COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

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

DIRECT TESTIMONY

OF

RALPH C. SMITH

ON BEHALF OF THE

KENTUCKY OFFICE OF ATTORNEY GENERAL

OCTOBER 3, 2017

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Appendix and Exhibits

I. STATEMENT OF QUALIFICATIONS

Q. Please state your name, position, and business address.

A. Ralph C. Smith. I am a Senior Regulatory Consultant at Larkin & Associates, PLLC, 15728 Farmington Road, Livonia, Michigan 48154.

Q. Please describe Larkin & Associates.

A. Larkin & Associates is a Certified Public Accounting and Regulatory Consulting firm. The firm performs independent regulatory consulting primarily for public service/utility commission staffs and consumer interest groups (public counsels, public advocates, consumer counsels, attorneys general, etc.). Larkin & Associates has extensive experience in the utility regulatory field as expert witnesses in over 400 regulatory proceedings including numerous telephone, water and sewer, gas, and electric matters.

Q. Mr. Smith, please summarize your educational background.

A. I received a Bachelor of Science degree in Business Administration (Accounting Major) with distinction from the University of Michigan - Dearborn, in April 1979. I passed all parts of the Certified Public Accountant ("C.P.A.") examination in my first sitting in 1979, received my CPA license in 1981, and received a certified financial planning certificate in 1983. I also have a Master of Science in Taxation from Walsh College, 1981, and a law degree (J.D.) cum laude from Wayne State University, 1986. In addition, I have attended a variety of continuing education courses in conjunction with maintaining my accountancy license. I am a licensed C.P.A. and attorney in the State of Michigan.[1] I am also a

[1] My testimony in this proceeding is as a Senior Regulatory Consultant, and I am not offering any legal opinions.

Certified Financial Planner™ professional and a Certified Rate of Return Analyst ("CRRA"). Since 1981, I have been a member of the Michigan Association of Certified Public Accountants. I am also a member of the Michigan Bar Association. I have been a member of the Society of Utility and Regulatory Financial Analysts ("SURFA"), and the American Bar Association (ABA), and the ABA sections on Public Utility Law and Taxation.

Q. Please summarize your professional experience.

A. Subsequent to graduation from the University of Michigan, and after a short period of installing a computerized accounting system for a Southfield, Michigan realty management firm, I accepted a position as an auditor with the predecessor CPA firm to Larkin & Associates in July 1979. Before becoming involved in utility regulation where the majority of my time for the past 38 years has been spent, I performed audit, accounting, and tax work for a wide variety of businesses that were clients of the firm.

During my service in the regulatory section of our firm, I have been involved in rate cases and other regulatory matters concerning electric, gas, telephone, water, and sewer utility companies. My present work consists primarily of analyzing rate case and regulatory filings of public utility companies before various regulatory commissions, and, where appropriate, preparing testimony and schedules relating to the issues for presentation before these regulatory agencies.

I have performed work in the field of utility regulation on behalf of industry, state attorneys general, consumer groups, municipalities, and public service commission staffs concerning regulatory matters before regulatory agencies in Alabama, Alaska, Arizona, Arkansas, California, Connecticut, Delaware, Florida, Georgia, Hawaii, Indiana, Illinois, Kansas, Kentucky, Louisiana, Maine, Michigan, Minnesota, Mississippi, Missouri, New Jersey, New Mexico, New York, Nevada, North Carolina, North Dakota, Ohio, Pennsylvania, Puerto Rico, Rhode Island, South Carolina, South Dakota, Tennessee, Texas, Utah, Vermont, Virginia, Washington, Washington D.C., West Virginia and Canada as well as the Federal Energy Regulatory Commission and various state and federal courts of law.

Q. Have you previously testified before the Kentucky Public Service Commission ("PSC" or "Commission")?

A. Yes, in a Kentucky American Water Company rate case, Case No. 2010-00036 and the previous Kentucky Power rate case, Case No. 2014-00396, as well as the recent Kentucky Utilities Company and the Louisville Gas and Electric Company rate cases, Case Nos. 2016-00370 and 2016-00371.

Q. Have you previously performed analysis on rate case issues where testimony was submitted by other members of Larkin & Associates before the Kentucky Public Service Commission?

A. Yes. Several years ago, I worked on various Kentucky rate cases as a regulatory analyst where testimony was submitted before the Commission by other Larkin & Associates professionals, such as Hugh Larkin, Jr.

Q. Have you previously testified before other state public utility regulatory commissions?

A. Yes, I have testified before other state public utility regulatory commissions on many occasions.

Q. Have you prepared an attachment summarizing your educational background and regulatory experience?

A. Yes. Appendix A provides details concerning my experience and qualifications.

Q. Have you prepared any exhibits to accompany your testimony?

A. Yes. I have prepared Exhibits RCS-1 through RCS-22.

Q. Please briefly explain what is contained in each of those exhibits.

A. Exhibit RCS-1 presents Accounting and Revenue Requirement Schedules.

Exhibit RCS-2 presents Kentucky Power's response to discovery referenced in my testimony related to the issue of the Gross Revenue Conversion Factor ("GRCF").

Exhibit RCS-3 presents Kentucky Power's responses to discovery referenced in my testimony related to the issue of Theft Recovery Revenue.

Exhibit RCS-4 presents Kentucky Power's responses to discovery referenced in my testimony related to the issue of Payroll, Overtime Payroll, and Savings Plan expense.

Exhibit RCS-5 presents Kentucky Power's responses to discovery referenced in my testimony related to the issue of Incentive Compensation expense.

Exhibit RCS-6 presents Kentucky Power's responses to discovery referenced in my testimony related to the issue of Stock-Based Compensation.

Exhibit RCS-7 presents Kentucky Power's responses to discovery referenced in my testimony related to the issue of Supplemental Executive Retirement Program.

Exhibit RCS-8 presents Kentucky Power's responses to discovery referenced in my testimony related to the issue of affiliate charges to KPCo for AEP Corporate Aviation Expense.

Exhibit RCS-9 presents Kentucky Power's responses to discovery referenced in my testimony related to the issue of Relocation Expense.

Exhibit RCS-10 presents Kentucky Power's responses to discovery referenced in my testimony related to the issue of Gain on Sale of Utility Property.

Exhibit RCS-11 presents Kentucky Power's responses to discovery referenced in my testimony related to the issue of Cash Surrender Value of Life Insurance Policies.

Exhibit RCS-12 presents 12 presents information referenced in my testimony related to the issue of Mitchell Transfer/Ash Pond Costs.

Exhibit RCS-13 presents Kentucky Power's responses to discovery referenced in my testimony related to the issue of the affiliated company charges to KPCo related to the Rockport Plant Unit Power Sales Agreement.

Exhibit RCS-14 presents a summary of the affiliated charges to KPCo from AEP Generating Company for the 12 months ending February 28, 2017 related to the Rockport Unit Power Sales Agreement dated October 1, 1984 (As Amended), including the charges to KPCo related to the 12.16 percent ROE provided for in that affiliated contract, and the potential savings that could result from reducing that affiliate-charged ROE.

Exhibit RCS-15 presents information concerning the affiliated charges to KPCo from AEP Generating Company for the 12 months ending February 28, 2017 related to the Rockport Unit Power Sale Agreement based on excerpts from the AEP Generating Company invoices to KPCo for the twelve months ending February 28, 2017.

Exhibit RCS-16 presents Kentucky Power's response to a discovery question referenced in my testimony related to Rate Case Expense.

Exhibit RCS-17 presents Kentucky Power's response to a discovery question referenced in my testimony related to the issue of the Rockport Unit 1 Selective Catalytic Reduction ("SCR").

Exhibit RCS-18 presents a copy of the Consent Decree related to Rockport Unit 1 SCR.

Exhibit RCS-19 presents a copy of an article published on rtoinsider.com related to AEP installing scrubbers at Rockport Unit 1.

Exhibit RCS-20 presents a copy of an Amended Opinion from the Sixth Circuit Court of Appeals dated June 8, 2017 in an Appeal from the United States District Court naming AEP Generating Company and Indiana Michigan Power Company as a defendant against Wilmington Trust Company acting in its capacity as owner trustee of AEGCO Trust 1, AEGCO Trust 2, AEGCO Trust 5, I&M Trust 1, I&M Trust 2 and I&M Trust 5.

Exhibit RCS-21 presents an excerpt from Bonbright, James C., et al. *Principles of Public Utility Rates*, 2nd ed., Public Utilities Reports, Inc., Arlington, VA, 1988 "Chapter 7 Competitive Price as a Rate Regulation Standard" page 141.

Exhibit RCS-22 presents a copy of a Commission Order dated December 30, 2014 that was issued by the Public Service Commission of West Virginia in Case No. 14-0546-E-PC.

II. SCOPE AND PURPOSE OF TESTIMONY

Q. What amount of revenue increase is the Company requesting?

A. On June 28, 2017, KPCo filed an initial application, in which it requested an increase in its base rates through the development of its revenue requirement as well as the implementation of certain surcharges for electric utility service (see additional discussion below). Specifically, in its initial filing, the Company calculated that the proposed adjustment to electric rates will result in an overall revenue increase of $65,393,885 over the test year adjusted revenues of $500,400,208, and resulting in total annual Company revenues of $565,794,093, for an increase of approximately 13.07%.

Q. Did KPCo submit a supplemental filing subsequent to June 28, 2017?

A. Yes. Pursuant to refinancing activities that occurred during June 2017, KPCo submitted a supplemental filing before the Commission in which it updated its requested increase in base rates on August 7, 2017. The Company's June 2017 refinancing activities are discussed in the supplemental testimony of Company witness Miller and are summarized in the supplemental response to KPSC-1-4. Specifically, the supplemental response to KPSC-1-4 states:

> On June 19, 2017, Kentucky Power refinanced the $65 million WVEDA Mitchell Project, Series 2014A Variable Rate Demand

> Notes. The Company entered into a three year, 2.00% fixed rate agreement maturing in June 2020.
>
> On June 21, 2017, the Company priced $325 million private placement senior unsecured notes with funding scheduled for September 2017. The Company issued new permanent long-term private placement senior unsecured notes in the amount of $325 million across 7, 10, 12 and 30 year maturities at an all-in weighted average coupon of 3.49% and weighted average life of 13.8 years. The private placement transaction priced in June 2017 and was structured with four delayed draw tranches with scheduled funding in September 2017: $65 million Series F, $40 million Series G, $165 million Series H and $55 million Series I. The proceeds are dedicated to retiring the Company's $325 million 6.0% Senior Notes, Series E due September 2017.

Q. What amount of revenue increase is the Company requesting in its supplemental filing?

A. As noted above, on August 7, 2017, KPCo filed its supplemental filing in which it requested an increase in its base rates through the development of its revenue requirement as well as the implementation of certain surcharges for electric utility service (see additional discussion below). Specifically, in its supplemental filing, the Company calculated that the proposed adjustment to electric rates will result in an overall revenue increase of $60,697,438 over the test year adjusted revenues of $499,134,503, and result in total annual Company revenues of $559,531,941, for an increase of approximately 12.94%. KPCo's requested revenue increase is based on operating results for the 12-month period ended February 28, 2017, with adjustments and a proposed return on equity ("ROE") of 10.31%. The table below summarizes the change in base rate revenue requirements between the Company's original and supplemental filings:

Description	Section V Schedule 1 Refinance Update	Section V Schedule 1 As-Filed	Revenue Impact
Sales of Electricity	$ 499,134,503	$ 500,400,208	$ (1,265,705)
Proposed Change	$ 60,397,438	$ 65,393,885	$ (4,996,447)
Adjusted Sales of Electricity	$ 559,531,941	$ 565,794,093	$ (6,262,152)

As shown in the table above, the June 2017 refinancing activities reduced the Company's initially filed proposed revenue requirement by approximately $6.26 million.

As noted above, the Company's requested revenue increase is based on its requested base rate revenue requirement as well as the following proposed surcharges:

- Home Energy Assistance Program ("HEAP")
- Kentucky Economic Development Surcharge ("KEDS")
- Environmental Surcharge Related to Rockport Unit 1 SCR

The table below provides a summary of the four components that comprise the Company's requested revenue increase:

Description	Combined Amount
Base Revenue Increase	$ 60,397,438
Home Energy Assistance Program	$ 81,667
Kentucky Economic Development Surcharge	$ 203,224
Environmental Surcharge Related to Rockport Unit 1 SCR	$ 3,903,056
Total Requested Increase	$ 64,585,385

I discuss recommended adjustments to the Company's requested increase in my testimony.

Q. What is the purpose and scope of your testimony?

A. Larkin & Associates PLLC was engaged by the Office of Rate Intervention of the Kentucky Office of Attorney General ("AG") to conduct a review and analysis and present testimony regarding rate base, capitalization, operating income and revenue requirement aspects of the filing.

The purpose of my testimony is to present to the Commission an appropriate test period rate base, capitalization, overall rate of return and utility operating income, as well as an overall revenue requirement.

In the determination of the AG's recommended overall revenue requirement and revenue increase, I have relied on and incorporated the recommendations of AG witness Dr. J. Randall Woolridge concerning the appropriate capital structure ratios, cost rates for short and long term debt, and common equity, and the resulting overall rate of return for the Company in this proceeding. I also relied upon the recommendation of AG witness Dr. David Dismukes to remove KPCo's requested ratepayer funding of the KEDS surcharge.

In developing this testimony, I have reviewed and analyzed the Company's original June 28, 2017 filing and August 7, 2017 supplemental filing, supporting testimonies, exhibits, filing requirements, and workpapers; the Company's responses to initial and follow-up data requests by the PSC Staff, AG and other intervenors; and other relevant financial documents and data.

III. SUMMARY OF FINDINGS AND CONCLUSIONS

Q. Please summarize your findings and conclusions in this case.

A. I have reached the following findings and conclusions in this case:[2]

[2] The Company amounts referenced in this section are from KPCo's August 7, 2017 supplemental filing.

1. The appropriate jurisdictional capitalization in this proceeding is approximately $1.192 billion, which is the same as the Company's proposed capitalization from KPCo's August 7, 2017 supplemental filing, as shown on Exhibit RCS-1, Schedule A, page 1, line 1 and on Schedule D.

2. The appropriate jurisdictional test period rate base amounts to approximately $1.194 billion, which is $740,549 lower than the Company's proposed test period rate base of $1.195 billion, as shown on Exhibit RCS-1, Schedule B, line 19.

3. The AG's expert rate of return witness, Dr. Woolridge, has recommended a return on equity of 8.60%, and an overall rate of return of 6.03%. In contrast, KPCo has requested an overall rate of return of 6.75%, including a return on equity of 10.31%, as shown on Exhibit RCS-1, Schedule A, line 2 and on Schedule D.

4. An appropriate test period utility operating income amounts to approximately $47.7 million, which is approximately $4.0 million higher than the Company's proposed test period utility operating income of $43.7 million, as shown on Exhibit RCS-1, Schedule A, line 4 and on Schedule C.

5. To calculate the base rate revenue increase, I used a gross revenue conversion factor ("GRCF") of 1.643342, as shown on Exhibit RCS-1, Schedule A-1. This is an update of the GRCF used by KPCo, as explained in the Company's response to KPSC-2-011.[3]

6. The application of the recommended overall rate of return of 6.03% to the recommended capitalization of approximately $1.192 billion produces a required return of approximately $71.9 million, as shown on Exhibit RCS-1, Schedule A, column B, line 3.

[3] See Exhibit RCS-2.

Compared to the adjusted net operating income of approximately $47.7 million, this represents a deficiency of approximately $24.3 million, as shown on Exhibit RCS-1, Schedule A, column B, line 5. Applying the updated GRCF of 1.643342 indicates that the Company has an annual base rate revenue requirement excess of approximately $39.9 million, as shown on Exhibit RCS-1, Schedule A, column B, line 7. As shown on Exhibit RCS-1, Schedule A, column C, line 7, this represents a difference of approximately $20.5 million versus the Company's proposed annual base rate revenue deficiency of $60.4 million.

7. Based on the recommendations of AG witness Dismukes, I have removed the KPCo's request for ratepayer funding of a KEDS surcharge.

8. I have also removed KPCo's requested $3.9 million rate increase for an Environmental Surcharge related to the Rockport Unit 1 SCR, as shown on Exhibit RCS-1, Schedule A, column B, line 10. Reasons for this recommendation are addressed in my testimony.

9. The total base rate and surcharge revenue increases of approximately $40.0 million is an overall increase of 8.00 percent over adjusted revenue at current rates of approximately $499.3 million, as shown on Exhibit RCS-1, Schedule A, lines 11-14.

10. The Rockport Plant Unit Power Sales Agreement is an affiliated contract between KPCo and AEP Generating Company, with a 12.16 percent return on equity that, on its face, appears excessive, and should be challenged at FERC, as described in Section XI of my testimony. This issue was also pointed out in KPCo's last rate case, yet KPCo has apparently done nothing to get that ROE and the resulting affiliated company charges to KPCo for the Rockport plant UPS reduced.

IV. ORGANIZATION OF ACCOUNTING SCHEDULES FOR BASE RATE REVENUE REQUIREMENT (EXHIBIT RCS-1)

Q. How are the AG's accounting schedules organized?

A. The AG's accounting schedules used to determine KPCo's base rate revenue requirement are presented in Exhibit RCS-1. They are organized into summary schedules and adjustment schedules. The summary schedules consist of Schedules A, A-1, B, B.1, C, C.1 and D. Exhibit RCS-1 also contains rate base adjustment Schedule B-1 and net operating income adjustment Schedules C-1 through C-15.

Q. What is shown on Schedule A, page 1, of Exhibit RCS-1?

A. Exhibit RCS-1 presents the AG Accounting Schedules and revenue requirement determination. Schedule A presents the overall financial summary, giving effect to all of the adjustments I, and other AG witnesses, are recommending. This schedule presents the change in the Company's gross revenue requirement needed for the Company to have the opportunity to earn the AG's recommended rate of return on the adjusted capitalization. The capitalization and operating income amounts are taken from Schedules B and C, respectively. The overall rate of return on rate base of 6.03 percent, as presented in the direct testimony of AG witness Woolridge, is provided on Exhibit RCS-1, Schedule D, page 1, for convenience.

Column A of Schedule A replicates KPCo's proposed calculations of its overall revenue deficiency, consisting of (1) the base rate revenue sufficiency; and (2) the revenue requirement for each of the Company's proposed surcharges. Column B of Schedule A presents the AG's determination of the base rate revenue deficiency and the revenue requirement for each Company-proposed surcharge. Column C shows the differences between KPCo's request and the AG's recommendation.

The operating income deficiency shown on line 5 of Schedule A, page 1, is obtained by subtracting the adjusted operating income on line 4 (operating income as adjusted) from the required operating income on line 3. Line 7 represents the gross revenue deficiency, which is obtained by multiplying the income deficiency by the GRCF.

Q. What is shown on Exhibit RCS-1, Schedule A, page 2?

A. Exhibit RCS-1, Schedule A, page 2, presents a reconciliation of the base rate revenue requirement and shows the approximate impact of each adjustment.

Q. What is shown on Schedule A-1 of Exhibit RCS-1?

A. Schedule A-1 shows the GRCF that I used to convert the net operating income sufficiency into a revenue sufficiency amount. For purposes of this case, I used the updated GRCF of 1.643342 that was provided in the response to KPSC-2-011.

Q. What was the basis for KPCo updating its GRCF?

A. According to the response to KPSC-2-011, on June 1, 2017, the Kentucky Department of Revenue provided a new Commission assessment rate of 0.1996 percent for the 2017-2018 fiscal year.

Q. What is shown on Exhibit RCS-1, Schedule B, page 1?

A. Schedule B presents KPCo's proposed adjusted test year rate base and the AG's proposed adjusted test year rate base. The beginning rate base amounts presented on Schedule B are taken from the Company's filing for the test year, specifically Section V, Exhibit 1, Schedule 4. My recommended adjustment to rate base is summarized on Schedule B.1, and shown on Schedule B, page 1, column B. My adjusted rate base for KPCo is shown on Schedule B, page 1, column C.

Q. What is shown on Schedule B.1 and Schedule B-1?

A. Exhibit RCS-1, Schedule B.1 presents a summary of my recommended rate base adjustment. Schedule B-1 provides further support and calculations for the rate base adjustment I am recommending.

Q. What is shown on Exhibit RCS-1, Schedule C?

A. The starting point on Schedule C is KPCo's adjusted test year net operating income, as provided on Schedule 1 from Section V, Exhibit 1 from the Company's filing. My recommended adjustments to KPCo's adjusted test year revenues and expenses are summarized on Schedule C.1. Each of the adjustments is discussed in my testimony.

Schedules C-1 through C-15 provide further support and calculations for the net operating income adjustments I am recommending.

Q. What is shown on Exhibit RCS-1, Schedule D?

A. Schedule D, page 1, summarizes the capital structure and cost of capital that is being proposed by KPCo and the capital structure and cost of capital that is recommended by AG witness Woolridge.

Q. What is shown on Schedule D, pages 2 and 3?

A. Schedule D, page 2, replicates the Company's calculation of its proposed jurisdictional capitalization.[4] Schedule D, page 3, also presents the derivation of the AG's adjusted capitalization for the same items.

V. OTHER EXHIBITS

Q. What is shown on Exhibit RCS-2?

A. Exhibit RCS-2 includes a response to discovery referenced in my testimony related to the GRCF.

Q. What is shown on Exhibit RCS-3?

A. Exhibit RCS-3 includes responses to discovery referenced in my testimony related to the issue of Theft Recovery Revenue.

Q. What is shown on Exhibit RCS-4?

A. Exhibit RCS-4 includes responses to discovery referenced in my testimony related to the issue of Payroll, Overtime Payroll, and Savings Plan expense.

[4] KPCo's proposed jurisdictional capitalization is reflected in Section V, Exhibit 1, Schedule 3 from its filing.

Q. What is shown on Exhibit RCS-5?

A. Exhibit RCS-5 includes responses to discovery referenced in my testimony related to the issue of Incentive Compensation expense.

Q. What is shown on Exhibit RCS-6?

A. Exhibit RCS-6 includes KPCo's responses to discovery referenced in my testimony related to the issue of Stock-Based Compensation expense.

Q. What is shown on Exhibit RCS-7?

A. Exhibit RCS-7 includes KPCo's responses to discovery referenced in my testimony related to the issue of Supplemental Executive Retirement Program expense.

Q. What is shown on Exhibit RCS-8?

A. Exhibit RCS-8 includes KPCo's responses to discovery referenced in my testimony related to the issue of Corporate Aviation Expense.

Q. What is shown on Exhibit RCS-9?

A. Exhibit RCS-9 includes KPCo's responses to discovery referenced in my testimony related to the issue of Relocation Expense.

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A. Exhibit RCS-10 includes KPCo's responses to discovery referenced in my testimony related to the issue of Gain on Sale of Utility Property.

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A. Exhibit RCS-15 presents information concerning the affiliated charges to KPCo from AEP Generating Company for the 12 months ending February 28, 2017 related to the Rockport Unit Power Sale Agreement based on excerpts from the AEP Generating Company invoices to KPCo for the twelve months ending February 28, 2017.

Q. What is shown on Exhibit RCS-16?

A. Exhibit RCS-16 includes KPCo's response to a discovery question referenced in my testimony related to the issue of the Rate Case Expense.

Q. What is shown on Exhibit RCS-17?

A. Exhibit RCS-17 includes KPCo's response to a discovery question referenced in my testimony related to the issue of the Rockport Unit 1 SCR.

Q. What is shown on Exhibit RCS-18?

A. Exhibit RCS-18 is a copy of the Consent Decree in Civil Action No. C2-99-1250 et al in the United States District Court for the Southern District of Ohio, Eastern Division, related to Rockport Unit 1 SCR.

