justify using a return on equity of 12.16%?
h. What revenue requirement for the Rockport UPA was approved by FERC?
i. How does the Company's request in the current rate case for Rockport UPA costs compare with the Rockport UPA revenue requirement last approved by FERC? Identify, quantify and explain any differences.

395. Mitchell FGD. Refer to testimony of witness Elliott at pages 16-19.

a. Are there other costs besides the Mitchell FGD which the Company is either recovering or is proposing to recover in the environmental surcharge? If so, explain fully.
b. Did the Commission approve the settlement agreement referenced on page 16? If so, identify when it was approved. If not, explain fully why not.
c. Please confirm KPCo's understanding that the Attorney General did not sign the settlement agreement for the

Mitchell FGD system that is referenced on page 16. If not, explain fully.

d. When did the Mitchell FGD become operational?
e. What was the cost of the Mitchell FGD by account by month through December 31, 2014?
f. Identify and provide all budgeted amounts for the Mitchell FGD by account by month, for the period January 2015 through June 30, 2020.
g. Identify the costs, by month, for the period January 2015 through June 30, 2020, by account for each of these Mitchell FGD O&M expenses which are listed on page 17: (1) gypsum disposal, (2) limestone, (3) lime hydrate, (4) polymer, (5) maintenance, (6) property taxes, and (7) depreciation.
h. Does the Company agree that the Mitchell FGD is located in West Virginia and per West Virginia statutes such as West Virginia Code § 11-6F and response to discovery from KPCo's affiliate, Appalachian Power Company in a recent West Virginia rate case, qualifying pollution control equipment for purposes of ad valorem property taxation has a reduced assessment, based on its salvage value, which for purposes of that West Virginia code section is five percent of the certified capital addition property's original cost. Consequently, this West Virginia statutory provision creates an effective 95 percent exemption for qualifying pollution control equipment for West Virginia property tax purposes. Consequently, West Virginia pollution control facilities are 95 percent exempt from West Virginia property taxes, specifically:

> The exempt plant amount consisted of pollution control facilities. As defined in the West Virginia Code § 11-6A-2, "pollution control facility" means any personal property designed, constructed or installed primarily for the purpose of abating or reducing water or air pollution or contamination by removing, altering, disposing, treating, storing or dispersing the concentration of pollutants, contaminants, wastes or heat in compliance with air or water quality or effluent standards prescribed by or promulgated under the laws of this state or the United States, the design, construction and installation of which

> personal property was approved as a pollution control facility by either the office of water resources or the office of air quality, both of the division of environmental protection, as the case may be. As defined in § 11-6A-3, "the value of a pollution control facility ... shall ... be deemed to be its salvage value ..." This is normally approximated by the state at 5 percent of original cost. Therefore, the amount of plant for each year was 95% exempt.

If not, explain fully why not.

i. In calculating the estimated property tax expense for the Mitchell FGD did KPCo recognized that the Mitchell FGD was located in West Virginia and per the West Virginia statutes is 95% exempt from West Virginia property taxes? If not, explain fully why not and show the adjustment to the Mitchell FGD property taxes in KPCo's filing that would properly reflect the 95% exemption from West Virginia property taxes. Include supporting calculations.

396. SERP. Refer to Exhibit HEM-1. Has KPCo included any amount for SERP in its requested operating expenses? If so, please identify the amount and account.

397. Pension cost. Refer to Exhibit HEM-3.

a. Identify the amount of pension costs that was included in KPCo's rates in each year, 2002 through 2014.
b. For each year for which FAS 87 expense is shown on HEM-3, provide each component of the FAS 87 cost separately (i.e., service cost, interest cost, return on assets, and each amortization).
c. Was KPCo's rate base ever reduced for a pension liability? If not, explain fully why not.
d. Based on KPCo's knowledge, has the pension asset issue been previously addressed by the Kentucky Commission? If so, please identify each docket in which utility rate base inclusion of a pension asset has been addressed by the Commission.

e. Show in detail the amounts relating to each "prior year" by year for the $5,042,187 amount on the line "Cumulative Prior Years".
f. What amount of ADIT is related to each amount of Pension Asset listed on HEM-3?

398. Defined benefit pensions.

a. Has AEP or KPCo made any curtailments or discontinued eligibility in any of the AEP defined benefit pension plans for which cost is charged to KPCo during any years from 2002 through 2014? (1) If not, explain fully why not. (2) If so, describe each curtailment and eligibility restriction that was implemented during this time frame.

399. Defined benefit pensions. Are new KPCo and AEPSC employees eligible for participation in a defined benefit pension plan? If so, describe the eligibility. If not, explain fully why not.