Q. What is shown on Exhibit RCS-19?

A. Exhibit RCS-19 is a copy of an article published on rtoinsider.com related to AEP installing scrubbers at Rockport Unit 1.

Q. What is shown on Exhibit RCS-20?

A. Exhibit RCS-20 is a copy of an Amended Opinion from the Sixth Circuit Court of Appeals dated June 8, 2017 in an Appeal from the United States District Court naming AEP Generating Company and Indiana Michigan Power Company as a defendant against Wilmington Trust Company acting in its capacity as owner trustee of AEGCO Trust 1, AEGCO Trust 2, AEGCO Trust 5, I&M Trust 1, I&M Trust 2 and I&M Trust 5.

Q. What is shown on Exhibit RCS-21?

A. Exhibit RCS-21 is a copy of Bonbright, James C., et al. *Principles of Public Utility Rates*, 2nd ed., Public Utilities Reports, Inc., Arlington, VA, 1988 "Chapter 7 Competitive Price as a Rate Regulation Standard" page 141.

Q. What is shown on Exhibit RCS-22?

A. Exhibit RCS-22 is a copy of a Commission Order dated December 30, 2014 that was issued by the Public Service Commission of West Virginia in Case No.14-0546-E-PC.

VI. JURISDICTIONAL CAPITALIZATION

Q. Have you prepared a schedule that summarizes KPCo's jurisdictional capitalization?

A. Yes. Exhibit RCS-1, Schedule D, pages 2 and 3 summarize the Company's jurisdictional capitalization.

Q. How have you reflected the impact of rate base adjustments on KPCo's jurisdictional capitalization?

A. No. The one rate base adjustment I am recommending is to cash working capital, which does not impact KPCo's jurisdictional capitalization.

VII. RATE BASE

Q. What adjustments are you recommending to KPCo's requested rate base?

A. I am recommending one adjustment to KPCo's rate base, as discussed below.

B-1, Cash Working Capital

Q. What is Cash Working Capital ("CWC")?

A. Cash working capital is the cash needed by the Company to cover its day-to-day operations. If the Company's cash expenditures, on an aggregate basis, precede the cash recovery of expenses, investors must provide cash working capital. In that situation a positive cash working capital requirement exists. On the other hand, if revenues are typically received prior to when cash expenditures are made, on average, then ratepayers provide the cash working capital to the utility, and the negative cash working capital allowance is reflected as a reduction to rate base. In this case, the cash working capital requirement is an increase to rate base as ratepayers are essentially supplying these funds.

Q. How has KPCo determined CWC?

A. KPCo has determined its proposed test year CWC requirement of $19.7 million using the "1/8th formula" method. By using this method, the Company assumes that 1/8th of the going-level O&M expenses reflects a reasonable level of cash working capital.

Q. Do you agree with the Company's use of the "1/8th Formula" method in its determination of going-level CWC?

A. No, I do not. In my opinion, an accurate level of a utility's CWC can only be obtained through the use of a detailed lead-lag study. However, it is my understanding that the Commission has established a long-standing precedent whereby a utility's CWC can be calculated using the 1/8th formula. Therefore, I am not challenging the method by which the Company has calculated CWC in this proceeding.

Q. Although you are not challenging the Company's use of the 1/8th formula in its CWC determination, have you made any adjustments to KPCo's CWC requirement?

A. Yes. As shown on Exhibit RCS-1, Schedule B-1, page 1, I have reflected the impacts of my adjustments to O&M expenses to KPCo's CWC requirement. Specifically, reflecting the impact of my recommended adjustments to KPCo's operating expenses would reduce KPCo's CWC allowance to $19.0 million, which is about $740,549 lower than KPCo's proposed CWC requirement of $19.7 million.

Q. Do you have any other comments regarding the Company's CWC requirement?

A. Yes. If CWC is to be calculated using the 1/8th formula, then the proper level of CWC reflected for ratemaking purposes should ultimately be based on the pro forma O&M expenses allowed by the Commission versus the $19.7 million proposed by the Company in this proceeding.

Q. Has your adjustment to CWC impacted the base rate revenue requirement?

A. No. Since KPCo's revenue requirement is calculated based upon the Company's jurisdictional capitalization rather than its adjusted jurisdictional rate base, it appears that my recommended adjustments to CWC would have no impact on KPCo's revenue requirement.

VIII. ADJUSTMENTS TO OPERATING INCOME

Q. Please describe how you have summarized the AG's proposed adjustments to operating income.

A. Schedule C summarizes the AG's recommended net operating income. Schedule C.1 presents the AG's recommended adjustments to test year revenues and expenses. The impact on state and federal income taxes associated with each of the recommended adjustments to operating income is also reflected on Schedule C.1. KPCo's proposed adjusted test year net operating income is $43.7 million, whereas the AG's recommended adjusted net operating income is $47.7 million, as shown on Exhibit RCS-1, Schedule C, line 16. The recommended adjustments to operating income are discussed below in the same order as they appear on Schedule C.1.

C-1, Theft Recovery Revenue

Q. Please explain the adjustment for theft recovery revenue.

A. As discussed on pages 19-22 of the direct testimony of Company witness Wohnhas, the Company proposed an adjustment to increase its complement of distribution employees by five employees. Specifically, KPCo is proposing to add a Safety Coordinator, two Distribution System Inspectors and two administrative associates. According to Mr.

Wohnhas, the Company is proposing to add these employees to (1) improve the safety of the Company's operations; (2) increase the Company's oversight of its contractors; and (3) improve the effectiveness of KPCo's revenue protection efforts.

. As discussed by Mr. Wohnhas on pages 21-22 of his direct testimony, KPCo currently employs 1.5 Full Time Employees ("FTE") to investigate and recover revenues lost through energy theft. Mr. Wohnhas stated that these 1.5 FTEs lack the time to adequately investigate and take the steps necessary to recover revenues lost as a result of suspected energy theft. According to Mr. Wohnhas, the proposed new administrative associate will be responsible for the in-house aspects of investigating suspected energy theft, which would allow the 1.5 FTEs to spend more time in the field investigating suspected energy theft. He states that allowing the FTEs to spend more time performing on-site investigations would increase annual energy theft recoveries by up to 50 percent.

Q. Has the Company quantified what its increase in revenues would be based on its estimate that it could increase its annual energy theft recoveries by up to 50 percent?

A. Yes. In its response to AG-1-319, KPCo stated that it estimates that increased energy theft recoveries would produce additional revenue totaling $166,698. To derive this amount, the Company took 50 percent of its calendar 2016 theft recovery revenue of $333,395.

Q. Has KPCo reflected the estimated 50 percent increase in annual energy theft recoveries in its filing?

A. No. In response to AG-1-319, the Company stated that the position has not yet been filled, thus any adjustment would not be known and measurable. On page 22 of his direct testimony, Mr. Wohnhas stated that the Company was interviewing candidates for the administrative associate position. The Company's response to AG-1-319 stated that the interviews have been completed and management is currently discussing to whom the offer for the position will be made.[5]

Q. What is the current status of the other four positions that KPCo is proposing to add?

A. According to the response to AG-1-069, the current status of the other four positions is as follows:

Position	Current Status
Safety Coodinator	Position filled on May 20, 2017
Distribution System Inspector	Position filled on May 20, 2017
Distribution System Inspector	Position filled on June 19, 2017
Administrative Associate	Position filled on August 12, 2017
Source: AG-1-069	

The interview process has been completed for the remaining administrative associate.

Q. Should KPCo's ratepayers be charged with the costs associated with filling these positions after the end of the test year without also reflecting the associated benefits, such as enhanced energy theft recovery revenue?

A. No. I am recommending an adjustment to increase the Company's operating revenues related to the expected improvement in energy theft recoveries that the Company expects to be enabled by adding these positions.

Q. Please explain your adjustment on Exhibit RCS-1, Schedule C-1.

[5] The response to AG-1-319 is dated August 14, 2017.

A. As shown Exhibit RCS-1, Schedule C-1, my recommended adjustment increases operating revenues by $166,698 on a Kentucky jurisdictional basis.

C-2, Payroll Expense - Employee Merit Increases

Q. Is the Company requesting increased payroll expense for employee merit increases?

A. Yes. As discussed on page 14 of the direct testimony of Company witness Tyler H. Ross, the Company's proposed payroll expense adjustment is based on annual merit increases and promotions as approved by KPCo and provided by AEP Service Company's ("AEPSC") Human Resources department. The Company has increased payroll expenses for the merit increases based on implementation dates of either April, May or June 2017.

Q. What employee merit increases is KPCo proposing?

A. The Company's payroll expense workpapers reflect a merit increase of 3.5 percent for its non-exempt salaried and exempt employees and 5.0 percent merit increase for its non-exempt hourly employees. According to the Company's response to AG-2-062, the 3.5 percent increase for non-exempt salaried and exempt employees consists of a 3.0 percent merit increase and 0.5 percent promotion and equity adjustment. The 5.0 percent merit increase for non-exempt hourly employees was negotiated in 2014 as part of a three-year IBEW master bargaining agreement covering the period 2015 through 2017.

Q. Did the Company cite any utility industry median survey data relative to merit increases for non-exempt salaried and exempt employees?

A. Yes. Page 18 of Company witness Andrew R. Carlin's direct testimony presented Table ARC-2, which contains data from a Conference Board Research Report for U.S. Salary Increase Budgets for the period 2009 through 2016. Specifically, between 2009 through 2016, the actual wage increases granted to non-exempt salaried, exempt and executive employees ranged from 2.70 percent to 3.0 percent. In addition, in its response to AG-2-062, the Company cited the 2017-2018 World at Work Salary Budget Survey, which indicates that the utility median total salary increase budget for 2017 is 3.0 percent and is projected to also be 3.0 percent for 2018 for all employee categories.

Q. Did the Company cite any study of local wages relative to merit increases for non-exempt salaried and exempt employees?

A. No, it did not. The Commission has been requiring that all utilities filing base rate applications must conduct a separate wage study based on local wages and benefits paid within the geographic area where the utility operates, and must include state data where available.[6] The Commission can take administrative notice that many companies in Kentucky are either not paying wage increases, or for those that are, the increases are significantly less that KPCo’s proposed 3.5% merit increase.

Q. What merit increases have you reflected for non-exempt salaried and exempt employees?

[6] See, e.g., In Re Application of Cumberland Valley Electric, Inc. for a General Adjustment of Rates, Case No. 2016-00169, final order issued Feb. 6, 2016, pp. 7-8: In Re Application of Kenergy Corp. for a General Adjustment in Rates, Case No. 2015-00312, final order issued Sept. 15, 2016, p. 15.

A. Based on the industry survey data noted above, the Company has not justified more than a 3.0 percent merit increase for the Company's non-exempt salaried and exempt employees. The 3.5 percent used by the Company in its payroll adjustment is higher than the 2.70 percent to 3.0 percent noted for 2009 through 2016 and the 3.0 percent median salary increase noted for 2017. Therefore, I have applied 3.0 percent merit increase to those employees.

Q. Are you recommending an adjustment to the 5.0 percent merit increase proposed by KPCo for its non-exempt hourly employees?

A. No. Since the 5.0 percent merit increase was negotiated as part of the 2014 three-year IBEW master bargaining agreement, I have accepted that increase for KPCo's non-exempt hourly employees.

Q. Please explain your adjustment to payroll expense for employee merit increases.

A. As shown Exhibit RCS-1, Schedule C-2, my recommended adjustment to payroll expense for non-exempt salaried and exempt employees reduces operating expenses by $57,205 on a Kentucky jurisdictional basis.

C-3, Overtime Payroll Expense - Employee Merit Increases

Q. Please explain the Company's proposed adjustment to overtime payroll expense for employee merit increases?

A. As discussed on page 15 of Mr. Ross' direct testimony, to account for the impact of the post-test-year pay increases on overtime expense, KPCo multiplied its test year overtime costs by the Company's proposed 3.5 percent increase for non-exempt salaried and exempt employees and the 5.0 percent merit increase for non-exempt hourly employees. The additional overtime expense was then prorated based on implementation dates of either April, May or June 2017 for those post-test-year pay increases.

Q. If the pay increases for non-exempt salaried and exempt employees are limited to 3.0 percent (versus KPCo's proposed 3.5 percent), should the overtime payroll expense also be correspondingly adjusted?

A. Yes. For the reasons discussed in the previous section of my testimony as it relates to employee merit increases, I am recommending that overtime payroll expense be calculated by multiplying the test year overtime expense for the Company's non-exempt salaried and exempt employees by 3.0 percent instead of the 3.5 percent proposed by KPCo. Overtime expense requested by KPCo should likewise be reduced. As shown on Exhibit RCS-1, Schedule C-3, the overtime payroll expense for non-exempt salaried and exempt employees requested by KPCo should be reduced by $4,148 on a Kentucky jurisdictional basis.

C-4, Payroll Tax Expense

Q. Please explain your adjustment to payroll tax expense.

A. As shown on Exhibit RCS-1, Schedule C-4, payroll tax expense should be reduced by $48,362 on a Kentucky jurisdictional basis as a result of the adjustments to payroll expense. Page 1 of Schedule C-4 shows the adjustment to payroll tax expense. Pages 2 and 3 present additional details for the impact on payroll tax expense resulting from the recommended adjustments to incentive compensation and stock-based compensation expense.

C-5, Incentive Compensation Expense

Q. Does the Company have an incentive compensation plan available to its employees?

A. Yes. The Company has an annual incentive compensation plan ("ICP") available to its employees. KPCo provided copies of AEP's 2016 and 2017 ICP plans in response to KIUC 1-30. I used the 2017 ICP plan as the basis for my analysis, as it is the most recent.

Q. What are the ICP plan's stated objectives?

A. The stated objectives of AEP's ICP plan are to:

- Attract, retain, and motivate employees to further the objectives of the Company, its customers and the communities it serves.
- Enable high performance by communicating and aligning employee efforts with the plan's performance objectives.
- Foster the creation of sustainable shareholder value through achievement of AEP's goals.

Q. Please briefly describe the ICP plan.

A. As discussed in the 2017 ICP plan, the plan provides annual incentive compensation to motivate employees to create sustainable shareholder value based on AEP's performance, business unit performance (if applicable) and to those employees whose payout is discretionary, based on their individual performance. The funding measures for the plan are tied to AEP's operating earnings per share (70% weight), safety (12% weight), and strategic initiatives (18% weight). The ICP plan states that all staff groups participate in the ICP plan based on the aforementioned funding measures and do not have separate function level incentive goals.

Q. Has KPCo included incentive compensation expense in its test year cost of service?

A. Yes. The response to AG-2-060 included an attachment which indicated that the Company included direct charged O&M incentive compensation expense totaling $2,273,952 in the test year. In addition, the response to AG 2-061 included Attachment 1, which indicated that the Company included O&M incentive compensation billed to KPCo by AEPSC of $3,118,781 in test year cost of service. Finally, the response to KPSC-2-085 indicated that the Company included O&M incentive compensation billed to KPCo from affiliates other than AEPSC of $51,300 in test year cost of service.

Q. Are you recommending an adjustment to the level of incentive compensation that is included in test year cost of service?

A. Yes. I recommend that 25 percent of the direct charged incentive compensation included in the test year be borne by shareholders. Similarly, I recommend that 25 percent of the incentive compensation allocated to KPCo from AEPSC and other affiliates also be borne by AEP shareholders.

Q. What is the basis for your recommendation?

A. The basis for my recommendation begins with the 70 percent funding measure previously discussed. The ICP plan states the following with respect to the 70 percent funding measure:

- AEP is committed to generating sustainable value for its shareholders through its earnings and growth. Therefore 70% of annual incentive funding is tied to AEP's Operating Earnings Per Share. This ensures that funding is commensurate with the Company's operating earnings and the extent to which the company can afford to pay annual incentive compensation while also serving the interests of its shareholders, customers and other stakeholders. It also:
  - Aligns employee interests with those of customers by strongly encouraging expense discipline;
  - Ensures that adequate earnings are generated for AEP's shareholders and continued investment in AEP's business before employees are rewarded with annual incentive compensation; and
  - Further aligns the financial interests of all AEP employees with the results employees deliver to the Company and all its stakeholders.

Q. You stated that the basis for your recommendation that 25 percent of incentive compensation included in the test year be charged to shareholders begins with the 70 percent funding measure. Please explain.

A. In KPCo's last rate case in Case No. 2014-00396, the AG had proposed a similar adjustment whereby it recommended that incentive compensation charged to ratepayers be reduced by 75 percent, which was the funding measure for the ICP in that prior proceeding. In its Order dated June 22, 2015 in Case No 2014-00396, the Commission stated at pages 25-26:

> While the Commission agrees with the AG conceptually, we find that the amount that should be removed for ratemaking purposes should be based on the performance measures of the plan, not the funding measures. Among the performance measures, **only 15 percent is based on financial performance. Accordingly, the Commission's adjustment removes only 15 percent,** or $442,181,

> of the cost of $2,947,874 Kentucky Power provided in rebuttal from test-period operating expenses for ratemaking purposes.
>
> (Emphasis supplied.)

The Company's response to KPSC1-66 states the following at page 3:

> **Performance Measures** - Funding of all annual incentive plans will be based on AEP's Operating Earnings per Share and other measures established by the HR Committee.
>
> All annual incentive plans shall include a discretionary Operating Unit Performance Factor, which the Plan Compensation Committee may use to adjust the overall score to the extent that it determines that such score is not indicative of the group's overall performance or economic situation.
>
> Annual incentive awards for all employees classified in the SP20 or EXEM salary plans shall be discretionarily determined based on management's assessment of each participant's performance, contribution and other legal business considerations for the plan year.
>
> **Generally, at least 25% of the total target award for each incentive plan or group should be based on quantitative financial objectives.**
>
> (Emphasis supplied.)

Based on the foregoing, and consistent with the Commission's ruling in the Company's last rate case, 25 percent of the annual incentive compensation expense should be removed.

Q. In addition to Case No. 2014-00396, has the Commission previously disallowed incentive compensation expense that is tied to a utility's or parent company's financial performance?

A. Yes. For example, in its Order dated December 14, 2010 in Case No. 2010-00036 in a proceeding involving Kentucky-American Water Company, the Commission stated in part the following with regard to incentive compensation:

> We remain unconvinced that Kentucky-American's ratepayers receive any benefit from the ICP program to support the recovery of ICP's costs through rates. While some consideration is given to non-financial criteria, the ICP appears weighted to financial goals that primarily benefit shareholders. If these goals are not met, the program is unfunded and no Kentucky-American employee receives an incentive award regardless of how well he or she meets the customer satisfaction or service quality goals. Accordingly, we find that forecasted labor expense should be decreased by an additional $349,529 to eliminate the ICP.

In addition, in its Order dated April 22, 2014 in Case No. 2013-00148 in a proceeding involving Atmos Energy Corporation, the Commission stated in part the following with regard to incentive compensation:

> Incentive criteria based on a measure of EPS, with no measure of improvement in areas such as safety, service quality, call-center response, or other customer-focused criteria, are clearly shareholder-oriented. As noted in the hearing on this matter, the Commission has long held that ratepayers receive little, if any, benefit from these types of incentive plans...It has been the Commission's practice to disallow recovery of the cost of employee incentive plans that are tied to EPS or other earnings measures and we find Atmos-Ky's argument to the contrary unpersuasive.

Q. Does the Company's filing reflect an adjustment to incentive compensation expense?

A. Yes. As discussed in the Direct Testimony of Company witness Ross and shown on Section V, Exhibit 2, page 33, the Company's adjustment to incentive compensation reflects the annual level of incentive compensation expense at a base payout level of one times the incentive target paid to the Company's employees. The Company's adjustment relates only to direct charged incentive compensation.

Q. Please explain your recommended adjustment for KPCo’s Incentive Compensation expense.

A. As shown on Exhibit RCS-1, Schedule C-5, this adjustment decreases test year expense by $1,350,120 on a Kentucky jurisdictional basis to reflect the removal of 25% of the following incentive compensation amounts: (1) KPCo's test year direct charged incentive compensation of $2,273,952[7]; (2) test year AEPSC incentive compensation allocated to KPCo of $3,118,781; and (3) test year incentive compensation billed to KPCo from affiliates other than AEPSC of $51,300.

C-6, Stock-Based Compensation Expense

Q. Does the Company also have stock-based compensation plans available to its employees?

A. Yes. The Company's stock-based compensation plans include Restricted Stock Units and Performance Units.[8] These plans are briefly described below.

> Restricted Stock Units ("RSU") - RSU's are a type of long-term compensation denominated in AEP Common Stock. Recipients receive a share of AEP Common Stock for each RSU that vests or, for certain RSU awards that vest to Section 16 Officers, they receive cash. Vesting generally occurs in equal thirds on or within a few months after each of the first three anniversaries of the grant date, subject to the recipient's continued AEP employment through the vesting date. The recipient is then free to hold the shares of AEP Common Stock they receive or sell them at a time of their choosing. RSU's have no voting rights and are not entitled to receive any dividend declared on AEP common stock. However, RSUs are entitled to additional RSUs ("Dividend Equivalent RSUs") of an equal value to dividends paid on AEP common stock. Unlike Performance Units, which are subject to a 0% to 200% multiplier based upon achievement performance goals, RSUs are not linked to any performance measures.

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[7] According to KPCo's response to AG-2-060, this amount is net of the Company's adjustment to incentive compensation.
[8] See the response to AG 1-081.

> Performance Units ("PU") - PU's are a type of variable long-term incentive compensation. They do not convey to employees any voting, dividend, or other rights associated with shares of AEP common stock, but they do accrue dividend credits that are generally equal to the value of dividends paid on shares of AEP common stock. Performance unit vesting, and therefore its entire value, is generally subject to the employee's continuous AEP employment through the vesting date. The value of each performance unit that employees may ultimately earn is based on the value of AEP common stock at the end of the performance and vesting period. The number of performance units that employees may ultimately earn is based on the performance score for two equally-weighted performance measures, which may range from 0% to 200%.
>
> - Cumulative Earnings Per Share (EPS) measured relative to a Board approved target
> - Total Shareholder Return (TSR) measured relative to a Board approved peer group.
>
> At the end of the performance period participants receive either a cash or stock payment (depending on the year) equal to the number of vested performance units (if any), including dividend credits, multiplied by the overall performance Score and multiplied by the average closing price of AEP common stock for the last 20 trading days of the Performance Period.

Q. Has KPCo included stock-based compensation expense in its test year cost of service?

A. Yes. The response to KIUC 1-31 included Attachment 1, which indicated that the Company included O&M expense related to RSUs and PUs totaling $49,864 and $195,097, respectively, for a total expense of $244,961 in the test year. In addition, this response included Attachment 2, which indicated that the Company also included O&M expense related to RSUs and PUs billed to KPCo by AEPSC of $303,595 and $1,197,247, respectively, in its test year cost of service. Finally, the response to KPSC 2-085 included Attachment 2, which indicated that the Company included O&M stock-based compensation billed to KPCo from affiliates other than AEPSC of $15,032 in its test year cost of service. These amounts should be removed from cost of service in their entirety.

Q. Please discuss the reasons for removing stock-based compensation.

A. Ratepayers should not be required to pay executive or management compensation that is based on the performance of the Company's (or its parent company's) stock price, or which has the primary purpose of benefitting the parent company's stockholders and aligning the interests of participants in the stock-based compensation plans with those of such stockholders.

Q. Were some forms of stock-based compensation, such as stock options, previously accounted for as a dilution of shareholders' investment?

A. Yes. Prior to being required to expense stock options for financial reporting purposes under Accounting Standards Codification ("ASC") 718 (formerly Statement of Financial Accounting Standards No. 123R), the cost of stock options was typically treated as a dilution of shareholders' investments, i.e., it was a cost borne by shareholders. While AEP and KPCo provide their stock-based compensation in forms other than stock options (such as RSUs and PUs), and ASC 718 now requires stock option cost to be expensed on a company's financial statements, this does not provide a reason for shifting the cost responsibility for stock-based compensation from shareholders to utility ratepayers.

Q. Has the Commission previously disallowed stock-based compensation expense?

A. Yes. For example, in its Order dated June 22, 2015 in Case No 2014-00396, the Commission stated at pages 27-28:

> The Commission is in agreement with the AG on this matter. Regarding stock-based compensation, the Commission has consistently held, in the absence of clear and definitive quantitative evidence demonstrating a benefit to ratepayers, that ratepayers should not be required to bear the program's cost. Accordingly, we will remove $1,725,818 in LTIP costs for ratemaking purposes.

In addition, in its Order on Rehearing dated February 2, 2006 in a proceeding involving Union Light Heat & Power Company ("ULH&P), the Commission stated in part the following with regard to stock-based compensation:

> After reexamining the components and component goals of the ICP, we agree with the AG that 100 percent of the expense for the Corporate Goals component should be borne by shareholders rather than allocated 50 percent to shareholders and 50 percent to ratepayers as directed in our Order of December 22, 2005. As noted by the AG, this conclusion is consistent with our treatment of the corporate financial performance goals in the LTIP.

Moreover, in its Order dated December 14, 2010 in Case No. 2010-00036 in a proceeding involving Kentucky-American Water Company, the Commission stated in part the following with regard to stock-based compensation:

> The Commission finds that, based upon the stated purpose of the program, the program primarily benefits shareholders. In the absence of clear and definitive quantitative evidence demonstrating a benefit to the utility's ratepayers, the ratepayers should not be required to bear the program's costs. Accordingly, we find that forecasted labor expense should be reduced by $27,288 to eliminate the stock-based compensation plan.

Q. Please explain your recommended adjustment for Stock-Based Compensation expense.

A. As shown on Exhibit RCS-1, Schedule C-6, this adjustment decreases test year expense by $1,746,748 on a Kentucky jurisdictional basis to remove: (1) KPCo's test year direct charged stock-based compensation of $244,961; (2) test year AEPSC stock-based compensation allocated to KPCo of $1,500,842 and (3) test year stock-based compensation billed to KPCo from affiliates other than AEPSC of $15,032. The expense of providing stock options and other stock-based compensation to officers and employees beyond their other compensation should be borne by shareholders and not by ratepayers.

C-7, Savings Plan Expense

Q. Please explain the Company's proposed adjustment to savings plan expense.

A. As discussed on pages 15-16 of Mr. Ross' direct testimony, for KPCo employees participating in the AEP 401K retirement savings plan, the Company makes 100 percent matching contributions for each employee's first 1 percent of contributions of eligible compensation and 75 percent matching contributions for the next 5 percent of each employee's contributions of eligible compensation. KPCo's adjustment to savings plan expense was derived by taking the Company's proposed net decrease related to incentive compensation, employee merit increases for base pay and overtime pay and annualization of base payroll and multiplying the result by the forecasted savings plan rate of 4.0 percent.

Q. Did your adjustments to payroll expense, incentive compensation expense and stock-based compensation expense impact savings plan expense?

A. Yes. My recommended adjustments to payroll expense, incentive compensation expense and stock-based compensation expense impacted savings plan expense as shown on Exhibit RCS-1, Schedule C-7 (lines 1-7), whereby savings plan expense is decreased by $34,732 on a Kentucky jurisdictional basis based on the aforementioned adjustments.

Q. Is that the adjustment you are recommending for savings plan expense?

A. No. My recommended adjustment to savings plan expense removes $1,102,496 of Company matching contributions, as shown on Exhibit RCS-1, Schedule C-7, line 8. This is based on recent Commission Orders wherein the Commission has disallowed for ratemaking purposes, Company matching contributions to 401(k) retirement savings plans for employees that also participate in other retirement plans, such as defined benefit pension plans.

Q. Has the Commission determined that it is not reasonable to include costs for multiple layers of retirement programs in establishing a utility's cost of service?

A. Yes. For example, in its Order dated June 22, 2017 in a recent Kentucky Utilities Company proceeding in Case No. 2016-00370, at pages 14-15, the Commission stated:

> The Commission finds that, for ratemaking purposes, it is not reasonable to include both KU's Pre 2006 DDB plan contributions and KU's matching contributions to the 401(k) Plan for the following employee categories: exempt, manager, non-exempt, and officer and director personnel.
>
> Employees participating in the Pre 2006 DDB Plan enjoy generous retirement plan benefits, making the matching 401(k) Plan amounts excessive for ratemaking purposes. Accordingly, the Commission denies for recovery 401(k) Plan matching contributions in the amount of $1,720,383 before gross-up.

The Commission's Order dated June 22, 2017 in a recent Louisville Gas & Electric proceeding in Case No. 2016-00371 contains similar language at pages 16-17. In addition, in its Order dated February 6, 2017 in a recent Cumberland Valley Electric, Inc. proceeding in Case No. 2016-00169, the Commission stated at page 10:

> The Commission believes all employees should have a retirement benefit, but finds it excessive and not reasonable that Cumberland Valley continues to contribute to both a defined benefit pension plan as well as a 401(k) plan for salaried employees. The Commission will allow Cumberland Valley to recover only the costs of the more expensive defined benefit plan for the salaried employees and the 401(k) plan for union employees. Accordingly, the Commission will remove for ratemaking purposes Cumberland Valley's test year 401(k) contributions for salaried employees.

Q. Are there KPCo employees participating in the Company's savings plan as well as a defined benefit retirement plan?

A. Yes, as indicated in the Company’s response to KPSC_1_72, KPCo (and other AEP) employees participate in multiple forms of retirement plans. Staff data request KPSC_2_056(h) requested, for employees who participate in a defined benefit plan, that the Company provide the total and jurisdictional amount of Company matching contributions made on behalf of employees who also participate in any AEP 401(k) retirement savings plan account. In its response to KPSC-2-056(h), the Company stated:

> Kentucky Power's total and jurisdictional amount of test year pro forma savings plan expense for matching contributions made on behalf of Kentucky Power employees who also participate in the AEP 401(k) retirement savings account is $1,111,388 and $1,102,496, respectively.

Q. Please explain your adjustment to savings plan expense.

A. As shown on Exhibit RCS-1, Schedule C-7, line 8, I have removed the test year pro forma savings plan expense for matching contributions in the Kentucky jurisdictional amount of $1,102,496, that KPCo identified in its response to KPSC_2_056(h).

C-8, Supplemental Executive Retirement Program ("SERP")

Q. What is a SERP?

A. A SERP provides supplemental retirement benefits for select executives. Generally, SERPs are implemented for executives to provide retirement benefits that exceed amounts limited in qualified plans by Internal Revenue Service ("IRS") limitations. Companies usually maintain that providing such supplemental retirement benefits to executives is necessary in order to ensure attraction and retention of qualified employees. Typically, SERPs provide for retirement benefits in excess of the limits placed by IRS regulations on pension plan calculations for salaries in excess of specified amounts. IRS restrictions can also limit the Company 401(k) contributions such that the Company 401(k) contribution as a percent of salary may be smaller for a highly paid executive than for other employees.

Q. Should ratepayers be responsible for SERP expense?

A. No. The provision of additional retirement compensation to the Company's highest paid executives is not a reasonable expense that should be recovered in rates.

Q. Please explain your adjustment for SERP expense.

A. This adjustment removes 100 percent of the expense for SERP expense included in the Company's cost of service. This includes SERP expense directly charged to KPCo as well as SERP expense allocated to KPCo from AEPSC. As shown on Exhibit RCS-1, Schedule C-8, operating expense is reduced by $58,726 on a Kentucky jurisdictional basis, reflecting the removal of KPCo SERP expense of $6,273 and SERP expense allocated to KPCo from AEPSC of $52,453.

C-9, Corporate Aviation Expense

Q. Please explain the adjustment for corporate aviation expense.

A. This adjustment removes the cost of the AEP corporate aviation expense charged to KPCo from AEP Service Company during the test year. For the test year ended February 28, 2017, the response to AG-1-153 indicated that KPCo was charged O&M expense of $388,356 by AEPSC for AEP corporate aviation costs.

Q. Why should the costs of the AEP corporate aviation department be disallowed?

A. These costs are charged from an affiliate, AEPSC. Affiliated charges to a utility bear increased regulatory scrutiny. Moreover, the Company has not demonstrated that the AEP corporate aviation department is cost effective. A review of the travel logs, which were provided in response to KPSC-2-055, also indicates that the corporate planes are being used by AEP executives and directors, suggesting that the AEP corporate aircraft is an additional executive and director perquisite. As such, the cost of the AEP corporate aviation should be borne by shareholders, not by KPCo's ratepayers.

Q. Please summarize your adjustment on Schedule C-9.

A. As shown on Exhibit RCS-1, Schedule C-9, my recommended adjustment to remove the affiliated charges for AEP corporate aviation reduces KPCo's O&M expense by $382,769 on a Kentucky jurisdictional basis.

C-10, Storm Damage Expense

Q. Has the Company proposed an adjustment to increase test year storm expense?

A. Yes. As discussed on page 13 of the direct testimony of Company witness Ranie K. Wohnhas, KPCo adjusted its test year storm expense, less in-house labor, using its three-year average storm damage expense, less in-house labor, as adjusted by the Handy-Whitman Contact Labor Index. The Company's proposed adjustment increases test year Kentucky jurisdictional operating expense by $595,932, and would result in charging KPCo ratepayers for storm damage expense totaling $1,498,582 annually on a Kentucky jurisdictional basis.

Q. Do you agree with the Company's proposed adjustment to increase storm damage expense by using a three-year average?

A. No. The Company has not demonstrated a compelling reason to increase test year storm damage expense. As shown on Exhibit RCS-1, Schedule C-10, I have removed the Company's proposed increase to test year storm damage expense, which reduces KPCo's requested expense by $595,932 on a Kentucky jurisdictional basis, and leaves the test year recorded amount of storm expense as the amount to be reflected in KPCo's cost of service.

C-11, Test Year Relocation Expense

Q. Did the Company record increased relocation expense in the test year?

A. Yes. According to the response to AG-1-251, the test year level of relocation expense was $318,073, which is very high in comparison to recent prior years.

Q. Did the Company's move of its corporate headquarters from Frankfort, Kentucky to Ashland, Kentucky have a substantial impact on test year relocation expenses?

A. Yes. According to the response to KIUC-1-046, the Company recorded relocation costs totaling $101,938 during the test year related to moving the corporate headquarters from Frankfort to Ashland.

Q. How many Company employees were relocated from Frankfort to Ashland?

A. According to the response to KIUC-1-046, only two Company employees were transferred from Frankfort to Ashland and incurred the $101,938 of relocation costs noted above. As a result, the Company's test year relocation expense is considerably higher than in previous years.

Q. Please summarize your recommended adjustment.

A. My recommended adjustment normalizes the Company's relocation expense over a three-year period based on the average number of employees transferred over the three-year period 2014-2016, and the average per-employee relocation. As shown on Exhibit RCS-1, Schedule C-11, I took the Company's relocation expense from each year 2014, 2015, and 2016, and the average relocation cost per employee, and divided the total by the total number of employees transferred over the same period, which resulted in an average cost per employee transferred of $26,265. I then multiplied this average relocation cost per relocated employee amount by the average number of employees relocated over the three-year period. This resulted in a normalized relocation expense of $175,099. As shown on Exhibit RCS-1, Schedule C-11, my recommended adjustment to normalize relocation expense reduces KPCo's test year operating expense for relocation by $140,972 on a Kentucky jurisdictional basis.

C-12, Gain on Sale of Utility Property

Q. Did KPCo sell utility property during the test year and realize a gain?

A. Yes. According to the Company's response to AG-1-151, in December 2016, the Company sold 739 acres of land located in Lewis County, Kentucky to a third party. The land sold was part of a larger tract at the Carrs Site that the Company had purchased in 1982. Prior to the sale, KPCo had recorded the land cost in FERC Account 105 - Electric Plant Held For Future. KPCo recorded a net gain of $1,001,860 in December 2016 related to the sale of this utility property. The gain on the sale of utility property was adjusted by KPCo to $996,669 in March 2017.

Q. In what account did KPCo record the $996,669 gain on the sale of utility property?

A. KPCo's response to AG-1-151 indicates that the $996,669 gain on the sale of the Carrs Site land was recorded in FERC Account 411.6 - Gains from Disposition of Utility Plant.

Q. Was the cost of the land at the Carrs Site land ever included in rate base by KPCo?

A. Yes. According to the response to AG-D-WP-7, the cost of the Carrs Site had been in KPCo’s rate base, but not since 1984. The response to AG-1-151 states that KPCo originally purchased the land to construct an electric generating facility, but that such a facility was never built.

Q. Has the Company included property tax expense on this utility property in its revenue requirement in the current proceeding?

A. Yes. According to the Company's response to AG-D-WP-7, property tax expense on this utility property was included in KPCo's requested revenue requirement. It appears that KPCo's ratepayers have been paying for property taxes on this utility property. This appears to have occurred in years when the land was in the plant held for future use account whether or not such land was included in KPCo's rate base.

Q. Please explain your adjustment on Exhibit RCS-1, Schedule C-12.

A. As shown on Exhibit RCS-1, Schedule C-12, my adjustment amortizes the $996,669 gain on the sale of the utility plant over three years for $327,240 per year on a Kentucky jurisdictional basis. Flowing the net gain realized by KPCo on the sale of the utility property back in the current rate case will help reduce the amount of the Company's requested rate hike on customers. AG witness Dismukes has raised concerns about the ability of KPCo's customers to pay for KPCo's requested rate increase. The three years for the amortization approximates KPCo’s rate case filing frequency

C-13, Cash Surrender Value of Life Insurance Policies

Q. Please explain your adjustment on Exhibit RCS-1, Schedule C-13.

A. According to the response to AG-2-087, the Company recorded expense associated with the cash surrender value of life insurance policies on former executives of KPCo totaling $27,323 in Account No. 9260036, Employee Benefits, in December 2016. This expense is included in the Company's proposed test year revenue requirement.

KPCo's ratepayers should not be responsible for paying for expenses for the cash surrender value of life insurance policies for former executives. As shown on Exhibit RCS-1, Schedule C-13, removing the expense for the cash surrender value of life insurance policies for former executives reduces test year operating expense by $26,941 on a Kentucky jurisdictional basis.

C-14, Interest Synchronization

Q. Please explain the adjustment on Exhibit RCS-1, Schedule C-14.

A. This adjustment would typically modify the Company's interest synchronization adjustment to reflect my recommended capitalization. However, AG witness Dr. Woolridge is not recommending any adjustments to KPCo's capitalization or to the cost rates for debt, as shown on Exhibit RCS-1, Schedule C-14, there is no net adjustment to state or federal income tax expense for interest synchronization in the current KPCo rate case.

C-15, Rate Case Expense

Q. How much rate case expense is KPCo requesting in the current case?

A. The Company has projected total rate case expense of $1,375,000 for the following components:

Description	Amount
Legal Expense	$ 510,000
Other Professional Services	$ 210,000
Publication Notices and Correspondences	$ 640,000
KPCo Overtime and Out of Pocket Costs	$ 15,000
Total Requested Rate Case Expense Per KPCo	$ 1,375,000
Source: Section V, Exhibit 2, Adjustment No. W19	

KPCo is requesting to amortize that over three years, for an annual rate case expense of $458,333 on a Kentucky jurisdictional basis.

Q. Has KPCo identified the firms to which the other professional services amounts relate?

A. Yes. KPCo's second supplemental response to KPSC-1-56 indicates that its rate case expense through August 31, 2017 includes amounts of $73,941 for two consulting firms: (1) Communication Counsel of America Inc., and (2) Financial Concepts and Applications, Inc.

Q. Is KPCo presenting witnesses from each of those firms?

A. KPCo's cost of capital witness Adrien M. Mackenzie is from the firm of Financial Concepts and Applications, Inc. However, none of KPCo's witnesses who filed direct testimony are from the firm Communication Counsel of America Inc.

Q. What does the firm Communication Counsel of America, Inc. do?

A. According to the firm's web site,[9] Communication Counsel of America, Inc. under the heading "What We Do", it states:

> At CCA, we focus on the services that deliver the greatest strategic impact at every phase of a crisis or critical event. We are specialists who learn everything there is to know about your most difficult communication challenges, help you develop a strategy to address those challenges, and then give you the tools to you need put that strategy into action. Through this process, we give you the ability – both immediately and in the future – to accomplish high-stakes objectives and protect your reputation and credibility in high-risk situations.
>
> Our services fall into the three basic categories of Strategy, Preparation, and Coaching. Depending on your specific needs, we often combine services from one or more of these categories. We might provide strategic guidance and counsel on aligning your corporate culture with the principles of honesty and openness, for example, and then conduct preparation labs that give executives the tools they need to apply these principles to real-world situations.

Q. Should KPCo ratepayers be charged for that cost?

A. No. KPCo's ratepayers should not be charged for rate case related costs for outside consulting services in which no witness is sponsoring testimony on KPCo's behalf. Additionally, the preparation of utility witnesses in a rate case is typically one of the functions of the lawyer, and KPCo has projected $510,000 for rate case legal expense. Therefore, the costs related to Communication Counsel of America, Inc., which totaled $33,391 as of August 31, 2017,[10] should be removed from the rate case expense charged to KPCo's ratepayers.

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[9] www.cca-consulting.com.
[10] See the second supplemental response to KPSC-1-56.

Q. Are you recommending an adjustment to also remove the remaining amount of rate case expense for this case?

A. Yes. In KPCo's last rate case, as well as in the current case, I have shown how much extra KPCo is being charged from an affiliate, AEP Generating Company, associated with a 12.16 percent ROE that is being applied on the Rockport Unit Power Sale. This was shown on Exhibit RCS-27 attached to my testimony in Case No. 2014-00396 and in Exhibit RCS-14 attached to my testimony in the current KPCo rate case (and discussed in Section XI of my testimony). Depending on the amount by which that outdated 12.16 percent Rockport ROE would be reduced to, a reduction in the Rockport ROE would save KPCo ratepayers about $455,000 to $875,000 per year. While this is not a conventional rationale for an adjustment to utility rate case expense, in the current case, I am recommending that the Commission order KPCo to file an application at FERC to get the Rockport UPS reduced before KPCo's next rate case, and to not allow KPCo rate case expense in the current case because the Rockport ROE has not been reduced since KPCo's last rate case, when this issue of excessive affiliate charges was brought to the Commission's attention. Apparently, KPCo will not seek to have these affiliated charges reduced on its own, as evidenced by the continuation of the cost to KPCo associated with the Rockport UPS's 12.16 percent ROE into the current case. In order to provide an "economic incentive" from the Kentucky PSC for KPCo to file an application at FERC to reduce the Rockport 12.16 percent ROE to a more reasonable level, KPCo's request for rate case expense in the current rate case should be rejected. KPCo's failure to take action to get its Rockport charges reduced by having the 12.16 ROE adjusted downwards since its last rate case appears to fit within an overall theme that AEP's business decisions are putting unreasonable costs onto KPCo. If strong actions are not undertaken by the Commission to remedy this situation, the costs of AEP business decisions become costs that are being borne by KPCo's ratepayers.

Q. Please explain the adjustment on Exhibit RCS-1, Schedule C-15.

A. As shown on Exhibit RCS-1, Schedule C-15, the first part of my adjustment removes $11,130, which is the amount billed to KPCo from Communications Counsel of America, Inc. through August 31, 2017, or $33,391 divided by the three year amortization period. The second part of my adjustment removes the remaining amount of annual rate case expense. As a result of this two-part adjustment, KPCo’s total rate case expense of $458,333 is being removed.

IX. KPCO RISK FOR MITCHELL PLANT ASH POND COSTS

Q. What is the Mitchell Plant and where is it located?

A. The Mitchell Plant is a 1,560 MW coal-fired plant located in Moundsville, West Virginia that is comprised of two coal-fired units.

Q. When did KPCo acquire a 50 percent undivided interest in the Mitchell Plant?

A. The Commission approved KPCo's request to acquire a 50 percent undivided interest in the Mitchell Plant in its Order dated October 7, 2013 in Case No. 2012-00578.

Q. What entity previously owned the Mitchell Plant?

A. Prior to KPCo acquiring a 50 percent undivided interest in the Mitchell Plant, it was owned by Ohio Power Company.

Q. What entity came to own the remaining 50% interest of the Mitchell Plant?

A. In an order dated December 30, 2014, in Case No. 14-0546-E-PC, the West Virginia Public Service Commission granted permission for Wheeling Power Company ("Wheeling") to acquire the remaining 50% interest in the Mitchell Plant, but specifically excluded the Connor Ash Impoundment and the Connor Dam.[11]

Q. As a result of the transfer of the 50% interest in the Mitchell Plant, did KPCo acquire an ownership interest in any of the ash ponds located at the Mitchell Plant?

A. In its public response to AG_D_WP_9, KPCo stated that upon the closing of the Commission and FERC-approved transfer of an undivided 50% interest in the Mitchell Plant, KPCo assumed the liabilities for 50% of Mitchell Plant's asset retirement obligations ("AROs"). The Mitchell Plant AROs include two ash ponds located at the plant, the Mitchell Bottom Ash Pond, and the Conner Run Impoundment.[12] In addition to acquiring an ownership interest in the Conner Run Impoundment, KPCo acquired an ownership interest in the Conner Run Dam. Additionally, KPCo acquired a 50% ownership interest in the Mitchell Wastewater Pond, which is not used for ash storage. The Conner Run Impoundment, which holds wet fly ash, has been utilized by three facilities: the Mitchell Plant, the adjacent non-jurisdictional and now-retired Kammer

[11] A copy of that decision is presented in Exhibit RCS-22.
[12] Source: KPCo response to PSC 1-54, Attachment 2.

Plant, and a nearby coal mine ("The Marshall County Mine") owned by Consolidation Coal Company ("CCC").

Q. Given KPCo's response to AG_D_WP_9, have the ownership interests in the Mitchell Plant ash ponds been clarified?

A. Not entirely. The West Virginia Public Service Commission's order of December 30, 2014 cited above expressly stated that Wheeling's ownership interest in the Mitchell Plant excluded the Conner Run Impoundment and Conner Run Dam.

Q. If Wheeling does not own the remaining 50% interest in the Conner Run Impoundment and Dam, who does?

A. Although the answer is not entirely clear, the remaining owner may be an AEP affiliate, AEP Generation Resources.

Q. Why is it important to clarify ownership of the Mitchell ash ponds?

A. In the likely event that one or both ponds require environmental remediation, ownership will play a role in determining which entities are assessed the costs associated with such a remediation.

Q. Has KPCo removed costs associated with the Mitchell Plant's AROs from rate base for purposes of the current rate case?

A. Yes, but I believe other issues regarding the ash ponds could pose major risks for the Company and its ratepayers.

Q. When did KPCo acquire its ownership in the ash ponds located at the Mitchell Plant?

A. As the transfer of the Mitchell Plant closed on December 31, 2013, this would be the same date that KPCo acquired the ownership interest in the Mitchell ash ponds.[13]

Q. Does the Mitchell Plant currently utilize dry fly ash handling?

A. Yes. At some point prior to March 2015, the Mitchell Plant ceased placing fly ash into the Conner Run Impoundment, and instead began utilizing a dry fly ash handling system that results in the fly ash being placed into landfills located at the Mitchell Station.[14]

Q. For how long was the wet fly ash handling occurring at the Mitchell plant site after KPCo acquired its 50% ownership interest?