III. RATE OF RETURN

A. General

400. Please provide copies of all presentations made to rating agencies and/or investment firms by AEP, and/or Kentucky Power Company between January 1, 2013 and the present.

401. Please provide copies of all prospectuses for any security issuances by AEP and/or Kentucky Power Company between January 1, 2010 and the present.

402. Please provide copies of credit reports for AEP and/or Kentucky Power Company between January 1, 2013 and the present from the major credit rating agencies (Moody's, S&P, and Fitch).

403. Please provide the corporate credit and bond ratings assigned to AEP and Kentucky Power Company since the year 2010 by S&P, Moody's, and Fitch). For any change in the credit and/or bond rating, please provide a copy of the associated report.

404. Please provide the breakdown in the expected return on pension plan assets for Kentucky Power Company. Specifically, please provide the expected return on different assets classes (bonds, US stocks, international stocks, etc) used in determining the expected return on plan assets. Please provide all associated source documents and work papers.

405. Please provide the Company's authorized and earned return on common equity for Kentucky Power Company over the past five years. Please provide copies of all associated work papers and source documents. Please provide copies of the source documents, work papers, and data in both hard copy and electronic (Microsoft Excel) formats, with all data and formulas intact.

406. Please provide copies of the financial statements (balance sheet, income statement, statement of cash flows, and the notes to the financial statements) for AEP and Kentucky Power Company for the past two years. Please provide copies of the financial statements in both hard copy and electronic (Microsoft Excel) formats, with all data and formulas intact.

B. <u>Dr. Avera-Mr. McKenzie</u>

407. Please provide a copy of the Avera/McKenzie testimony in Microsoft Word.

408. Please provide copies of all source documents, articles, cited documents listed in footnotes, regulatory decisions, work papers, and other sources used in the development and preparation of the Avera/McKenzie testimony.

409. Please provide Microsoft Excel copies of all source documents, work papers, and data used to develop the tables and figures in the Avera/McKenzie testimony. For the Microsoft Excel copies of the data, please keep all formulas intact.

410. With reference to pages 19-23, please provide copies of all empirical studies performed that compare the business, financial, and investment risk of the electric utility operations of Kentucky Power Company to: (1) AEP; and (2) the proxy group companies.

411. With reference to page 20, please: (1) indicate the universe of companies with electric utilities as indicated by Value Line Investment Survey, (2) the companies eliminated from the group from each of the four screens; and (3) the reasons each of the companies were eliminated.

412. With reference to pages 64-66, please: (1) list the screens applied to the Value Line database in establishing the Non-Utility Proxy Group; (2) indicate the justification for each of the screens applied to the companies in the Value Line Investment Survey in establishing the Non-Utility Proxy Group; (3) the companies eliminated from the group from each of the five screens; and (4) the reasons that each of the companies were eliminated.

413. With reference to pages 56-59, (1) please detail all equity flotation costs incurred by KPC in the past three years; (2) for each of the flotation cost estimates, please provide the breakdown of the flotation costs into underwriting spread, company issuance costs, market pressure, and other expenses. Please show all calculations, and provide the associate source documents and work papers.

414. Please provide copies of the source documents, work papers, and underlying data used in the development of Exhibits WEA/AMM 3 through WEA/AMM 12. Please provide the data and work papers in both hard copy and electronic formats (Microsoft Excel), with all data and formulas intact. Please also include electronic copies (Microsoft Excel) of the Exhibit, leaving all data and formulas intact.

C. <u>Rate of Return</u>

415. Please provide a copy of Mr. Reitter's testimony in Microsoft Word.

416. Please provide an electronic copy of all sections and pages of Section V, Schedules and Workpapers sponsored by Mr. Reitter in Microsoft Excel, with all data and formulas intact.

417. Please provide: (1) copies of all data, source documents, work papers, and other sources used in the development of the Company's proposed capital structure; copies of all data, source documents, work papers, and other sources used in the adjustments made to the balance sheet amounts of debt and equity in the development of the Company's proposed capital

structure; and (3) the data and work papers in (1) – (2), in both hard copy and electronic (Microsoft Excel) formats, with all data and formulas intact.

418. Please: (1) provide copies all data, work a papers and calculations used in the development of the cost and amounts of short-term debt; (2) detail all assumptions and show calculations for projected amounts and costs of short-term debt; and (3) provide the data and work papers in (1) and (2) in both hard copy and electronic (Microsoft Excel) formats, with all data and formulas intact.

419. Please: (1) provide copies all data, work a papers and calculations used in the development of the cost and amounts of long-term debt; (2) detail all assumptions and show calculations for projected amounts and costs of long-term debt; and (3) provide the data and work papers in (1) and (2) in both hard copy and electronic (Microsoft Excel) formats, with all data and formulas intact.