A. For approximately one year.

Q. Does KPCo still retain a 50% ownership interest in the Conner Run Impoundment and the Conner Run Dam?

A. No. On July 2, 2015, AEP entered a contract with CCC for the latter to acquire ownership and operational responsibility in both the Conner Run Impoundment and the Conner Run

[13] See, e.g., Case No. 2012-00578, post case files, “Kentucky Power Company Notification Regarding the Mitchell Generating Station,” filed Jan. 6, 2014.
[14] See Case No. 2012-00578, post case files, “Mitchell Generating Plant: March 2, 2015 Annual Performance Report and Report on Potential Impacts of Future Environmental Regulations,” filed March 2, 2015.

Dam. That contract is discussed at length in a document entitled "Conner Run Impoundment Transition and Joint Use Operating Agreement" ("the Agreement"). [15]

Q. Does the sale of the Conner Run Impoundment and the Conner Run Dam mean that KPCo's potential liabilities for any future environmental remediation at or near any of the Mitchell ash ponds has ceased?

A. Not necessarily. In general, the Agreement states that CCC assumes full responsibility for closure, remediation, assessment, and reclamation of the Conner Run Dam and Impoundment. However, in the event CCC's Marshall County Mine mining operations cease which also results in a "final closure / reclamation obligation"[16] within certain pre-specified timeframes, then AEP remains obligated to fund pre-determined portions of the costs associated with the final closure and reclamation obligation. Those amounts are set forth in the following table, as copied from page 16 of the Agreement:

If Final Closure of the Conner Run Impoundment commences on or after the Effective Date and by the date set forth below:	AEP will contribute the following percentage of the actual costs of closure:	Up to a maximum amount of:
June 1, 2017	50 %	$ 31,500,000
June 1, 2018	48 %	$ 27,882,500
June 1, 2019	45 %	$ 24,480,000
June 1, 2020	43 %	$ 21,292,000
June 1, 2021	40 %	$ 18,320,000
June 1, 2022	38 %	$ 15,562,000
June 1, 2023	35 %	$ 13,020,000
June 1, 2024	33 %	$ 10,692,500
June 1, 2025	30 %	$ 8,580,000
June 1, 2026	28 %	$ 6,682,500
At any time after June 1, 2027	25 %	$ 5,000,000

[15] KPCo public response to AG-D-WP-10, Attachment 2.

[16] The Agreement at p. 17 defines this term as ". . . the ultimate cessation of use of the Conner Run Dam and Impoundment and the reclamation, contouring, placement of final cover, and other activities associated with the final closure of the Conner Run Dam and Impoundment, and does not include any reconfiguration or interim reclamation activities prior to the cessation of use of the Conner Run Dam and Impoundment."

KPCo's parent company, AEP, therefore remains financially responsible for a portion of costs associated with any potential environmental remediation of the Conner Run Impoundment, which is the largest of the ash ponds located at the Mitchell Plant.

Q. What party has the authority to determine if and when the Conner Run Impoundment needs to undergo environmental remediation?

A. According to the terms of the Agreement, that decision lies solely with CCC.

Q. Does the Agreement specify which AEP affiliate(s) will be responsible for contributing toward the costs of any potential "final closure / reclamation obligation"?

A. No, the Agreement makes no such specification. The Agreement was entered into on behalf of "Kentucky Power Company/dba AEP," and throughout the body of that document the name "AEP" is utilized. However, the signature block bears the name "Kentucky Power Company."

Q. What is KPCo's understanding of its monetary obligations in the event of a potential "final closure / reclamation obligation"?

A. In its public response to AG_D_WP_10 (c), KPCo states that if such an event occurs, it will be held responsible for one-half of any costs attributable to ash deposited from the Mitchell plant, while AEP Generation Resource would be responsible for the remaining 50% of closure and reclamation costs attributable to Mitchell. KPCo places no time limit on this statement, thus it appears KPCo believes it could be responsible for 50% of the ash pond remediation costs attributable to Mitchell, from the day the plant first started operations.

Q. Do you believe it would be appropriate to require KPCo ratepayers to pay for ash pond remediation costs relating back to a period in time when KPCo did not own a 50% interest in the Mitchell plant?

A. No, and any attempt to do so would be unconscionable. In the event of any potential "final closure / reclamation obligation" at Conner Run, it would be inequitable, unfair and possibly contrary to law, to hold KPCo or its ratepayers responsible for any portion of the costs in excess of the proportion of ash deposits that occurred while wet fly ash processing was in place prior to December 31, 2013. Cost causation should be attributed to entities which cause costs to be incurred. In this case, Ohio Power Company, another AEP subsidiary, owned the Mitchell plant from 1971 through December 31, 2013, and it is that entity (or AEP, the parent company) that should bear the costs related to the ash that was deposited in Conner Run during that time frame, not KPCo. When Ohio deregulated its market for electric generation, AEP began efforts to shift ownership in older Ohio Power owned coal-fired generating plants, like Mitchell, into states like Kentucky (and West Virginia) where the AEP subsidiaries like KPCo (and Wheeling Power) have remained vertically integrated electric utilities with cost-based regulation for electric generating plants. AEP's Mitchell generating plant ownership transfer places KPCo, and potentially KPCo ratepayers, at risk to be responsible for these ash pond remediation costs because Kentucky adheres to a fully regulated, vertically integrated regulatory scheme that allows for cost recovery, quite unlike Ohio's current deregulated environment for electric generation where cost recovery is not guaranteed and is based on market prices for generation.

Q. What do you recommend?

A. I recommend that the Commission require KPCo to clarify the responsibility among CCC, itself and other AEP affiliates for the Mitchell Plant ash pond remediation costs, including but not limited to costs associated with the Connor Creek Impoundment and Connor Creek Dam.

X. KPCO'S REQUESTED ENVIRONMENTAL SURCHARGE FOR THE ROCKPORT UNIT 1 SCR

Q. Do you have any other concerns regarding environmental costs at generating plants from which KPCo receives electricity?

A. I do. Specifically, I have concerns with the Company's requested recovery of Rockport Unit 1 SCR costs from KPCo ratepayers. KPCo is requesting approximately $3.9 million of annual revenue for an environmental surcharge related to the Rockport Unit 1 SCR. I do not believe this amount should be recovered from KPCo's customers.

Q. Why not?

A. KPCo's customers have seemingly been paying increasing amounts for environmental costs as a result of an EPA Consent Decree that was entered into by AEP.[17] The purpose of the Consent Decree that AEP signed was to "settle[] outstanding litigation . . . that

[17] See Case No. 2017-00179, Elliott direct testimony, pp. 6-7.

stemmed from differences in interpretation of various NSR requirements associated with coal unit maintenance practices. The AEP Companies admitted no violations of law and all claims against them were released."[18] Although the Consent Decree was a conclusion to litigation involving certain AEP owned generating facilities, neither Big Sandy nor Rockport were included in any pleading until "the Consent Decree [was] lodged with the Court by parties in October 2007."[19] Regardless of the procedure that led up to the Consent Decree's filing in 2007, the Consent Decree played an important role in the decisions to close Big Sandy Unit 2 and to transfer a 50% undivided interest in the Mitchell Facility to KPCo.[20] It is obvious from the Application in the Mitchell transfer case that one of the "selling points" of having KPCo acquire a 50% interest in the Mitchell plant was that the "units are environmentally controlled."[21] Of course, following the transfer of the 50% interest in Mitchell to KPCo, environmental costs and risks to KPCo continue. Among the increased environmental costs KPCo is seeking to charge to its ratepayers in the current case is the approximately $3.9 million annual revenue increase that is being requested as an environmental surcharge for the Rockport Unit 1 SCR.

Q. Were the units at the Big Sandy and Rockport stations identified in the original or amended complaints that led to the AEP Consent Decree?

A. No.

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[18] 2012-578, Application McManus p. 4 12-19-2012
[19] KPCo Response to AG_2_045, Case No. 2017-00179.
[20] See 202-578 Application McDermott p. 14, wherein McDermott provides support that shutting down Big Sandy 2 and replacing it with a purchase of 50% of Mitchell is the least-cost approach. Therein, Mr. McDermott states that Mitchell has the environmental controls necessary to meet the Company's obligations under the Consent Decree and that making similar environmental investments in Big Sandy 2 "is not as cost effective as transferring a share of Mitchell."
[21] 2012-578, Application, Pauley direct testimony, p. 16

Q. Then how did those two stations wind up being subject to the Consent Decree?

A. It appears that in settlement negotiations, AEP voluntarily offered to make environmental upgrades at certain generating stations, usually in regulated states, in order to optimize its position in the lawsuits, and to provide lower cost solutions at other non-Kentucky jurisdictional electric generating plants. In fact, in a recent ruling from the U.S. Sixth Circuit Court of Appeals discussing the Consent Decree, particularly the effect it has on Rockport 2 and its associated environmental costs, the Court noted that although Rockport had not been mentioned in the EPA's complaints, "the EPA gained the ability to impose the scrubber requirement only by virtue of the consent decree agreed to by its lessees [AEP] – one whereby **AEP traded away Rockport 2's long-term value** in exchange for more favorable settlement of claims against other [AEP] interests."[22] The current litigation surrounding the Rockport units seemingly stems from the 2013 modification to the Consent Decree whereby AEP and the other parties agreed to extend the date of compliance for Rockport, as well as agreed to modify the agreement to mandate that Big Sandy 2 be "Retrofit[ted], Retire[d], Re-power[ed], or Refuel[ed]."[23]

Q. Are you saying that AEP made decisions in settling federal court litigation without the approval of the Kentucky Public Service Commission that has resulted in KPCo ratepayers paying higher rates?

A. Yes, and KPCo has acknowledged this in its responses to AG 1-2 (d) – (k).

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[22] Wilmington Trust Co. v. AEP Generating Company, No 16-3496 No 2:13-cv-01213 June 8, 2017, p 8 (emphasis added).
[23] 3rd modified consent decree p. 7 filed 2-22-2013, provided in Exhibit RCS-18.

Q. In what ways has AEP's signing the Consent Decree affected KPCo and its customers?

A. It is important to understand that the impact of AEP's entering into the Consent Decree is on-going, and will continue into the foreseeable future unless the Commission and/or KPCo take measures to alleviate the situation. In addition to KPCo's request in the current case to recover approximately $3.9 million in an environmental surcharge related to costs for installing an SCR at Rockport Unit 1, KPCo customers continue to pay for the following costs, in one form or another:

1) the Big Sandy Unit 2 retirement;

2) the Big Sandy Unit 1 fuel conversion;

3) the environmental remediation of the Big Sandy ash pond; and

4) the operation of 50% of the Mitchell plant.

This is all in addition to the very real potential for significant remediation costs stemming from the aforementioned Mitchell ash ponds associated with KPCo's previous, albeit brief, ownership of them.

Q. What has the effect been on KPCo customers stemming from Rockport's inclusion in the Consent Decree?

A. The ultimate impact on KPCo's customers in regards to Rockport's inclusion in the Consent Decree is yet to be determined, particularly given the intense litigation involving it. Needless to say, given the significant interest in the Consent Decree and the ongoing litigation, the ultimate price to KPCo customers for environmental controls at Rockport is still unknown. However, one of the agreements reached in the Consent Decree is that a Flu-gas desulfurization (FGD) unit must be installed at Rockport 2 by 2028 at an estimated cost of approximately $1.4 billion,[24] or else the unit must be retired, replaced, re-powered, or refueled.

Thus the initial impact on KPCo customers of Big Sandy's inclusion in the Consent Decree was to shutter their own Kentucky in-state generation, which had provided significant economic benefits to the service territory and the state as a whole. This was done to benefit AEP and its other AEP operating companies at the expense of KPCo and its customers.[25] To add insult to injury, KPCo customers are now being asked to pay for even more costs at Rockport (e.g., for increased environmental costs for a Rockport Unit 1 SCR) and are possibly on the hook for major upgrades in the not-too-distant future. Despite the fact that neither Big Sandy nor Rockport were identified in the initial EPA pleadings that ultimately led to the Consent Decree, these impacts from AEP business decisions have been, are, and will continue to be major on KPCo and its ratepayers.[26]

Q. Given the increasing amount of environmental costs that KPCo's customers are being asked to bear as a result of AEP business decisions that resulted in the Consent

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[24] Cook, Amanda Durish. "AEP Must Install Scrubbers at Indiana Coal Plant, Court Rules." *RTO Insider,* April 18, 2017, www.rtoinsider.com/aep-scrubbers-rockport-generating-station-41797/. A copy of the article is provided in Exhibit RCS-19.

[25] See Amended Opinion from the Sixth Circuit Court of Appeals dated June 8, 2017 in an Appeal from the United States District Court naming AEP Generating Company and Indiana Michigan Power Company as a defendant against Wilmington Trust Company acting in its capacity as owner trustee of AEGCO Trust 1, AEGCO Trust 2, AEGCO Trust 5, I&M Trust 1, I&M Trust 2 and I&M Trust 5, provided as Exhibit RCS-20.

[26] KPCo Response to AG_2_045.

Decree, are there any equitable measures that the Commission can take to alleviate the growing burden on KPCo customers?

A. Yes. Through the entire Consent Decree litigation process, KPCo and its customers were at the mercy of AEP's decisions. If the Commission is interested in finding amounts to remove from recovery from KPCo's customers, it can consider disallowing all or a portion of the costs currently being recovered by KPCo through the Big Sandy (Unit 2) Retirement Rider. The sums that KPCo's customers pay under this rider each year are in addition to the sums that KPCo customers pay for the replacement generation, i.e., for KPCo's 50% ownership of the Mitchell Plant. But for the AEP Consent Decree, the retirement of Big Sandy Unit 2 and the purchase of the 50 percent undivided interest in the Mitchell Plant by KPCo might not have been necessary.

Q. How much are KPCo's customers paying annually for the Big Sandy Retirement Rider?

A. According to KPCo's 2017 Annual Update, KPCo's customers are paying a levelized payment of $1.68 million per month through June 2040. These payments started in July 2017 and would ultimately equal $463,673,134. Almost half of that is carrying charges.

Q. Could AEP weather an occurrence such as the non-recovery of the remaining net book value of Big Sandy Unit 2 at the time that unit was retired?

A. Yes, they could. In recent years, AEP made the business decision to exit the electric generating business in "unregulated" states that treat the recovery of costs much differently than in Kentucky. In 2016, AEP reported a $2.3 billion pre-tax write-down in an attempt to exit the "unregulated" Ohio market for electric generation.[27] In fact, in response to discovery requests from Commission Staff, the Company acknowledged the impairment of its investment in electric generating facilities in "unregulated" jurisdictions for electric generation, like Ohio, although it noted the amount was $2.2 billion.[28]

KPCo's remaining customers are being asked to pay more as its customer base shrinks.[29] It is commonly cited that regulation should serve as a surrogate for competition to the furthest extent possible.[30] If AEP is willing to write-down $2.2 billion for electric generating facilities operating in a competitive market for business reasons, it raises the question why they are unable or unwilling to do so in a regulated state like Kentucky, where the utility customers in Eastern Kentucky continue to struggle economically, as explained in AG witness Dismukes' testimony. Writing off some of the costs of generation that was retired for economic reasons could help KPCo hold down its rates and help ensure that customers are able to pay their electric bills. As discussed in Dr. Dismukes' testimony, if KPCo is serious about economic development and making its rates more competitive with surrounding utilities, it should consider any option that leads to ultimate positive outcomes for customers and the Company. Such a write-down of KPCo's retired plant costs is all the more imperative given the fact that KPCo's service territory is suffering economically and KPCo has been losing customers in the residential,

[27] Knox, Tom. "AEP takes $2.3B write-down of coal plants to avoid Ohio's 'deregulation debacle." *Columbus Business First*, Nov. 1, 2016, www.bizjournals.com/columbus/news/2016/11/01/aep-takes-2-3b-write-down-of-coal-plants-to-avoid.html
[28] KPCo Response to KPSC_3_033
[29] KPCo witness Satterwhite's testimony, at p. 3, noted that over 2,300 customers have left the KPCo territory since September 2014.
[30] Bonbright, James C., et al. "Chapter 7 Competitive Price as a Rate Regulation Standard." *Principles of Public Utility Rates*, 2nd ed., Public Utilities Reports, Inc., Arlington, VA, 1988, p. 141.

commercial, and industrial classes.[31] If KPCo and AEP are in fact committed to making the KPCo service territory once again competitive with other territories both in Kentucky and surrounding states, the Commission should carefully consider this option.

XI. ROCKPORT PLANT UNIT POWER SALES AGREEMENT - RETURN ON EQUITY OF 12.16 PERCENT

Q. Is KPCo being charged from an affiliate with respect to a Unit Power Sales agreement related to the Rockport Plant?

A. Yes. KPCo is charged from AEP Generating Company[32] ("AEGCO") under a Unit Power Sales agreement related to the Rockport Plant. Under this arrangement, AEGCO charges KPCo for 30 percent of the costs of the Rockport Plant that are covered in the Unit Power Sales agreement and charges the other 70 percent to another affiliate, Indiana and Michigan Power Company ("IMPC" or "I&M").

Q. Approximately how much were the Rockport Plant UPA related charges to KPCo for the 12 months ending February 28, 2017?

A. Invoices were provided by KPCo in response to KIUC 1-43, showing the charges for the Rockport UPA from AEGCO to KPCo. The total charges for the 12 months ending February 28, 2017 were approximately $100 million, including $48.22 million for fuel (account 5550046) and $51.8 million for non-fuel (account 5550027) charges.

[31] See generally KPCo witness Satterwhite testimony.
[32] See, e.g., Exhibit RCS-15 for copies of invoice excerpts, Exhibit RCS-14 for a summary of charges from AEP Generating Company to KPCo, and Exhibit RCS-13 for copies of selected responses to discovery.

Q. Do the charges to KPCo under this affiliated contract include a return on equity component?

A. Yes, the non-fuel charges from AEP Generating Company to KPCo (and to I&M) include a return on equity component that is based on a 12.16 percent ROE.

Q. Have you adjusted those charges that are related to the 12.16 percent ROE?

A. No, not in the current case. It appears that an adjustment of the ROE included in that affiliated unit power sales contract must be addressed at the Federal Energy Regulatory Commission ("FERC").[33] A provision in the agreement addressing this provides as follows:[34]

> 1. Return on Equity
>
> The return on common equity allowance shall be based upon a rate of return of 12.16% as set forth in sub-paragraph (a) above.
>
> In October of 1988, and every October thereafter for the effective duration of AEGCO's formula rate, **<u>any purchaser under AEGCO's two unit power agreements, any state regulatory commission having jurisdiction over the retail rates of purchasers under these agreements, or any other entity representing customers' interest, may file a complaint with the Commission with respect to the specified rate of return on common equity. If the Commission, in response to such a complaint, or on its own motion, institutes an investigation into the reasonableness of the specified return on common equity, such investigation shall be pursued under the special procedures set forth as follows:</u>**
>
> **<u>A. The only issue to be addressed under these special procedures shall be the continued collection of the return on equity as incorporated in the formula rate; and</u>**

[33] The FERC is referred to as "the Commission" in the following quoted passage.
[34] See, e.g., KPCo's response to AG 1-2, Attachment 1, page 8 of 32.

> **B. Refund will be due, should the return on equity, specified in the formula be found not just and reasonable, dating from the first day of January immediately following the date the complaint is filed or an investigation is instituted by the Commission on its own motion, calculated on the resulting difference in rates due to the application of the return found to be just and reasonable and the return stated in the formula.** The first such effective date for the calculation of refunds shall be January 1, 1989.
>
> Any other complaint which challenges the justness and reasonableness of any other component of the filed formula rate or any other complaint filed at any other time which challenges the justness and reasonableness of the specified rate of return on common equity and which is set for investigation by the Commission shall be pursued under Section 206 of the Federal Power Act.
>
> (Emphasis supplied.)

Q. How much were the return on equity charges from AEGCO to KPCo for the 12 months ending February 28, 2017?

A. As summarized on Exhibit RCS-14 and shown on the excerpts of the AEGCO invoices to KPCo, which are reproduced in Exhibit RCS-15, the affiliated charges to KPCo for Return on Equity for this period were approximately $3.409 million for unit 1 and $2.988 million for units one and two combined.[35]

Q. Do you also show the potential annual and total savings, if the affiliate-charged ROE of 12.16% was reduced?

A. Yes. Exhibit RCS-14 also includes illustrative estimates of the annual and total savings if the affiliate-charged ROE of 12.16% in the Rockport UPA was reduced to each of these:

(1) KPCo's requested ROE of 10.31%.

[35] For the 12 month period ending February 28, 2017, the Return on Equity charges billed by AEP Generating Company to KPCo for Rockport Unit 2 were negative.

(2) KPCo's currently authorized ROE of 10.25%.

(3) The AG's recommended ROE of 8.60%

Q. What do you recommend?

A. I recommend that the Commission and any other parties that are concerned that the 12.16 percent ROE being used as the basis for charges to KPCo in this affiliated contract is excessive address the matter before FERC as soon as possible. This source of excess charges to KPCo customers was raised in KPCo's last rate case, yet KPCo has apparently done nothing to have the 12.16 percent ROE reduced. The Commission should also consider disallowing KPCo's rate case expense in the current proceeding and direct KPCo not to file another Kentucky rate case until the excessive 12.16 percent return in this affiliate charge arrangement has been addressed and the related affiliated charges to KPCo are accordingly reduced. The Commission should also consider establishing an Affiliate Charge ROE-Reduction Rider for KPCo in order to flow back to ratepayers the impact of the cost reductions to KPCo that could be achieved by having the 12.16 percent ROE in this affiliated contract reduced by the FERC, and requiring KPCo to present an accounting of the Return on Common Equity portion of the AEP Generating Company charges to KPCo that are related to an ROE reduction and to report on any refunds from AEPCO to KPCo relating to such a reduced affiliated contract ROE.

XII. PURCHASE POWER ADJUSTMENT RIDER

Q. Is the Company proposing to include certain cost of service items in the Purchase Power Adjustment Rider?

A. Yes. As discussed on page 26 of the direct testimony of Company witness Vaughn, KPCo is proposing that the following cost of service items to be tracked and recovered through Tariff PPA: (1) various PJM Open Access Transmission Tariff ("OATT") charges and credits that KPCo incurs or receives from its participation as a load serving entity ("LSE") in the organized wholesale power markets of the PJM RTO; (2) purchase power costs excluded from recovery through the FAC pursuant to the purchased power limitation; (3) gains and losses from incidental gas sales.

Q. What is the AG's position on the Company's proposal to include the aforementioned cost of service items in the Purchase Power Adjustment Rider?

A. I am advised by counsel that the OAG's position on the Company's proposal is that these cost of service items should continue to be collected through base rates as KPCo has not demonstrated a compelling reason to have these cost of service items tracked and recovered through Tariff PPA.

Q. Does your analysis include any findings regarding the ability of KPCo customers to pay any increase?

A. No, but OAG witness David Dismukes did provide testimony on this subject.

Q. Does this conclude your testimony?

A. Yes, it does.

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

Electronic Application of Kentucky Power Company For (1) A General Adjustment of Its Rates for Electric Service; (2) An Order Approving Its 2017 Environmental Compliance Plan; (3) An Order Approving Its Tariffs and Riders; (4) An Order Approving Accounting Practices to Establish a Regulatory Asset or Liability Related to the Big Sandy 1 Operation Rider; and (5) An Order Granting All Other Required Approvals and Relief	)	CASE No. 2017-00179

AFFIDAVIT OF Ralph Smith

State of Michigan)

Ralph Smith, being first duly sworn, states the following: The prepared Pre-Filed Direct Testimony and the Schedules attached thereto constitute the direct testimony of Affiant in the above-styled case. Affiant states that he would give the answers set forth in the Pre-Filed Direct Testimony if asked the questions propounded therein. Affiant further states that, to the best of his knowledge, his statements made are true and correct. Further affiant saith not.

Ralph C Smith

SUBSCRIBED AND SWORN to before me this 3 day of October, 2017.

Hugh Larkin Jr
NOTARY PUBLIC

My Commission Expires:

HUGH LARKIN JR
NOTARY PUBLIC, STATE OF MI
COUNTY OF WAYNE
MY COMMISSION EXPIRES Sep 13, 2019
ACTING IN COUNTY OF

EXHIBIT RCS-1

Kentucky Power Company
Case No. 2017-00179
Exhibit RCS-1
Accompanying the Direct Testimony of Ralph Smith

Kentucky Power Company
Calculation of Revenue Deficiency (Sufficiency)

Test Year Ended February 28, 2017

Line No.	Description	Reference	Per Company (A)	Per AG (B)	Difference (C)
1	Adjusted Capitalization	Sch B	$ 1,191,785,493	$ 1,191,785,493	$ -
2	Rate of return	Sch D	6.75%	6.03%	
3	Net operating income required		$ 80,445,521	$ 71,912,337	$ (8,533,184)
4	Adjusted net operating income	Sch C	$ 43,690,670	$ 47,647,104	$ 3,956,434
5	Net operating income deficiency (Sufficiency)		$ 36,754,851	$ 24,265,233	$ (12,489,618)
6	Gross revenue conversion factor	Sch A-1	1.643251	1.643342	
7	Revenue deficiency (Sufficiency)		$ 60,397,438	$ 39,876,068	$ (20,521,370)
8	Home Energy Assistance Program (HEAP)		$ 81,667	$ 81,667	$ -
9	Kentucky Economic Development Surcharge (KEDS)		$ 203,224	$ -	$ (203,224)
10	Environmental Surcharge Related to Rockport Unit 1 SCR		$ 3,903,056	$ -	$ (3,903,056)
11	Total Increase		$ 64,585,385	$ 39,957,735	$ (24,627,650)
12	Adjusted operating revenues	Sch C	$ 499,134,503	$ 499,301,200	$ 166,698
13	Revenue requirement	Sch C	$ 563,719,888	$ 539,258,935	$ (24,460,953)
14	Revenue increase, percent		12.94%	8.00%	

Notes and Source
Col.A: Section V, Schedule 2 from Company Supplemental filing
Col.B: See referenced schedules
Col.C: Col B - Col. A

Kentucky Power Company
Revenue Requirement Reconciliation

Test Year Ended February 28, 2017

Exhibit RCS-1
Schedule A
Case No. 2017-00179
Page 2 of 2

Line No.	Description	Exhibit RCS-1 Schedule Reference	Component	AG Adjustments (A)		AG Multiplier (B)	AG Revenue Requirement Amount (C)
1		D	ROR Difference			-0.72%	
2	**Jurisdictional Capitalization**	A-1	GRCF		x	1.643342	
3	Capitalization per KPCo's Filing	B		$ 1,191,785,493		-1.177%	$ (14,022,937)
4		D	Rate of Return			6.03%	
5	**Effect of AG Adjustments to Rate Base**	A-1	GRCF		x	1.643342	
				Sch B.1			
6	Cash Working Capital	B-1		$ -		9.92%	$ -
7	Total AG Rate Base Adjustments			$ -			
8	**AG Adjusted Capitalization**	B&D		$ 1,191,785,493			
9	**Net Operating Income**		Pre-Tax Operating Income Amount	NOI Amount Sch C.1		AG GRCF Sch. A-1	
	Effect of AG Adjustments on NOI						
10	Theft Recovery Revenue	C-1	$ 166,698	$ 101,989		1.643342	$ (167,602)
11	Payroll Expense - Employee Merit Increase	C-2	$ 57,205	$ 34,999		1.643342	$ (57,516)
12	Overtime Payroll Expense Related to Employee Merit Increase	C-3	$ 4,148	$ 2,538		1.643342	$ (4,170)
13	Payroll Tax Expense	C-4	$ 48,362	$ 29,589		1.643342	$ (48,624)
14	Incentive Compensation Expense	C-5	$ 1,350,120	$ 826,027		1.643342	$ (1,357,445)
15	Stock-Based Compensation	C-6	$ 1,746,748	$ 1,068,691		1.643342	$ (1,756,224)
16	Savings Plan Expense	C-7	$ 1,102,496	$ 674,526		1.643342	$ (1,108,477)
17	Supplemental Executive Retirement Program ("SERP") Expense	C-8	$ 58,726	$ 35,929		1.643342	$ (59,044)
18	Affiliate Charges for Corporate Aviation Expense	C-9	$ 382,769	$ 234,185		1.643342	$ (384,845)
19	Storm Damage Expense	C-10	$ 595,932	$ 364,602		1.643342	$ (599,165)
20	Relocation Expense	C-11	$ 140,972	$ 86,249		1.643342	$ (141,737)
21	Gain on Sale of Utility Property	C-12	$ 327,240	$ 200,211		1.643342	$ (329,015)
22	Cash Surrender Value of Life Insurance Policies	C-13	$ 26,941	$ 16,483		1.643342	$ (27,087)
23	Interest Synchronization	C-14	$ -	$ -		1.643342	$ -
24	Rate Case Expense	C-15	$ 458,333	$ 280,417		1.643342	$ (460,820)
25	Total AG Adjustments to Operating Income	C.1	$ 6,466,690	$ 3,956,434			
26	Net Operating Income per Company Filing	C		$ 43,690,670			
27	**AG Adjusted Net Operating Income**	C		$ 47,647,104			
	Gross Revenue Conversion Factor Difference:						
28	Per AG	A-1				1.643342	
29	Per Company	A-1				1.643251	
30	Difference					0.000091	
31	Company Adjusted NOI Deficiency	A				$ 36,754,851	
32	GRCF Difference						$ 3,340
33	AG REVENUE REQUIREMENT ADJUSTMENTS ABOVE						$ (20,521,368)
34	Company Requested Base Rate Revenue Increase (Decrease)	A					$ 60,397,438
35	Reconciled Revenue Requirement						$ 39,876,070
36	Revenue Requirement Calculated on Schedule A	A					$ 39,876,068
37	Difference Not Accounted for Above	A					$ 2

Notes and Source

Pre-tax return computed using Gross Revenue Conversion Factor

Cash Working Capital does not flow through to the capitalization, thus CWC has no impact on the revenue requirement

Kentucky Power Company
Gross Revenue Conversion Factor

Test Year Ended February 28, 2017

Line No.	Description	Reference	Tax Rates	Per Company (A)	Per AG (B)
1	Operating Revenues			100.00%	100.0000%
2	Uncollectible Accounts Expense	Note A		0.34%	0.3400%
3	KPSC Maintenance Fee	Note A		0.19%	0.1996%
4	Income Before State Taxes			99.47%	99.4604%
5	Less: State Income Taxes	Note A	5.8742%	5.84%	5.8425%
6	Income Before Federal Income Taxes			93.62%	93.6179%
7	Less: Federal Income Taxes	Note A	35.00%	32.77%	32.7663%
8	Operating Income Percentage			60.85%	60.8516%
9	Gross Revenue Conversion Factor	Note A		1.643251	1.643342

Notes and Source

[A] Section V, Exhibit 1, Workpaper S-2, page 2 from KPCo filing
[B] Per the response to KPSC-2-011, on June 1, 2017, the Kentucky Department of Revenue provided the new assessment rate for FY 2017-2018

Line No.	Description			
10	Combined state and federal income tax rate	(L5 + L7) / L4	38.8182%	

Components of Base Rate Revenue Change

Line No.	Description	Percent	Per AG
11	Revenue Change		$ 39,876,068
	Change in Expenses and Net Operating Income:		
12	Uncollectible Accounts Expense	0.34%	$ 135,579
13	KPSC Maintenance Fee	0.19%	$ 77,399
14	State Income Taxes	5.84%	$ 2,329,898
15	Federal Income Taxes	32.77%	$ 13,066,617
16	Net Operating Income	60.85%	$ 24,266,575
17	Total Revenue Change	100.00%	$ 39,876,068

Kentucky Power Company
Adjusted Rate Base

Test Year Ended February 28, 2017

Exhibit RCS-1
Schedule B
Case No. 2017-00179
Page 1 of 1

Line No.	Description	Company Proposed (A)	AG Adjustments (B)	AG Proposed (C)
	RATE BASE			
	Electric Utility Plant			
1	Electric Plant in Service - Original Cost	$ 2,238,076,966	$ -	$ 2,238,076,966
2	Electric Plant Held for Future Use	$ 626,976	$ -	$ 626,976
3	Construction Work in Progress	$ 25,944,903	$ -	$ 25,944,903
4	**Total Electric Utility Plant**	$ 2,264,648,845	$ -	$ 2,264,648,845
5	Accumulated Provision for Depreciation & Amortization	$ (764,544,392)	$ -	$ (764,544,392)
			$ -	
6	**Net Electric Utility Plant**	$ 1,500,104,453	$ -	$ 1,500,104,453
	Materials and Supplies			
7	Fuel / Allowance Inventory	$ 22,144,134	$ -	$ 22,144,134
8	Production M&S Inventory	$ 11,446,678	$ -	$ 11,446,678
9	Production M&S Inventory	$ 331,383	$ -	$ 331,383
10	Transmission M&S Inventory	$ 351,591	$ -	$ 351,591
11	Distribution M&S Inventory	$ 2,070,789	$ -	$ 2,070,789
12	Total Materials and Supplies	$ 36,344,575	$ -	$ 36,344,575
	Additions to Rate Base			
13	Prepayments	$ 49,905,719	$ -	$ 49,905,719
14	Cash Working Capital	$ 19,694,529	$ (740,549)	$ 18,953,980
15	Total Additions to Rate Base	$ 69,600,248	$ (740,549)	$ 68,859,699
	Deductions from Rate Base			
16	Customer Advances & Deposits	$ (27,076,876)	$ -	$ (27,076,876)
17	Accumulated Deferred Income Taxes	$ (384,084,108)	$ -	$ (384,084,108)
18	Total Deductions from Rate Base	$ (411,160,984)	$ -	$ (411,160,984)
19	Total Rate Base	$ 1,194,888,292	$ (740,549)	$ 1,194,147,743
20	Jurisdictional Capitalization - see page 2	$ 1,191,785,493	$ -	$ 1,191,785,493

Notes and Source
Col. A: Amounts from Section V, Schedule 4 from KPCo's filing
Col. B: See Schedule B-1

Kentucky Power Company
Summary of Adjustments to Rate Base

Test Year Ended February 28, 2017

Exhibit RCS-1
Schedule B.1
Case No. 2017-00179
Page 1 of 1

Line No.	Description	AG Adjustments	Cash Working Capital
			B-1
	Electric Utility Plant		
1	Electric Plant in Service - Original Cost	$ -	
2	Property Under Capital Leases	$ -	
3	Electric Plant Held for Future Use	$ -	
4	Construction Completed Not Classified	$ -	
4	Accrued Capital Leases	$ -	
5	Construction Work in Progress	$ -	
6	**Total Electric Utility Plant**	$ -	$ -
7	Accumulated Provision for Depreciation	$ -	
8	Accumulated Provision for Amortization	$ -	
9	**Net Electric Utility Plant**	$ -	$ -
	Materials and Supplies		
10	Fuel	$ -	
11	SO2 Allowance Inventory - Current	$ -	
12	CO2 Allowance Inventory - Current	$ -	
13	Urea	$ -	
14	Other Accounts	$ -	
15	Total Materials and Supplies	$ -	$ -
	Additions to Rate Base		
16	Prepayments and Other Current Assets	$ -	
17	Cash Working Capital	$ (740,549)	$ (740,549)
18	Total Additions to Rate Base	$ (740,549)	$ (740,549)
	Deductions from Rate Base		
18	Customer Advances & Deposits	$ -	
19	Accumulated Deferred Income Taxes	$ -	
20	Total Deductions from Rate Base	$ -	$ -
21	Total Rate Base	$ (740,549)	$ (740,549)

Notes and Source
See referenced schedule for each adjustment

Kentucky Power Company
Adjusted Net Operating Income

Test Year Ended February 28, 2017

Exhibit RCS-1
Schedule C
Case No. 2017-00179
Page 1 of 1

			Per AG			
Line No.	Description	Per Company (A)	AG Adjustments (B)	Per AG (C)	Components of Revenue Change (D)	Revenue Requirement Impact (E)
	Operating Revenue					
1	Sales of Electricity	$ 499,134,503	$ 166,698	$ 499,301,200	$ 39,876,068	$ 539,177,268
2	Other Operating Revenues	$ 25,618,746	$ -	$ 25,618,746		$ 25,618,746
	Non-Firm Sales	$ 42,357,604		$ 42,357,604		$ 42,357,604
3	**Total Operating Revenues**	$ 567,110,853	$ 166,698	$ 567,277,551	$ 39,876,068	$ 607,153,619
	Operating Expenses			$ -		
4	Operations & Maintenance	$ 415,562,822	$ (5,924,390)	$ 409,638,432	$ 212,978	$ 409,851,410
5	Depreciation & Amortization	$ 78,540,443	$ (327,240)	$ 78,213,203		$ 78,213,203
6	Taxes Other Than Income Taxes	$ 22,412,856	$ (48,362)	$ 22,364,494		$ 22,364,494
7	Other Including Customer Deposits	$ 2,918,288	$ -	$ 2,918,288		$ 2,918,288
8	State Income Tax	$ (672,155)	$ 379,868	$ (292,287)	$ 2,329,898	$ 2,037,611
9	Federal Income Tax:			$ -		$ -
10	Current	$ (13,268,397)	$ 2,130,388	$ (11,138,009)	$ 13,066,617	$ 1,928,608
11	Deferred	$ 19,577,087	$ -	$ 19,577,087		$ 19,577,087
12	ITC Adjustment	$ -	$ -	$ -		$ -
13	**Total Operating Expenses**	$ 525,070,945	$ (3,789,736)	$ 521,281,208	$ 15,609,493	$ 536,890,701
14	Net Electric Operating Income	$ 42,039,909	$ 3,956,434	$ 45,996,343	$ 24,266,575	$ 70,262,918
15	AFUDC Offset Adjustment/Deferred Income	$ 1,650,761	$ -	$ 1,650,761		$ 1,650,761
16	Net Electric Operating Income - Adjusted	$ 43,690,670	$ 3,956,434	$ 47,647,104	$ 24,266,575	$ 71,913,679
17	**Capitalization**	$ 1,191,785,493	$ -	$ 1,191,785,493		$ 1,191,785,493
18	**Earned Rate of Return**	3.67%		4.00%		6.03%

Notes and Source
Col.A: KPCo Exhibit 1, Section V, Schedule 1
Col.B: Schedule C.1
Col.C: Col.A + Col.B
Col.D: Schedule A-1
Col.E: Col. C + Col. D

Kentucky Power Company
Summary of Net Operating Income Adjustments

Test Year Ended February 28, 2017

Line No.	Description	AG Adjustments	Theft Recovery Revenue C-1	Payroll Expense - Employee Merit Increase C-2	Overtime Payroll Expense - Employee Merit Increase C-3	Payroll Taxes C-4	Incentive Compensation Expense C-5
	Operating Revenue						
1	Sales of Electricity	$ 166,698	$ 166,698				
2	Other Operating Revenues	$ -					
3	**Total Operating Revenues**	$ 166,698	$ 166,698	$ -	$ -	$ -	$ -
	Operating Expenses						
4	Operations & Maintenance	$ (5,924,390)		$ (57,205)	$ (4,148)		$ (1,350,120)
5	Depreciation & Amortization	$ (327,240)					
6	Taxes Other Than Income Taxes	$ (48,362)				$ (48,362)	
7	Other Including Customer Deposits	$ -					
8	**Operating Expenses Before Taxes**	$ (6,299,992)	$ -	$ (57,205)	$ (4,148)	$ (48,362)	$ (1,350,120)
9	Operating Income Before Income Taxes	$ 6,466,690	$ 166,698	$ 57,205	$ 4,148	$ 48,362	$ 1,350,120
10	State Income Tax	$ 379,868	$ 9,792	$ 3,360	$ 244	$ 2,841	$ 79,309
11	Federal Income Tax:						
12	Current	$ 2,130,388	$ 54,917	$ 18,846	$ 1,366	$ 15,932	$ 444,784
13	Deferred	$ -					
14	ITC Adjustment	$ -					
15	Total State and Federal Income Taxes	$ 2,510,256	$ 64,709	$ 22,206	$ 1,610	$ 18,773	$ 524,093
16	**Total Operating Expenses**	$ (3,789,736)	$ 64,709	$ (34,999)	$ (2,538)	$ (29,589)	$ (826,027)
17	**Net Electric Operating Income**	**$ 3,956,434**	**$ 101,989**	**$ 34,999**	**$ 2,538**	**$ 29,589**	**$ 826,027**
18	AFUDC Offset Adjustment/Deferred Income	$ -					
19	**Net Electric Operating Income - Adjusted**	**$ 3,956,434**	**$ 101,989**	**$ 34,999**	**$ 2,538**	**$ 29,589**	**$ 826,027**

Notes and Source

Line 10 State Income Tax	5.87%
Line 12 Federal Income Tax	35.00%

Kentucky Power Company
Summary of Net Operating Income Adjustments

Test Year Ended February 28, 2017

Line No.	Description	Stock-Based Compensation C-6	Savings Plan Expense C-7	SERP Expense C-8	Corporate Aviation Expense C-9	Storm Damage Expense C-10	Relocation Expense C-11
	Operating Revenue						
1	Sales of Electricity						
2	Other Operating Revenues						
3	**Total Operating Revenues**	$ -	$ -	$ -	$ -	$ -	$ -
	Operating Expenses						
4	Operations & Maintenance	$ (1,746,748)	$ (1,102,496)	$ (58,726)	$ (382,769)	$ (595,932)	$ (140,972)
5	Depreciation & Amortization						
6	Taxes Other Than Income Taxes						
7	Other Including Customer Deposits						
8	**Operating Expenses Before Taxes**	$ (1,746,748)	$ (1,102,496)	$ (58,726)	$ (382,769)	$ (595,932)	$ (140,972)
9	Operating Income Before Income Taxes	$ 1,746,748	$ 1,102,496	$ 58,726	$ 382,769	$ 595,932	$ 140,972
10	State Income Tax	$ 102,608	$ 64,763	$ 3,450	$ 22,485	$ 35,006	$ 8,281
11	Federal Income Tax:						
12	Current	$ 575,449	$ 363,207	$ 19,347	$ 126,099	$ 196,324	$ 46,442
13	Deferred						
14	ITC Adjustment						
15	Total State and Federal Income Taxes	$ 678,057	$ 427,970	$ 22,797	$ 148,584	$ 231,330	$ 54,723
16	**Total Operating Expenses**	$ (1,068,691)	$ (674,526)	$ (35,929)	$ (234,185)	$ (364,602)	$ (86,249)
17	**Net Electric Operating Income**	**$ 1,068,691**	**$ 674,526**	**$ 35,929**	**$ 234,185**	**$ 364,602**	**$ 86,249**
18	AFUDC Offset Adjustment/Deferred Income						
19	**Net Electric Operating Income - Adjusted**	**$ 1,068,691**	**$ 674,526**	**$ 35,929**	**$ 234,185**	**$ 364,602**	**$ 86,249**

Notes and Source

Line 10 State Income Tax	5.87%
Line 12 Federal Income Tax	35.00%

Kentucky Power Company
Summary of Net Operating Income Adjustments

Test Year Ended February 28, 2017

Line No.	Description	Gain on Sale of Utility Property C-12	Cash Surrender Value of Life Insurance Policies C-13	Interest Synchronization C-14	Rate Case Expense C-15
	Operating Revenue				
1	Sales of Electricity				
2	Other Operating Revenues				
3	**Total Operating Revenues**	$ -	$ -	$ -	$ -
	Operating Expenses				
4	Operations & Maintenance		$ (26,941)		$ (458,333)
5	Depreciation & Amortization	$ (327,240)			
6	Taxes Other Than Income Taxes				
7	Other Including Customer Deposits				
8	**Operating Expenses Before Taxes**	$ (327,240)	$ (26,941)	$ -	$ (458,333)
9	Operating Income Before Income Taxes	$ 327,240	$ 26,941	$ -	$ 458,333
10	State Income Tax	$ 19,223	$ 1,583	$ -	$ 26,923
11	Federal Income Tax:				
12	Current	$ 107,806	$ 8,875	$ -	$ 150,994
13	Deferred				
14	ITC Adjustment				
15	Total State and Federal Income Taxes	$ 127,029	$ 10,458	$ -	$ 177,917
16	**Total Operating Expenses**	$ (200,211)	$ (16,483)	$ -	$ (280,417)
17	**Net Electric Operating Income**	**$ 200,211**	**$ 16,483**	**$ -**	**$ 280,417**
18	AFUDC Offset Adjustment/Deferred Income				
19	**Net Electric Operating Income - Adjusted**	**$ 200,211**	**$ 16,483**	**$ -**	**$ 280,417**

Notes and Source

Line 10 State Income Tax	5.87%
Line 12 Federal Income Tax	35.00%

Kentucky Power Company
Capital Structure and Cost Rates

Test Year Ended February 28, 2017

Line No.	Description	Amount (A)	Capital Structure Ratio (B)	Cost Rate (C)	Weighted Cost (D)
	I. Per Company				
1	Long Term Debt	$ 648,913,758	54.45%	4.36%	2.37%
2	Short Term Debt	$ -	0.00%	0.80%	0.00%
3	Accounts Receivable Financing	$ 46,105,009	3.87%	1.95%	0.08%
4	Common Equity	$ 496,766,726	41.68%	10.31%	4.30%
5	Total	$ 1,191,785,493	100.00%		**6.75%**
	II. Per AG				
6	Long Term Debt	$ 648,913,758	54.45%	4.36%	2.37%
7	Short Term Debt	$ -	0.00%	0.80%	0.00%
8	Accounts Receivable Financing	$ 46,105,009	3.87%	1.95%	0.08%
9	Common Equity	$ 496,766,726	41.68%	**8.60%**	3.59%
10	Total	$ 1,191,785,493	100.00%		**6.03%**
11	Difference		L.10 - L.5		-0.72%
12	Weighted Cost of Debt per AG		Sum of Lines 6, 7 & 8		2.449%

Notes
Cols. A-D (Lines 1-5): Section V, Workpaper S-2 from filing. See page 2 of this schedule for a reproduction of KPCo's capitalization related adjustments.
Col. C, lines 6-9: Cost rates and Return on Equity as recommended by AG witness J. Randall Woolridge

Kentucky Power Company
Capital Structure and Cost Rates - Capitalization

Test Year Ended February 28, 2017

Exhibit RCS-1
Schedule D
Case No. 2017-00179
Page 2 of 3

Line No.	Description	PER BOOK BALANCE (A)	KY Retail ALLOCATED PER BOOK BALANCE (B)	BSRR/ Decommissioning Removal (C)	Mitchell FGD Consumables Removal (D)	Mitchell FGD From Base to Environmental (E)	Mitchell Coal Stock Adjustment (F)	FRECO A/C 124 Property (G)	CARRS Site (H)	Non Utility Property (I)	Adjustments Kentucky Jurisdiction Allocated (L)	Subtotal (M)	Reapportioned Kentucky Jurisdictional (N)
	I. Per Company												
1	Long Term Debt	$ 870,000,000	$ 856,950,000	$ (87,016,831)	$ (924,962)	$ (115,122,144)	$ (3,274,643)	$ (1,034,719)	$ (3,214,831)	$ (563,636)	$ (208,036,913)	$ 648,913,087	$ 648,913,758
2	Short Term Debt	$ 1,022,872	$ 1,008,552				$ (1,022,872)				$ (1,008,552)	$ -	$ -
3	Accounts Receivable Financing	$ 46,807,067	$ 46,104,961	$ -							$ -	$ 46,104,961	$ 46,105,009
4	Common Equity	$ 666,016,164	$ 656,025,922	$ (66,614,502)	$ (708,092)	$ (88,130,125)	$ (2,506,857)	$ (792,114)	$ (2,461,069)	$ (431,484)	$ (159,259,709)	$ 496,766,213	$ 496,766,726
5	Sub-Total	$ 1,583,846,103	$ 1,560,089,434	$ (153,631,333)	$ (1,633,054)	$ (203,252,269)	$ (6,804,372)	$ (1,826,833)	$ (5,675,900)	$ (995,120)	$ (368,305,173)	$ 1,191,784,261	$ 1,191,785,493
6	Job Development Tax Credit	$ 1,250	$ 1,231	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 1,231	$ 1,231	$ -
7	Total	$ 1,583,847,353	$ 1,560,090,666	$ (153,631,333)	$ (1,633,054)	$ (203,252,269)	$ (6,804,372)	$ (1,826,833)	$ (5,675,900)	$ (995,120)	$ (368,303,942)	$ 1,191,785,492	$ 1,191,785,493
8	Allocation Factor		0.985 GP-TOT	0.985 PDAF	0.986 EAF	0.985 PDAF	0.986 EAF	0.985 GP-TOT	1.000 SPECIFIC	0.985 GP-TOT			
	II. Per AG												
9	Long Term Debt	$ 870,000,000	$ 856,950,000	$ (87,016,831)	$ (924,962)	$ (115,122,144)	$ (3,274,643)	$ (1,034,719)	$ (3,214,831)	$ (563,636)	$ (208,036,913)	$ 648,913,087	$ 648,913,758
10	Short Term Debt	$ 1,022,872	$ 1,008,552				$ (1,022,872)				$ (1,008,552)	$ -	$ -
11	Accounts Receivable Financing	$ 46,807,067	$ 46,104,961	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 46,104,961	$ 46,105,009
12	Common Equity	$ 666,016,164	$ 656,025,922	$ (66,614,502)	$ (708,092)	$ (88,130,125)	$ (2,506,857)	$ (792,114)	$ (2,461,069)	$ (431,484)	$ (159,259,709)	$ 496,766,213	$ 496,766,726
13	Sub-Total	$ 1,583,846,103	$ 1,560,089,434	$ (153,631,333)	$ (1,633,054)	$ (203,252,269)	$ (6,804,372)	$ (1,826,833)	$ (5,675,900)	$ (995,120)	$ (368,305,173)	$ 1,191,784,261	$ 1,191,785,493
14	Job Development Tax Credit	$ 1,250	$ 1,231	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 1,231	$ 1,231	$ -
15	Total	$ 1,583,847,353	$ 1,560,090,666	$ (153,631,333)	$ (1,633,054)	$ (203,252,269)	$ (6,804,372)	$ (1,826,833)	$ (5,675,900)	$ (995,120)	$ (368,303,942)	$ 1,191,785,492	$ 1,191,785,493
16	Allocation Factor		0.985 GP-TOT	0.985 PDAF	0.986 EAF	0.985 PDAF	0.986 EAF	0.985 GP-TOT	1.000 SPECIFIC	0.985 GP-TOT			

Notes and Source
Amounts above from Section V, Exhibit 1, Schedule 3 from the Company's filing
Col. C: The Company's allocation creates a negative balance of short term debt, which does not exist
The AG's allocation uses the ratios of the per book balances of Long Term Debt and Common Equity, and preserves the per book balance of Accounts Receivable Financing
* The amounts in Column L were multiplied by the Kentucky jurisdictional allocation factor for Gross Plant - Total which is 0.989

Kentucky Power Company
Capital Structure and Cost Rates

Test Year Ended February 28, 2017

Line No.	Description	Reapportioned Kentucky Jurisdictional Capitalization (A)	Cash Working Capital* B-1 (B)	B-2 (C)	B-3 (D)	Total AG Adjustments (E)	Reapportioned Kentucky Jurisdictional Capitalization Per AG (F=A+E)
1	Long Term Debt	$ 648,913,758	$ -	$ -	$ -	$ -	$ 648,913,758
2	Short Term Debt	$ -			$ -	$ -	$ -
3	Accounts Receivable Financing	$ 46,105,009	$ -	$ -		$ -	$ 46,105,009
4	Common Equity	$ 496,766,726	$ -	$ -	$ -	$ -	$ 496,766,726
5	Sub-Total	$ 1,191,785,493	$ -	$ -	$ -	$ -	$ 1,191,785,493
6	Job Development Tax Credit	$ -					
7	Total	$ 1,191,785,493	$ -	$ -		$ -	$ 1,191,785,493

Notes and Source

Col. A: See page 2, Column N, lines 8-14

* Capitalization is not adjusted for cash working capital

Kentucky Power Company
Cash Working Capital

Test Year Ended February 28, 2017

Exhibit RCS-1
Schedule B-1
Case No. 2017-00179
Page 1 of 2

Line No.	Description	Per KPCo KY Jurisdictional Amount (A)	AG Adjustments (B)	AG Adjusted Amount (C)
1	Total Power Production Expense	$ 47,793,226		$ 47,793,226
2	Total Transmission Expense	$ 37,469,103		$ 37,469,103
3	Total Distribution Expense	$ 43,904,348		$ 43,904,348
4	Total Customer Related Expense	$ 6,698,025		$ 6,698,025
5	Total Administrative & General Expense	$ 21,691,531		$ 21,691,531
6	AG Adjustments		$ (5,924,390)	$ (5,924,390)
7	Subtotal	$ 157,556,233	$ (5,924,390)	$ 151,631,843
8	1/8 Formula Percentage	12.5%	12.5%	12.5%
9	Cash Working Capital	$ 19,694,529	$ (740,549)	$ 18,953,980

Notes and Source
Col. A: Amounts from KPSC-1-73, Supplemental Attachment 3 for Section V Schedules
Col. B: See page 2

Kentucky Power Company
Cash Working Capital - AG Adjustments to Expenses

Test Year Ended February 28, 2017

Line No.	Description	Adjustment No.	Expense Adjustments (A)	O&M Expense in CWC (B)
1	Theft Recovery Revenue	C-1	$ -	
2	Payroll Expense - Employee Merit Increase	C-2	$ (57,205)	$ (57,205)
3	Overtime Payroll Expense Related to Employee Merit Increase	C-3	$ (4,148)	$ (4,148)
4	Payroll Tax Expense	C-4	$ (48,362)	$ -
5	Incentive Compensation Expense	C-5	$ (1,350,120)	$ (1,350,120)
6	Stock-Based Compensation	C-6	$ (1,746,748)	$ (1,746,748)
7	Savings Plan Expense	C-7	$ (1,102,496)	$ (1,102,496)
8	Supplemental Executive Retirement Program ("SERP") Expense	C-8	$ (58,726)	$ (58,726)
9	Affiliate Charges for Corporate Aviation Expense	C-9	$ (382,769)	$ (382,769)
10	Storm Damage Expense	C-10	$ (595,932)	$ (595,932)
11	Relocation Expense	C-11	$ (140,972)	$ (140,972)
12	Gain on Sale of Utility Property	C-12	$ (327,240)	$ -
13	Cash Surrender Value of Life Insurance Policies	C-13	$ (26,941)	$ (26,941)
14	Interest Synchronization	C-14	$ -	$ -
15	Rate Case Expense	C-15	$ (458,333)	$ (458,333)
16				
17	TOTAL		$ (6,299,992)	$ (5,924,390)
18	Total per Schedule C.1, line 5		$ (6,299,992)	
19	Difference		$ -	
	Reconciliation			
20	Current Income Taxes from Schedule C.1		$ 2,510,256	
21	Total operating expense adjustments (L15 +L18)		$ (3,789,736)	
22	Total operating expense adjustments from Sch C.1, line 12		$ (3,789,736)	
23	Difference		$ -	

This workpaper shows how the AG adjustments to operating expenses from Schedule C.1 are posted for CWC purposes.

Kentucky Power Company
Theft Recovery Revenue

Test Year Ended February 28, 2017

Exhibit RCS-1
Schedule C-1
Case No. 2017-00179
Page 1 of 1

Line No.	Description	Kentucky Jurisdictional Amount (A)	Reference
1	Adjustment to Increase Revenue Related to Theft Recovery	$ 166,698	A
2	Kentucky Jurisdictional Allocation Factor - SPECIFIC	1.00	
3	Kentucky Jurisdictional Adjustment to Increase Revenue Related to Theft Recovery	166,698	

Notes and Source
A: Amount from the response to AG-1-319

Kentucky Power Company
Payroll Expense - Employee Merit Increase

Test Year Ended February 28, 2017

Exhibit RCS-1
Schedule C-2
Case No. 2017-00179
Page 1 of 1

			Transmission		Distribution		Generation						
										Billed to Affiliated Companies			
Line No.	Description	Remaining Months in Proforma Year	Amount to be Prorated	Prorated Merit Increases	Amount to be Prorated	Prorated Merit Increases	Amount to be Prorated Total	Kammer	Mitchell	Kammer 100%	Mitchell 50%	Amount to be Prorated	Prorated Merit Increases
	(A)	(B)	(C)	(D) (C * B/12)	(E)	(F) (E * B/12)	(G)	(H)	(I)	(J) (H * 100%)	(K) (I * 50%)	(L) (G -J - K)	(M) (L * B/12)
1	**Exempt Salaried**	1											
2	January	12		$ -		$ -				-	-	$ -	$ -
3	February	12		-		-				-	-	-	-
4	March	12		-		-				-	-	-	-
5	April	11	$ 1,800	$ 1,650	$ 200,477	$ 183,771	$ 295,870	$ 11,259	$ 225,553	$ 11,259	$ 112,777	$ 171,834	$ 157,514
6	May	10		-		-				-	-	-	-
7	June	9		-		-				-	-	-	-
8	July	8		-		-				-	-	-	-
9	August	7		-		-				-	-	-	-
10	September	6		-		-				-	-	-	-
11	October	5		-		-				-	-	-	-
12	November	4		-		-				-	-	-	-
13	December	3		-		-				-	-	-	-
14	Total			$ 1,650		$ 183,771							$ 157,514
15	**Nonexempt Hourly**												
16	January	12		$ -		$ -				-	-	$ -	$ -
17	February	12		-		-				-	-	-	-
18	March	12		-		-				-	-	-	-
19	April	11		-	$ 3,710	$ 3,401				$ -	$ -	$ -	$ -
20	May	10		-	$ 371,860	$ 309,884	$ 91,404			$ -	$ -	$ 91,404	$ 76,170
21	June	9		-		$ -	$ 601,596		$ 601,596	$ -	$ 300,798	$ 300,798	$ 225,599
22	July	8		-		-				-	-	-	-
23	August	7		-		-				-	-	-	-
24	September	6		-		-				-	-	-	-
25	October	5		-		-				-	-	-	-
26	November	4		-		-				-	-	-	-
27	December	3		-		-				-	-	-	-
28	Total			$ -		$ 313,285							$ 301,769
29	**Salaried Nonexempt**												
30	January	12		$ -		$ -				-	-	$ -	$ -
31	February	12		-		-				-	-	-	-
32	March	12		-		-				-	-	-	-
33	April	11		-	$ 137,460	$ 126,005	$ 11,906		$ 10,452	$ -	$ 5,226	$ 6,680	$ 6,124
34	May	10		-	$ 3,760	$ 3,133				$ -	$ -	$ -	$ -
35	June	9		-		-				-	-	-	-
36	July	8		-		-				-	-	-	-
37	August	7		-		-				-	-	-	-
38	September	6		-		-				-	-	-	-
39	October	5		-		-				-	-	-	-
40	November	4		-		-				-	-	-	-
41	December	3		-		-				-	-	-	-
42	Total			$ -		$ 129,138							$ 6,124
43	2017 KPCo Increases		$ 1,800		$ 717,267						$ 418,801	$ 570,716	

Line No.		Transmission	Distribution	Generation
44	Prorated Merit Increases			
45	Exempt	$ 1,650	$ 183,771	$ 157,514
46	Nonexempt	$ -	313,285	301,769
47	Salaried Nonexempt	$ -	129,138	6,124
48	Merit Adjustment of Base Payroll	$ 1,650	$ 626,194	$ 465,407

Line No.		
49	Total KPCo Adjustment to Increase Payroll Cost for Merit Adjustment Per AG	$ 1,093,251
50	Total KPCo Adjustment to Increase Payroll Cost for Merit Adjustment Per KPCo	$ 1,174,517
51	AG Adjustment to Payroll Expense	$ (81,266)
52	KPCo O&M Percentage	70.96%
53	Adjustment to Increase O&M Expense for Merit Increases	$ (57,666)
54	Kentucky Jurisdictional Allocation Factor	0.992
55	Kentucky Jurisdictional Adjustment to O&M Payroll Expense for Merit Increases	$ (57,205)

Notes and Source
Cols. A-I: Employee merit increase amounts calculated using a 3% wage increase for Exempt Salaried and Salaried Non-Exempt employees

Kentucky Power Company
Overtime Payroll Expense Related to Employee Merit Increase

Test Year Ended February 28, 2017

Exhibit RCS-1
Schedule C-3
Case No. 2017-00179
Page 1 of 1

Line No.	Description	Transmission	Distribution	Generation Big Sandy	Generation Mitchell	Adjustment
		(A)	(B)	(C)	(D)	(E)
	Test Year Overtime Cost					
1	Exempt	$ 1,875	$ 127,326	$ 208,694	$ 405,145	
2	Nonexempt	-	2,062,000	690,170	2,634,643	
3	Salaried Nonexempt	-	753,224	26,681	27,886	
4	Total Test Year Overtime Cost	1,875	2,942,550	925,545	3,067,674	
	Remove 50% of Mitchell					
5	Exempt				(202,573)	
6	Nonexempt				(1,317,322)	
7	Salaried Nonexempt				(13,943)	
8	Total Overtime Removed for Mitchell				(1,533,838)	
	Net Test Year Overtime Cost					
9	Exempt	1,875	127,326	208,694	202,572	
10	Nonexempt	-	2,062,000	690,170	1,317,321	
11	Salaried Nonexempt	-	753,224	26,681	13,943	
12	Total Net Test Year Overtime Cost	1,875	2,942,550	925,545	1,533,836	
	Percent Merit Increases					
13	Exempt	3.00%	3.00%	3.00%	3.00%	
14	Nonexempt		5.00%	5.00%	5.00%	
15	Salaried Nonexempt		3.00%	3.00%	3.00%	
	Estimated 2017 Overtime Cost Increase					
16	Exempt	$ 56	$ 3,820	$ 6,261	$ 6,077	
17	Nonexempt	-	103,100	34,509	65,866	
18	Salaried Nonexempt	-	22,597	800	418	
19	KPCo Estimated Annual Increased Overtime Cost	$ 56	$ 129,517	$ 41,570	$ 72,361	
	Prorate Overtime Increase					
20	Prorated Merit Increases	$ 1,925	$ 679,912	$ 113,696	$ 378,984	
21	KPCo Merit Increases to be Prorated	$ 2,100	$ 776,096	$ 162,001	$ 438,468	
22	Prorated Portion of Increase in (Ln 15 / Ln 16)	91.67%	87.61%	70.18%	86.43%	
23	Prorated Overtime Increase Per AG	$ 51	$ 113,470	$ 29,174	$ 62,542	$ 205,237
24	Prorated Overtime Increase Per KPCo					$ 211,129
25	AG Adjustment to Overtime Payroll Expense					(5,892)
26	KPCo O&M Percentage					70.96%
27	Adjustment to Increase O&M Expenses for Overtime Impact of Merit Increases					$ (4,181)
28	Kentucky Jurisdictional Allocation Factor					0.992
29	Kentucky Jurisdictional Adjustment to O&M Overtime Payroll Expense for Merit Increases					$ (4,148)

Notes and Source
Columns A-D (lines 1-12) from Section V, Exhibit 2, page 35, Adjustment No. W34 from KPCo filing

Kentucky Power Company
Payroll Tax Expense

Test Year Ended February 28, 2017

Exhibit RCS-1
Schedule C-4
Case No. 2017-00179
Page 1 of 3

Line No.	Description	Amount (A)	Reference
	Social Security		
1	Kentucky Jurisdictional Adjustment to O&M Payroll Expense for Employee Merit Increases	$ (57,205)	A
2	Kentucky Jurisdictional Adjustment to O&M Overtime Payroll Expense for Employee Merit Increases	$ (4,148)	B
3	Total Adjustment to Payroll Expense	$ (61,353)	
4	FICA Social Security Rate	6.20%	
5	Adjustment to FICA Social Security	$ (3,804)	
6	Adjustment to FICA Social Security for Directly Incurred O&M Incentive Compensation Expense	$ (30,672)	Page 2
7	Adjustment to FICA Social Security for Directly Incurred O&M Stock-Based Compensation Expense	$ (13,217)	Page 3
8	Total Adjustment to FICA Social Security	$ (47,693)	
	Medicare		
6	Kentucky Jurisdictional Adjustment to O&M Payroll Expense for Employee Merit Increases	$ (57,205)	A
7	Kentucky Jurisdictional Adjustment to O&M Overtime Payroll Expense for Employee Merit Increases	$ (4,148)	B
8	Adjustment to FICA Medicare for Directly Incurred O&M Incentive Compensation Expense	$ (8,177)	Page 2
9	Kentucky Jurisdictional Directly Incurred O&M Stock-Based Compensation Expense Allocated to Shareholders	$ (3,524)	Page 3
10	Total Adjustments to Payroll and Incentive and Stock-Based Compensation Expense	$ (73,054)	
11	FICA Medicare Rate	1.45%	
12	Total Adjustment to FICA Medicare	$ (1,059)	
13	Total Adjustment to Payroll Tax Expense	$ (48,752)	L8 + L12
14	Kentucky Jurisdictional Allocation Factor	0.992	
15	Kentucky Jurisdictional Adjustment to Payroll Tax Expense	$ (48,362)	

Notes and Source
A: See Schedule C-2
B: See Schedule C-3

Kentucky Power Company
Payroll Tax Expense - Incentive Compensation

Test Year Ended February 28, 2017

Line No.	Description	Amount (A)	Reference
	Social Security		
1	KPCo Proposed Level of Directly Incurred O&M Incentive Compensation in Cost of Service	$ 2,273,952	Schedule C-5, Line 2
2	Performance Measure Based on Financial Objectives	25%	KPSC-1-66
3	Directly Incurred O&M Incentive Compensation Expense Allocated to Shareholders Per AG	$ (568,488)	
4	Kentucky Jurisdictional Allocation Factor	0.992	Section V, Exhibit 2, Adjustment No. W32
5	Kentucky Jurisdictional Directly Incurred O&M Incentive Compensation Expense Allocated to Shareholders	$ (563,940)	
6	Ratio of employees earning more than $127,200 limit in 2017	12.28%	Line 25
7	Kentucky Jurisdictional Directly Incurred O&M Incentive Compensation Expense for Employees Earning more than the $127,200 Limit	$ 69,229	L5 x L6
8	Kentucky Jurisdictional Directly Incurred O&M Incentive Compensation Expense for Employees Earning up to the $127,200 Limit	$ (494,711)	L5 + L7
9	FICA Social Security Rate	6.20%	
10	Adjustment to FICA Social Security for Directly Incurred O&M Incentive Compensation Expense	$ (30,672)	
	Medicare		
11	KPCo Proposed Level of Directly Incurred O&M Incentive Compensation in Cost of Service	$ 2,273,952	
12	Performance Measure Based on Financial Objectives	25%	
13	Directly Incurred O&M Incentive Compensation Expense Allocated to Shareholders Per AG	$ (568,488)	
14	Kentucky Jurisdictional Allocation Factor	0.992	Section V, Exhibit 2, Adjustment No. W32
15	Kentucky Jurisdictional Directly Incurred O&M Incentive Compensation Expense Allocated to Shareholders	$ (563,940)	
16	FICA Medicare Rate	1.45%	
17	Adjustment to FICA Medicare for Directly Incurred O&M Incentive Compensation Expense	$ (8,177)	

Notes and Source

	Description	Amount	Reference
18	Employees earning more than $127,200 limit in 2017 - Transmission	0	Section V, Exhibit 2, W39
19	Employees earning more than $127,200 limit in 2017 - Distribution	31	Section V, Exhibit 2, W39
20	Employees earning more than $127,200 limit in 2017 - Big Sandy	14	Section V, Exhibit 2, W39
21	Employees earning more than $127,200 limit in 2017 - Mitchell	47	Section V, Exhibit 2, W39
22	Less: 50% of Mitchell employees billed to Wheeling Power Company	-23.5	Section V, Exhibit 2, W39
23	Net KPCo employees earning more than $127,200 limit in 2017	68.5	
24	Test Year KPCo employee headcount	558	AG-1-060
25	Ratio of employees earning more than $127,200 limit in 2017	12.28%	L23 / L24

Kentucky Power Company
Payroll Tax Expense - Stock-Based Compensation

Test Year Ended February 28, 2017

Line No.	Description	Amount (A)	Reference
	Social Security		
1	KPCo Proposed Level of Directly Incurred O&M Stock-Based Compensation Removed from Cost of Service	$ (244,961)	Schedule C-6, Line 2
2	Kentucky Jurisdictional Directly Incurred O&M Stock-Based Compensation Expense Allocated to Shareholders	0.992	Section V, Exhibit 2, Adjustment No. W32
3	Kentucky Jurisdictional Directly Incurred O&M Stock-Based Compensation Expense Removed from Cost of Service	$ (243,001)	
4	Ratio of employees earning more than $127,200 limit in 2017	12.28%	Line 21
5	Kentucky Jurisdictional Directly Incurred O&M Stock-Based Compensation Expense for Employees Earning more than the $127,200 Limit	$ 29,831	L3 x L4
6	Kentucky Jurisdictional Directly Incurred O&M Stock-Based Compensation Expense for Employees Earning up to the $127,200 Limit	$ (213,170)	L3 + L5
7	FICA Social Security Rate	6.20%	
8	Adjustment to FICA Social Security for Directly Incurred O&M Stock-Based Compensation Expense	$ (13,217)	
	Medicare		
9	KPCo Proposed Level of Directly Incurred O&M Stock-Based Compensation Removed from Cost of Service	$ (244,961)	
10	Kentucky Jurisdictional Directly Incurred O&M Stock-Based Compensation Expense Allocated to Shareholders	0.992	Section V, Exhibit 2, Adjustment No. W32
11	Kentucky Jurisdictional Directly Incurred O&M Stock-Based Compensation Expense Removed from Cost of Service	$ (243,001)	
12	FICA Medicare Rate	1.45%	
13	Adjustment to FICA Medicare for Directly Incurred O&M Stock-Based Compensation Expense	$ (3,524)	

Notes and Source

	Description	Amount	Reference
14	Employees earning more than $127,200 limit in 2017 - Transmission	0	Section V, Exhibit 2, W39
15	Employees earning more than $127,200 limit in 2017 - Distribution	31	Section V, Exhibit 2, W39
16	Employees earning more than $127,200 limit in 2017 - Big Sandy	14	Section V, Exhibit 2, W39
17	Employees earning more than $127,200 limit in 2017 - Mitchell	47	Section V, Exhibit 2, W39
18	Less: 50% of Mitchell employees billed to Wheeling Power Company	-23.5	Section V, Exhibit 2, W39
19	Net KPCo employees earning more than $127,200 limit in 2017	68.5	
20	Test Year KPCo employee headcount	558	AG-1-060
21	Ratio of employees earning more than $127,200 limit in 2017	12.28%	L19 / L20

Kentucky Power Company
Incentive Compensation Expense

Test Year Ended February 28, 2017

Exhibit RCS-1
Schedule C-5
Case No. 2017-00179
Page 1 of 1

Line No.	Description	Amount (A)	Reference
1	AG Adjustment to Incentive Compensation Expense	$ (1,350,120)	A

Notes and Source

A: AG recommended adjustment to incentive compensation expense calculated below:

Line No.	Description	Amount	Reference
2	KPCo Directly Incurred O&M Incentive Compensation Expense	$ 2,273,952	AG-2-060, Attachment 1
3	AEPSC O&M Incentive Compensation Expense Billed to KPCo (net of amount billed to co-owner of Mitchell)	$ 3,118,781	AG-2-061, Attachment 1
4	O&M Incentive Compensation Billed to KPCo from Affiliates Other than AEPSC	$ 51,300	KPSC-2-085, Attachment 2
5	Total Test Year Incentive Compensation in KPCo's Cost of Service - Net of Company Adjustments	$ 5,444,033	
6	Performance Measure Based on Financial Objectives	25%	KPSC-1-66
7	O&M Incentive Compensation Expense Allocated to Shareholders Per AG	$ 1,361,008	
8	Kentucky Jurisdictional Allocation Factor	0.992	Section V, Exhibit 2, Adjustment No. W32
9	Kentucky Jurisdictional O&M Incentive Compensation Expense Allocated to Shareholders Per AG	$ 1,350,120	

Kentucky Power Company
Stock-Based Compensation

Test Year Ended February 28, 2017

Exhibit RCS-1
Schedule C-6
Case No. 2017-00179
Page 1 of 1

Line No.	Description	Amount (A)	Reference
1	AG Adjustment to Test Year O&M Stock-Based Compensation Expense	$ (1,746,748)	A

Notes and Source

A: AG recommended adjustment to stock-based compensation expense calculated below:

	Description	Performance Units	Restricted Stock Units	Total	Reference
2	KPCo Directly Incurred Test Year O&M Stock-Based Compensation Expense	$ 195,097	$ 49,864	$ 244,961	KIUC-1-031, Attachment 1
3	AEPSC O&M Stock-Based Compensation Expense Billed to KPCo (net of amount billed to co-owner Mitchell)	$ 1,197,247	$ 303,595	$ 1,500,842	KIUC-1-031, Attachment 2
4	O&M Stock-Based Compensation Billed to KPCo from Affiliates Other than AEPSC			$ 15,032	KPSC-2-085, Attachment 2
5	Total O&M Stock-Based Compensation expense in KPCo's cost of service			$ 1,760,835	
6	Kentucky Jurisdictional Allocation Factor			0.992	Section V, Exhibit 2, Adjustment No. W32
7	Kentucky jurisdictional Test Year O&M Stock-Based Compensation expense			$ 1,746,748	

Kentucky Power Company
Savings Plan Expense

Test Year Ended February 28, 2017

Line No.	Description	Amount (A)	Reference
	I. Impact of AG Adjustments on Savings Plan Expense		
1	Kentucky Jurisdictional Adjustment to O&M Payroll Expense for Merit Increases	$ (57,205)	A
2	Kentucky Jurisdictional Adjustment to O&M Overtime Payroll Expense for Merit Increases	$ (4,148)	B
3	Kentucky Jurisdictional Adjustment to Directly Incurred O&M Incentive Compensation Expense	$ (563,940)	C
4	Kentucky Jurisdictional Adjustment to Directly Incurred O&M Stock-Based Compensation Expense	$ (243,001)	D
5	Total Payroll and Incentive Compensation Expense Adjustments	$ (868,294)	
6	Savings Plan Loading Rate	4.00%	E
7	Impact of Adjustments to Payroll and Incentive Compensation on Savings Plan Expense	$ (34,732)	
	II. Kentucky Jurisdictional Test Year Pro Forma Savings Plan Expense		
8	Adjustment to Remove the Company Matching Contributions for KPCo Employees Who Participate in the 401(k) Retirement Savings Account and in a Defined Benefit Pension Plan	$ (1,102,496)	KPSC-2-056

Notes and Source
A: See Schedule C-2
B: See Schedule C-3
C: See calculations below:

	Description	Amount	Reference
9	KPCo Proposed Level of Directly Incurred O&M Incentive Compensation in Cost of Service	$ 2,273,952	Schedule C-5, Line 2
10	Performance Measure Based on Financial Objectives	25%	KPSC-1-66
11	Directly Incurred O&M Incentive Compensation Expense Allocated to Shareholders Per AG	$ (568,488)	
12	Kentucky Jurisdictional Allocation Factor	0.992	Section V, Exhibit 2, Adjustment No. W32
13	Kentucky Jurisdictional Directly Incurred O&M Incentive Compensation Expense Allocated to Shareholders Per AG	$ (563,940)	

D: See calculations below:

	Description	Amount	Reference
14	KPCo Proposed Level of Directly Incurred O&M Stock-Based Compensation in Cost of Service	$ 244,961	Schedule C-6, Line 2
15	Kentucky Jurisdictional Allocation Factor	0.992	Section V, Exhibit 2, Adjustment No. W32
16	Kentucky Jurisdictional Directly Incurred O&M Stock-Based Compensation Expense Allocated to Shareholders Per AG	$ (243,001)	

E: Savings Plan Loading Rate from Section V, Exhibit 2, page 37, Adjustment No. W36 from KPCo's filing

Kentucky Power Company
Supplemental Executive Retirement Program ("SERP") Expense

Test Year Ended February 28, 2017

Exhibit RCS-1
Schedule C-8
Case No. 2017-00179
Page 1 of 1

Line No.	Description	Kentucky Jurisdictional Amount (A)	Reference
1	Adjustment to Remove SERP Expense Charged to KPCo	$ (6,273)	A
2	Adjustment to Remove SERP Expense Allocated to KPCo from AEPSC	$ (52,453)	B
3	Total Adjustment to Remove SERP Expense	$ (58,726)	

Notes and Source

A: Amount calculated from the data provided in response to AG-2-079 as follows:

	Description	Amount
4	Annual Actuarial Estimate of SERP Expense for the Rate Effective Period	$ 8,911
5	O&M Allocation Factor	70.96%
6	O&M Portion of SERP Expense	$ 6,323
7	Kentucky Jurisdictional Allocation Factor	0.992
8	KPCo Jurisdictional SERP Expense Charged to KPCo	$ 6,273

B: Amount calculated from the data provided in response to AG-1-083 as follows:

	Description	Amount
9	Total AEPSC O&M SERP Expense Billed to KPCo	$ 71,557
10	Less: AEPSC O&M SERP Expense Billed to co-owner of Mitchell by KPCo	$ (18,681)
11	Adjusted AEPSC O&M SERP Expense Billed to KPCo	$ 52,876
12	Kentucky Jurisdictional Allocation Factor	0.992
13	KPCo Jurisdictional SERP Expense Charged to KPCo	$ 52,453

Kentucky Power Company
Affiliate Charges for Corporate Aviation Expense

Test Year Ended February 28, 2017

Exhibit RCS-1
Schedule C-9
Case No. 2017-00179
Page 1 of 1

Line No.	Description	Amount (A)	Reference
1	Adjustment to Remove Affiliate Charges for Corporate Aviation Expense	$ (382,769)	A

Notes and Source

A: Amount of AEP Service Company charges to KPCo for AEP Corporate aviation expense from the response to AG-1-153 and calculated below:

FERC Account	Amount	Kentucky Jurisdictional Allocation Factor	Kentucky Jurisdictional Amount
5000	$ 122,207	0.985	$ 120,374
5570	$ 11,356	0.985	$ 11,186
5600	$ 30,254	0.985	$ 29,800
5660	$ 5,334	0.985	$ 5,254
9120	$ 1,348	1.000	$ 1,348
9210	$ 217,857	0.986	$ 214,807
Total	$ 388,356		$ 382,769

Kentucky Power Company
Storm Damage Expense

Test Year Ended February 28, 2017

Exhibit RCS-1
Schedule C-10
Case No. 2017-00179
Page 1 of 1

Line No.	Description	Kentucky Jurisdictional Amount (A)	Reference
1	Reverse KPCo Proposed Adjustment to Increase Test Year Storm Damage Expense	$ (595,932)	A

Notes and Source
A: Amount from Section V, Exhibit 2, page 18 from KPCo's filing

Kentucky Power Company
Relocation Expense

Test Year Ended February 28, 2017

Line No.	Description	Amount (A)	Reference
1	Adjustment to Test Year Relocation Expense	$ (140,972)	A

Notes and Source

A: Amount calculated below from the data provided in response to AG-1-251

Line No.	Description	FERC Account	Amount	Reference
2	2014 Relocation Expense	9210001	$ 56,481	AG-1-251
3	2015 Relocation Expense	9210001	$ 145,775	AG-1-251
4	2016 Relocation Expense	9210001	$ 323,042	AG-1-251
5	Total Relocation Expense		$ 525,298	
6	Number of Employees Transferred		20	Line 17
7	Average Cost Per Employee Transferred		$ 26,265	L5 / L6
8	Average Number of Employees Relocated Over 3-year Period		6.67	Line 19
9	Normalized Relocation Expense		$ 175,099	L7 x L8
10	Test Year Relocation Expense		$ 318,073	AG-1-251
11	Adjustment to Relocation Expense		$ (142,973)	
12	Kentucky Jurisdictional Allocation Factor		0.986	
13	Kentucky Jurisdictional Adjustment to Relocation Expense		$ (140,972)	

Line No.		Year	Number of Employees Relocated	
14		2014	4	
15		2015	9	
16		2016	7	
17		Total	20	
18		Years	3	
19	Average Number of Employees Relocated Over 3-year Period		6.67	L15 / L16

Kentucky Power Company
Gain on Sale of Utility Property

Test Year Ended February 28, 2017

Line No.	Description	Amount	Reference
1	Adjustment to Amortize Gain on Sale of Utility Plant	$ (327,240)	A

Notes and Source

A: Adjustment derived from the response to AG-2-097 and calculated below:

	Description	Amount
2	Gain on Sale of 739 Acres of Land in Lewis County, KY	$ 996,669
3	AG Recommended Amortization Period (Years)	3
4	Amortized Gain on Sale of Utility Property	$ 332,223
5	Kentucky Jurisdictional Allocation Factor	0.985
6	Kentucky Jurisdictional Amortized Gain on Sale of Utility Property	$ 327,240

Kentucky Power Company
Cash Surrender Value of Life Insurance Policies

Test Year Ended February 28, 2017

Exhibit RCS-1
Schedule C-13
Case No. 2017-00179
Page 1 of 1

Line No.	Description	Amount (A)	Reference
1	Adjustment to Remove Cash Surrender Value of Life Insurance Policies	$ (27,323)	A
2	Kentucky Jurisdictional Allocation Factor	0.986	
3	Kentucky Jurisdictional Adjustment to Remove Cash Surrender Value of Life Insurance Policies	$ (26,941)	

Notes and Source
A: Amount from the response to AG-2-087

Kentucky Power Company
Interest Synchronization

Test Year Ended February 28, 2017

Exhibit RCS-1
Schedule C-14
Case No. 2017-00179
Page 1 of 1

Line No.	Description	KPCo Amount (A)	AG Amount (B)	AG Adjustment (C)
1	Long Term Debt, per Capitalization (Section V, Sch 3, C 14, Ln 1)	$ 648,913,758	$ 648,913,758	
2	Long Term Debt Rate - Schedule D	4.36%	4.36%	
3	Annualized Long Term Debt Interest	$ 28,292,640	$ 28,292,640	
4	Short Term Debt, per Capitalization (Section V, Sch 3, C 14, Ln 2)	$ -	$ -	
5	Short Term Debt Rate - Schedule D	0.80%	0.80%	
6	Annualized Short Term Debt Interest	$ -	$ -	
7	Accounts Receivable Financing	$ 46,105,009	$ 46,105,009	
8	Accounts Receivable Financing Rate - Schedule D	1.95%	1.95%	
9	Annualized Accounts Receivable Financing	$ 899,048	$ 899,048	
10	Total Annualization Interest (Ln 3 + Ln 6 + Ln9)	$ 29,191,688	$ 29,191,688	
11	Total Interest Charges per Books (Excludes Account 4320000 - ABFUDC)	$ 46,504,720	$ 46,504,720	Note A
12	Kentucky Jurisdictional Allocation Factor	0.985	0.985	
13	Retail Interest Expense	$ 45,807,149	$ 45,807,149	
14	Increase/(Decrease) Interest Expense (Ln 10 - Ln 13)	$ (16,615,461)	$ (16,615,461)	
15	State Income Tax Rate	5.8742%	5.8742%	
16	State Income Tax Adjustment (Ln 14 X Ln 15)	$ 976,025	$ 976,025	$ -
17	Net Change for Federal Income Tax (Ln 14 + Ln 16)	$ (15,639,436)	$ (15,639,436)	
18	Federal Income Tax Rate	35.00%	35.00%	
19	Federal Income Tax Adjustment (Ln 17 X Ln 18)	$ 5,473,803	$ 5,473,803	$ -
20	Total State and Federal Income Tax Expense (ln 16 + ln 19)	$ 6,449,828	$ 6,449,828	$ -

Notes and Source
Col. A: Amounts from the supplemental response to KPSC-1-73, Supplemental Attachment 94_W49
Col. B: Long term and short term capitalization amounts from Schedule D

A: Amount reflected on Section IV, page 9 of 19 of the Company's CFIT schedules

Kentucky Power Company
Rate Case Expense

Test Year Ended February 28, 2017

Exhibit RCS-1
Schedule C-15
Case No. 2017-00179
Page 1 of 1

Line No.	Description	Kentucky Jurisdictional Amount (A)	Reference
1	Adjustment to Remove KPCo's Proposed Amortization of Rate Case Expense	$ (458,333)	A

Notes and Source
A: The amount of rate case expense being removed is calculated below:

	Description	Amount	Reference
2	Communcation Counsel of America, Inc. Costs Through August 31, 2017	$ 33,391	KPSC-1-56 (Second Supplemental)
3	Amortized Over 3 Years	3	
4	Annual Level of Communication Counsel of America, Inc. Costs	$ 11,130	
5	Total KPCo Requested Annual Rate Case Expense	$ 458,333	
6	Annual Level of Communication Counsel of America, Inc. Costs	$ (11,130)	Line 4
7	Remaining Annual Rate Case Expense Requested in KPCo's Filing	$ 447,203	
8	Total KPCo Requested Annual Rate Case Expense	$ 458,333	L4 + L7
9	Kentucky Jurisdictional Allocation Factor - SPECIFIC	1.00	
10	Kentucky Jurisdictional Rate Case Expense	$ 458,333	

EXHIBIT RCS-2

Kentucky Power Company
Case No. 2017-00179 General Rate Adjustment
Commission Staff's Second Set of Data Requests
Dated August 14, 2017

DATA REQUEST

KPSC_2_011

Refer to the Direct Testimony of Jeffrey B. Bartsch ("Bartsch Testimony") page 3, regarding the Commission assessment and Section V, Workpaper S-2, page 2, line 3, where the Kentucky Public Service Commission Maintenance Fee ("KPSC Maintenance Fee") is listed at 0.19 percent. On June 1, 2017, the Kentucky Department of Revenue provided the new assessment rate of .1996 percent for state government's 2017–2018 fiscal year to the Commission.

a. Provide a revised Gross Revenue Conversion Factor ("GRCF") calculation using the new assessment rate.

b.Provide updates required to any schedule to reflect the proper KPSC Maintenance Fee and GRCF.

RESPONSE

a. Please refer to KPCO_R_KPSC_2_11_Attachment1.xlsx for an updated Gross Revenue Conversion Factor.

b. The Company received the update to the annual PSC maintenance assessment fee after it had completed its rate case schedules. The Company estimates that the change in overall cost of service for the updated PSC maintenance assessment fee would be approximately less than a $10,000 increase.

To perform the requested calculation, the Company would be required to review its entire cost of service study and the corresponding adjustments. The Company is unable to perform the requested calculation due to the insufficient amount of time allowed to prepare the response.

Witness: Amy J. Elliott
Mark A. Pyle

KENTUCKY POWER COMPANY

Computation of Gross Revenue Conversion Factor

As of February 28, 2017

		Tax Rates	Percentage of Incremental Gross Revenues
1	Operating Revenues		100.0000%
2	Less: Uncollectible Accounts Expense		0.3400%
3	Less: KPSC Maintenance Fee		0.1996%
4	Income Before Income Taxes		99.4604%
5	Less: State Income Taxes (Line 4 x State Tax Rate)	5.8742%	5.8425%
6	Income Before Federal Income Taxes		93.6179%
7	Less: Federal Income Taxes (Line 6 x Federal Tax Rate)	35.00%	32.7663%
8	Operating Income Percentage		60.8516%
9	Gross Revenue Conversion Factor (100% / Line 8)		1.64334216

EXHIBIT RCS-3

Kentucky Power Company
KPSC Case No. 2017-00179 General Rate Adjustment
Attorney General's First Set of Data Requests
Dated August 14, 2017

DATA REQUEST

AG_1_319 Refer to the Direct Testimony of Company witness Wohnhas. On pages 21-22 of his testimony, in his discussion regarding the hiring of a new administrative associate to curb energy theft, Mr. Wohnhas states that this position will allow the existing FTE's to do more onsite energy theft investigations and that KPCo estimates it can increase its annual theft recoveries by up to 50%.
a. Please quantify the amount of annual theft recoveries that KPCo's estimated increase of up to 50% would produce. Show detailed calculations.
b. Please state whether the Company has reflected the estimated 50% increase in annual theft recoveries in its filing. If so, identify by amount and account where this is reflected. If not, explain fully why not.
c. Mr. Wohnhas states in his testimony that the Company was interviewing applicants for this position. What is the current status for KPCo hiring someone for this position.
d. Please quantify the salary and benefits associated with this position.

RESPONSE

a. Theft recoveries in calendar 2016 totaled $333,395. An "up to 50% increase" would produce $166,697.50 in additional revenue. The calculation is $333,395 x 0.50 = $166,697.50 .

b. No. The projected increase is an estimate. The position is not filled and thus any adjustment is not yet known and measurable.

c. The interviews have been completed and management is currently discussing to whom the offer will be made.

d. Please refer to KPCO_R_KPSC_1_73 Attachment28.xls for the requested information.

Witness: Ranie K. Wohnhas

EXHIBIT RCS-4

Kentucky Power Company
KPSC Case No. 2017-00179 General Rate Adjustment
Attorney General's Second Set of Data Requests
Dated September 8, 2017

DATA REQUEST

AG_2_062 Refer to Mr. Carlin's direct testimony at page 20.

a. Why are the 2015 and 2016 increases above the utility industry median (3.5% each year versus 3.0%)?

b. Has the Company requested any pay increases for 2017? If so, identify, quantify and explain the 2017 pay increases, and identify the impact on expenses in total and by account.

c. Has the Company requested any pay increases for 2018? If so, identify, quantify and explain the 2018 pay increases, and identify the impact on expenses in total and by account.

d. Does the Company have any information regarding how its requested 2017 and 2018 pay increases compare with utility industry increases for 2017 and/or projected increases for 2017 or 2018? If so, identify and provide such information.

RESPONSE

a. Table ARC-3 on p. 20 of witness Carlin's direct testimony shows that the Company's overall rate of wage growth lagged the market median rate of increase by 4.25% from 2009 through 2016. Market survey information for specific positions, such as Line Mechanic, also showed that the Company's total compensation was significantly behind the market median (see exhibit ARC-4 to Witness Carlin's direct testimony). The 2015 and 2016 wage increases for physical and craft positions were intended to take measured steps to address these compensation disparities relative to the utility industry median. These wage increases were also negotiated in 2014 as part of a three-year wage agreement with labor unions that enabled the Company to address a broad range of issues as part of these negotiations.

b. Yes, the Company has requested merit pay increases for 2017. Please see Company Witness Ross' Cost of Service Adjustment in Exhibit 2, W33 and account level details for the merit increase adjustment in KPCO_R_AG_1_079_Attachment_1.xlsx.

c. No, the Company has not requested pay increases for 2018.

d. Yes, the Company does have the 2017-2018 World at Work Salary Budget Survey. Additional survey sources will be available at a later date. This survey indicates that the utility industry median total salary increase budget is 3% for 2017 and is projected to be 3% for 2018 for all employee categories.

For 2017, AEP budgeted and has largely implemented 3.5% salary increases for nonexempt salaried and exempt employees. As was the case the prior 2 years, the salary increase budget consisted of a 3.0% merit budget and a 0.5% promotion and equity adjustment budget. Please refer to the Company's response to AG 2-73 for additional information about the salary increases for nonexempt salaried and exempt employees. AEP also budgeted a 5.0% wage increase for physical and craft positions. The increases for physical and craft employees were negotiated in 2014 as part of a 3-year IBEW master bargaining agreement covering 2015 through 2017. The 5.0% total wage increase consisted of a 3.0% general increase, a 1.0% market equity adjustment and a 1.0% wage equalization increase. Please refer to the Company's response to AG 2-74 for additional information about these types of wage increases for physical and craft employees.

Witness: Tyler H. Ross
Andrew R. Carlin

DATA REQUEST

KPSC_2_056 Refer to the Direct Testimony of Tyler H. Ross, beginning at page 12, regarding payroll and benefit adjustments. Also refer to Kentucky Power's response to Commission Staff's First Request, (Staff's First Request"), Item 69.

a. With respect to the payroll services provided to Wheeling Power Company and AEP Generation Resources, Inc., does Kentucky Power receive compensation for its payroll services?

b. If the answer to a. above is affirmative, explain how the compensation is determined and the amount Kentucky Power received for its payroll services in the test year.

c. If the answer to a. above is negative, explain why Kentucky Power is not recovering its costs for the payroll services and provide the amount that it should be recovering.

d. Refer to pages 12 and 13 regarding employee group benefits. Provide the jurisdictional medical insurance adjustment assuming the following: Total Healthcare/Medical Cost for Each Level of Coverage = Company Paid Portion of Premium + Employee Contribution to Premium. Continue to assume that the employee would pay 21 percent of the total cost for single coverage and 32 percent of the total cost for all other types of coverage, compared to the amount of healthcare/medical insurance expense incurred during the test year.

e. Refer to pages 12 and 13 regarding employee benefits. Provide the jurisdictional dental insurance adjustment in the test year, assuming employees would pay 60 percent of the total cost of coverage. Calculate the amount as follows: Total Dental Cost for Each Level of Coverage = Company Paid Portion of Premium + Employee Contribution to Premium.

f. Refer to pages 12 and 13 regarding employee benefits. Provide a schedule that identifies the jurisdictional cost for providing long-term disability insurance.

g. Refer to pages 12 and 13 regarding employee benefits. Provide a schedule that identifies the costs for providing group life insurance coverage over $50,000.

h. Refer to page 15 regarding savings plan expense and the response to Staff's First Request, Item 72. For employees who participate in a defined benefit plan, provide the total and jurisdictional amount of matching contributions made on behalf of employees who also participate in any AEP 401(k) retirement savings account.

i. Provide the information requested in items d. through h. that are passed through from AEPSC or other affiliated companies.

RESPONSE

a. Kentucky Power does not provide payroll services to either Wheeling Power Company or AEP Generation Resources, Inc. AEPSC provides payroll services to each AEP operating company and allocates the costs for these payroll services among the AEP operating companies based on employee headcount.

b. Not applicable. See answer a. above.

c. Not applicable. See answer a. above.

d. Using the assumptions requested, the jurisdictional medical insurance adjustment would be $171,983 instead of $560,719 as filed. Please refer to KPCO_R_KPSC_2_056_Attachment1.xlsx for details.

e. Using the assumptions requested, the jurisdictional dental insurance adjustment would be $(45,525) instead of $7,317 as filed. Please refer to KPCO_R_KPSC_2_056_Attachment2.xlsx for details.

f. Please refer to KPCO_R_KPSC_2_056_Attachment3.xlsx for the requested information.

g. The costs of providing group life insurance for coverage over $50,000 is not separately identified in the costs included in Kentucky Power's cost of service. Assuming insurance rates remained unchanged for a plan change, refer to KPCO_R_KPSC_2_056_Attachment4.xls for a calculation of the costs with coverage limited to $50,000 per employee compared to the amount of coverage included in Kentucky Power's cost of service.

h. Kentucky Power's total and jurisdictional amount of test year pro forma savings plan expense for matching contributions made on behalf of Kentucky Power employees who also participate in the AEP 401(k) retirement savings account is $1,111,388 and $1,102,496, respectively.

d. Using the assumptions requested, the jurisdictional medical insurance adjustment for AEPSC would be $(65,966). Please refer to KPCO_R_KPSC_2_056_Attachment5.xlsx for details.

Using the assumptions requested, the jurisdictional dental insurance adjustment for AEPSC would be $(18,553). Please refer to KPCO_R_KPSC_2_056_Attachment6.xlsx for details.

Please refer to KPCO_R_KPSC_2_056_Attachment7.xlsx for the requested information for AEPSC long-term disability insurance.

The costs of providing group life insurance for coverage over $50,000 is not separately identified in the costs billed from AEPSC and included in Kentucky Power's cost of service. Assuming insurance rates remained unchanged for a plan change, refer to KPCO_R_KPSC_2_56_Attachment8.xlsx for a calculation of the AEPSC costs billed to Kentucky Power with coverage limited to $50,000 per employee compared to the amount of coverage included in Kentucky Power's cost of service.

Kentucky Power's total and jurisdictional amounts for Kentucky Power's share of AEPSC test year savings plan expense for matching contributions made on behalf of AEPSC employees who also participate in the AEP 401(k) retirement savings account is $564,999 and $560,479, respectively.

Witness: Tyler H. Ross
Curt D. Cooper

EXHIBIT RCS-5

Kentucky Power Company
KPSC Case No. 2017-00179 General Rate Adjustment
Attorney General's Second Set of Data Requests
Dated September 8, 2017

DATA REQUEST

AG_2_060 With all Company proposed adjustments, what are the expense amounts that KPCo is requesting, in total and by account, for each of the following components of KPCo incentive compensation:

a. Incentive Compensation Plan

b. Restricted Stock Units

c. Performance Share Incentives?

Include workpapers and supporting calculations for each.

RESPONSE

Please see KPCO_R_AG_2_60_Attachment1.xlsx for the requested detail for the Company's Incentive Compensation Plan.

For the Restricted Stock Units and Performance Shares, please see the Company's response to KIUC 1-31 and KPCO_R_KIUC_1_31_Attachment1.xlsx.

Witness: Tyler H. Ross

Kentucky Power Company
Adjusted ICP in Cost of Service by Account
For the Test Year Ended 2/28/17

Account	O&M Labor Equalivent FERC pg 354	Percent	ICP Incentive at going Level Total Company $ 2,273,952	Jurisdictional $ 2,255,760
Generation:				
5000	549,015.61	2.0325%	$ 46,217.60	$ 45,847.85
5010	56,383.78	0.2087%	4,746.54	4,708.56
5010	339,539.40	1.2570%	28,583.33	28,354.66
5020	617,569.78	2.2863%	51,988.67	51,572.75
5020	467.77	0.0017%	39.38	39.06
5020	433.40	0.0016%	36.48	36.19
5020	814.20	0.0030%	68.54	67.99
5020	103,683.06	0.3838%	8,728.32	8,658.49
5050	755.80	0.0028%	63.63	63.12
5060	4,321,953.62	16.0001%	363,833.57	360,922.84
5100	2,095,165.60	7.7564%	176,376.62	174,965.58
5110	247,433.20	0.9160%	20,829.59	20,662.95
5120	4,723,003.83	17.4848%	397,595.04	394,414.22
5130	1,288,338.76	4.7695%	108,455.79	107,588.12
5140	689,790.61	2.5536%	58,068.41	57,603.85
Transmission:				
5600	3.48	0.0000%	0.29	0.29
5710	54,811.53	0.2029%	4,614.18	4,577.27
Distribution:				
5800	173,469.56	0.6422%	14,603.13	14,486.30
5830	217,242.21	0.8042%	18,288.03	18,141.72
5840	25,155.58	0.0931%	2,117.66	2,100.72
5850	2,536.38	0.0094%	213.52	211.81
5860	590,500.47	2.1861%	49,709.90	49,312.22
5870	132,374.66	0.4901%	11,143.65	11,054.50
5880	2,137,110.97	7.9117%	179,907.69	178,468.40
5900	325.88	0.0012%	27.43	27.21
5930	4,200,542.79	15.5506%	353,612.88	350,783.92
5930	623,215.33	2.3072%	52,463.93	52,044.21
5940	9,332.45	0.0345%	785.63	779.35
5950	34,377.81	0.1273%	2,894.02	2,870.86
5960	18,183.04	0.0673%	1,530.70	1,518.45
5970	59,409.09	0.2199%	5,001.22	4,961.20
5980	23,186.00	0.0858%	1,951.86	1,936.24
9010	147,237.49	0.5451%	12,394.84	12,295.68
9020	2,075.81	0.0077%	174.75	173.35
9020	205,770.64	0.7618%	17,322.32	17,183.74
9020	1,090.97	0.0040%	91.84	91.11
9030	33,826.65	0.1252%	2,847.62	2,824.84
9030	152,610.67	0.5650%	12,847.17	12,744.39
9030	654,882.21	2.4244%	55,129.73	54,688.68
9030	108,818.46	0.4029%	9,160.63	9,087.34
9050	811.83	0.0030%	68.34	67.80
9070	70,143.66	0.2597%	5,904.88	5,857.64
9080	217,140.50	0.8039%	18,279.47	18,133.23
9080	330,137.46	1.2222%	27,791.85	27,569.51
9100	3,687.69	0.0137%	310.44	307.96
Admin. and General:				
9200	1,492,673.94	5.5259%	125,657.27	124,651.99
9210	-975.04	-0.0036%	(82.08)	(81.42)
9220	-533,702.00	-1.9758%	(44,928.46)	(44,569.02)
9250	5,788.20	0.0214%	487.27	483.37
9260	11,475.50	0.0425%	966.04	958.31
9280	85,649.94	0.3171%	7,210.24	7,152.56
9301	1,227.71	0.0045%	103.35	102.53
9302	3,561.67	0.0132%	299.83	297.43
9302	19,307.72	0.0715%	1,625.38	1,612.37
9350	654,509.13	2.4230%	55,098.32	54,657.53
9350	8,240.91	0.0305%	693.74	688.19
Total	27,012,117.37	100%	2,273,952.00	2,255,760.00

Kentucky Power Company
KPSC Case No. 2017-00179 General Rate Adjustment
Attorney General's Second Set of Data Requests
Dated September 8, 2017

DATA REQUEST

AG_2_061 With all Company proposed adjustments, what are the expense amounts that KPCo is requesting, in total and by account, for each of the following components of incentive compensation charged or allocated to KPCo by AEP Service Company:

a. Incentive Compensation Plan

b. Restricted Stock Units

c. Performance Share Incentives?

Include workpapers and supporting calculations for each.

RESPONSE

a. Please refer to KPCO_R_AG_2_061_Attachment1.xlsx for the requested expense amounts that the Company is requesting for the incentive compensation plan allocated to Kentucky Power by AEP Service Corporation for the test year ended February 28, 2017.

b. Please refer to KPCO_R_KIUC_1_031_Attachment2.xlsx that was provided in response to KIUC 1-031 for the requested expense amounts for Restricted Stock Units (RSU) Incentives (PSI) allocated to Kentucky Power by AEP Service Corporation.

c. Please refer to KPCO_R_KIUC_1_031_Attachment2.xlsx that was provided in response to KIUC 1-031 for the requested expense amounts for Performance Share Incentives (PSI) allocated to Kentucky Power by AEP Service Corporation.

Please refer to KPCO_R_AG_2_61_Attachment2.xlsx for the supporting workpapers and calculations for the Company's responses to subparts a, b and c.

Witness: Tyler H. Ross

Kentucky Power Company
AEPSC Billings to Kentucky Power Company in Cost of Service
Annual Incentives
For the Test Year Ended February 2017

	Annual Incentive		
FERC Account	**Amount Billed by AEPSC to KPCO**	**Less: Mitchell Amount Billed by KPCO to Co-Owner**	**Adjusted Amount Billed to KPCO**
5000	694,904	194,256	500,647
5010	26,165	1,972	24,193
5020	6,782	2,765	4,017
5050	252	0	252
5060	8,433	3,383	5,049
5100	63,266	24,951	38,315
5110	47,491	18,243	29,248
5120	75,795	25,836	49,960
5130	116,353	41,202	75,151
5140	37,254	17,047	20,207
5200	1	0	1
5240	4	2	2
5280	137	58	79
5300	1	0	1
5310	1,204	512	692
5350	22	9	12
5400	19	5	14
5560	67,490	28,682	38,808
5570	178,042	74,984	103,058
5600	154,265	594	153,671
5611	733	0	733
5612	80,115	45	80,070
5615	11,511	377	11,134
5620	18,587	0	18,587
5630	3,707	1	3,706
5660	75,063	1,151	73,912
5680	2,703	8	2,695
5690	374	0	374
5691	212	0	212
5692	6,838	16	6,822
5693	74	0	74
5700	51,511	5	51,506
5710	69,441	0	69,441
5720	12	0	12

Kentucky Power Company
AEPSC Billings to Kentucky Power Company in Cost of Service
Annual Incentives
For the Test Year Ended February 2017

	Annual Incentive		
FERC Account	Amount Billed by AEPSC to KPCO	Less: Mitchell Amount Billed by KPCO to Co-Owner	Adjusted Amount Billed to KPCO
5730	55,472	1	55,470
5800	40,765	650	40,115
5810	325	0	325
5820	15,923	0	15,923
5830	26	0	26
5840	563	0	563
5860	8,976	9	8,967
5880	40,661	172	40,489
5890	24	0	24
5900	657	0	657
5910	445	0	445
5920	22,913	0	22,913
5930	2,056	0	2,056
5970	261	0	261
5980	302	0	302
9010	3,453	2	3,450
9020	5,396	21	5,375
9030	290,386	73	290,312
9050	1,095	0	1,095
9070	4,245	0	4,245
9080	1,730	0	1,730
9100	35	8	27
9130	2	1	2
9200	1,461,901	343,606	1,118,295
9230	10,121	2,156	7,965
9250	437	100	337
9260	3,624	890	2,735
9280	111,540	13,306	98,234
9301	849	0	849
9302	11,648	732	10,916
9350	23,002	981	22,021
Grand Total	3,917,592	798,810	3,118,781

Kentucky Power Company
KPSC Case No. 2017-00179 General Rate Adjustment
KIUC First Set of Data Requests
Dated August 14, 2017

DATA REQUEST

KIUC_1_030 Please provide a copy of each incentive compensation plan that was in effect during the test year.

RESPONSE

Please refer to KPCO_R_KIUC_1_30_Attachment1.pdf, for the requested information. Information not applicable to Kentucky Power Company is redacted.

Witness: Andrew R. Carlin

American Electric Power
Annual Incentive Compensation Plan
Operating Company

Introduction

The objectives of AEP's Annual Incentive Compensation Plan (the Plan) are to:

- Attract, retain, engage and motivate employees to further the objectives of the company, its customers and the communities it serves;
- Enable high performance by communicating and aligning employee efforts with the Plan's performance objectives; and
- Foster the creation of sustainable shareholder value through achievement of AEP's goals.

2017 Overview

For 2017 the Executive Council, each Operating Company, Customer and Distribution Services (C&DS), Regulated Generation, Competitive Generation, Transmission, Nuclear Generation, and Energy Supply (non-generation), have an annual incentive compensation plan (ICP) with separate goals. All staff groups participate in the ICP program based on the funding measures described below and do not have separate function level incentive goals.

The Plan provides annual incentive compensation to motivate and reward employees based on AEP's performance, business unit performance (if applicable) and, for employees whose payout is discretionary, their individual performance. Annual incentive funding for all plans is tied to AEP's Operating Earnings per Share (70% weight), safety (10% weight) and strategic initiatives (15% weight).

Linking annual incentive compensation to AEP's earnings aligns it with the value employees have created and ensures that AEP meets its commitments to all other stakeholders before setting aside dollars for employee rewards. Relative individual performance is reflected in managers' discretionary allocations from their award pool for all employees in positions in the new (SP20) and exempt salary plans. Group or team performance may also be reflected through discretionary adjustments in the allocation of funding from the annual incentive pool at higher organizational levels.

Each ICP includes a balanced scorecard of performance measures in four categories:

- Financial
- Customer
- Safety and Compliance
- Culture and Employee Engagement

The Plan is intended to drive the achievement of these objectives by clearly communicating them, conveying their importance, aligning employee efforts toward their achievement and further motivating employees to achieve them. This balanced scorecard encourages the achievement of all types of objectives, rather than the achievement of a few objectives, such as financial objectives, at the expense of others, such as customer service, reliability, safety or compliance.

Performance measures are selected, whenever practical, to provide a “line of sight” that enables employees to see how the work they perform affects their annual incentive award. Objective and quantifiable performance measures are used when they are available but the Plan also includes subjective assessments of performance in less quantifiable areas and for individual performance assessments.

Safety remains the first priority irrespective of the ICP goals and other objectives the Company establishes. To help ensure that all employees have a personal stake in maintaining safe work practices a substantial portion of every plan is tied to safety for both AEP employees and contract workers.

Operating Performance Measures and Weights

Specific performance measures vary by business unit and operating company. The score for each performance measure may range from 0% to 200% of target.

Refer to Appendix A

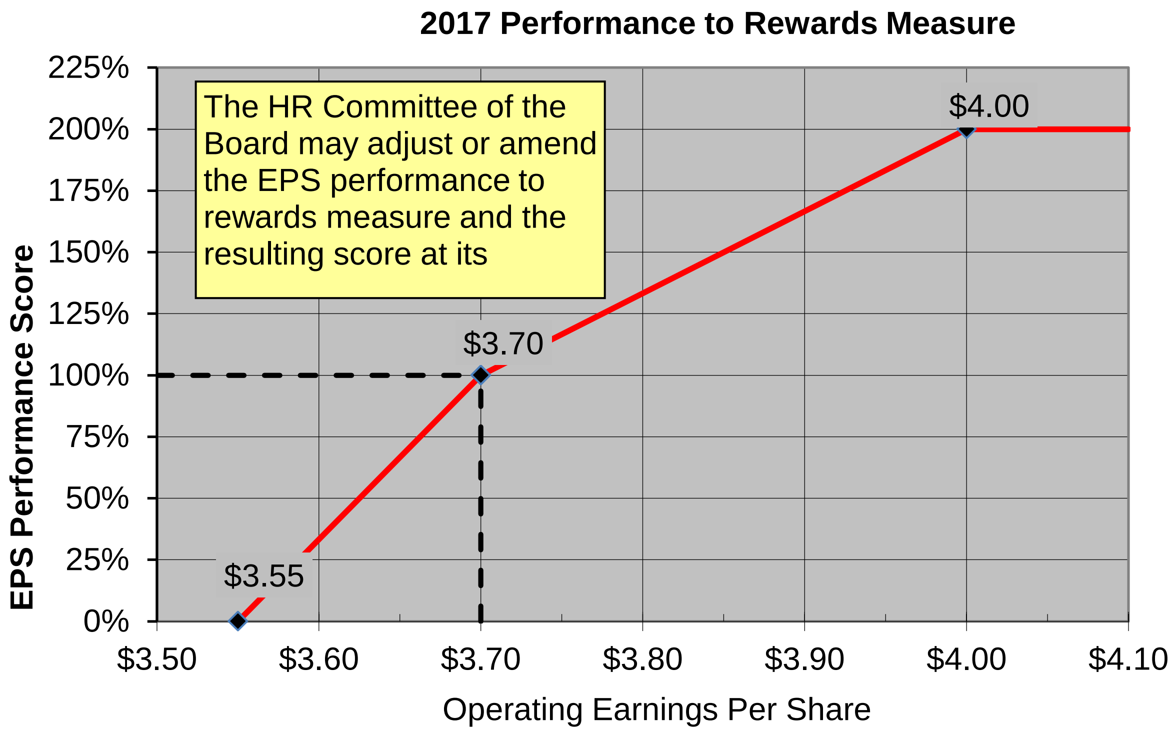
2017 Funding Measures

The 2017 funding measures were established by the HR Committee of the Board early in 2017. The maximum funding available is 200% of target funding. As in past years, the CEO and HR Committee of the Board have discretion to adjust annual incentive funding. All incentive plan funding is contingent on AEP achieving operating earnings of at least $3.55 per share for 2017.

Operating Earnings Per Share – 70%

AEP is committed to generating sustainable value for all its stakeholders through its earnings and growth. Therefore 70% of annual incentive funding is tied to AEP’s Operating Earnings per Share. This ensures that funding is commensurate with the Company’s operating earnings and the extent to which the company can afford to pay annual incentive compensation while also serving the interests of its shareholders, customers and other stakeholders. It also:

- Aligns employee interests with those of customers by strongly encouraging expense discipline;
- Ensures that adequate earnings are generated for AEP’s shareholders and continued investment in AEP’s business before employees are rewarded with annual incentive compensation; and
- Further aligns the financial interests of all AEP employees with the results employees deliver to the Company and all its stakeholders.



Safety and Compliance – 12% Weight

AEP is transforming our safety culture from "Good to Great" by building the systems and culture needed to support and sustain world-class safety performance. This includes building a safety culture based on proactive measures and continuous improvement.

For 2017 DART rate improvement will be measured to focus our attention on incidents with potentially serious consequences. DART stand for Days Away, Restricted or job Transfer and is an industry accepted measure that allows companies to focus on more serious events.

DART Rate Improvement for Employees and Contractors (7% weight)

- DART Rate = (Total Number of DART incidents x 200,000) ÷ Total Hours Worked
  - Threshold (0% payout) – 0% improvement vs. three-year average
  - Target (100% payout) – 10% Improvement vs. three-year average
  - Maximum (200% payout) – 20% Improvement vs. three-year average

Zero Harm (3% weight)

- Zero Employee Fatalities (1.5% weight)
  - Threshold (0% payout) – 1 or more fatalities
  - Maximum (200% payout) – No Fatalities

- Zero Contractor Fatalities (1.5% weight)
  - Threshold (0% payout) – 1 or more fatalities
  - Maximum (200% payout) – No Fatalities

Environmental Stewardship (1% weight) - Defined as the number of resolved formal enforcement actions with a fine > $1,000

- Resolved means the fine is paid within the current calendar year for an event within that calendar year or the previous year
- Maximum (200% payout) – 0 resolved formal enforcement actions
- Target (100% payout) – 2 resolved formal enforcement actions
- Threshold (0% payout) – 4 or more resolved formal enforcement actions

NERC Compliance (1% weight) - The number of self-reported NERC violations as a percentage of the total number of violations

- Maximum (200% payout) – 100% of NERC violations were self-reported
- Target (100% payout) – 90% of NERC violations were self-reported
- Threshold (0% payout) – 80% or less of NERC violations were self-reported

2017 Strategic Initiatives (18% weight)

There are three areas of focus for AEP's 2017 strategic initiatives: Business Transformation, Customer Experience, and Culture and Employee Engagement. These are the major areas in which AEP needs to make progress in order to enable our future success. Each of these areas of focus includes several performance measures (shown in the table below) that reflect some of the many transformative initiatives the company is undertaking.

2017 Strategic Initiatives	Weight	
Business Transformation		8%
Transmission Business Expansion	4%	
AEP OnSite Partners	2%	
AEP Renewables	2%	
Customer Experience		6%
Quality of Service: SAIDI	2%	
Quality of Service: J.D. Power Residential Overall Customer Satisfaction Index	2%	
Mobile Alert Penetration	2%	
Culture & Employee Engagement		4%
Gallup Pulse Survey	1%	
Diversity	1%	
Total Strategic Initiative Weight		**18%**

Business Transformation (8% total weight)

Transmission Business Expansion (4% weight)

- **Plant in Service (2% weight)**
  - Maximum (200% payout) – $2.3B (~ target plus 10%)
  - Target (100% payout) – $2.1B
  - Threshold (0% payout) – $2.0B (~ target less 5%)

- **Capital Investment (2% weight)**
  - Maximum (200% payout) – $3.23B (~ target plus 10%)

- Target (100% payout) – $2.94B
- Threshold (0% payout) – $2.79B (~ target less 5%)

The following goals for AEP Onsite Partners and AEP Renewables support AEP's strategic initiative of investing $1B in renewables over 3 the next years.

- **AEP OnSite Partners (2% weight)** - newly signed renewable contracts during 2017 that commit capital to be spent
    - Threshold (0% payout) - $75M of investment commitments
    - Target (100% payout) - $125M of investment commitments
    - Maximum (200% payout) - $175M of investment commitments

- **AEP Renewables Growth (2% weight)** - Capital associated with existing projects that achieve COD during 2017 plus newly signed contracts during 2017 that commit capital to be spent
    - Threshold (33.3% payout) - $100M of investment commitments
    - Target (100% payout) - $300M of investment commitments
    - Maximum (200% payout) - $400M of investment commitments

Customer Experience and Quality of Service (6% total weight)

Quality of Service - SAIDI (System Average Interruption Duration Index) – (2% Weight)

SAIDI represents the total number of minutes the average customer has experienced interruption over a 12 month time period excluding major events. Major event exclusions and targets vary by Operating Company or jurisdiction due to PUC preference and regional differences.

- OpCo Thresholds (0% payout) – 80% of target or 75% of target for KY Power due to historic volatility
- OpCo Targets (100% payout) – Regulatory targets where applicable or a 2 year glide path to the regional peer group average or, if the average has already been achieved, maintaining this average
- OpCo Maximums (200% payout) – 120% of target or 125% of target for KY Power due to historic volatility

AEP performance will be determined based on a customer weighted average of the operating company performance scores.

Quality of Service - J.D. Power and Associates (JDPA) Residential Overall Customer Satisfaction Index (CSI) – (2% Weight)

AEP's goal is to achieve top quartile regional peer group performance within 3 years for each operating company. Operating Company ICP measures and targets are aligned to the four waves of the study conducted during the calendar year

- OpCo Thresholds (0% payout) – Achieve the higher of 2016 performance or the target CSI score less the target to maximum bandwidth
- OpCo Targets (100% payout) – Achieve the year 1 target CSI score on the 3 year glide path to the projected 2019 top quarter CSI score
- OpCo Maximums (200% payout) – Achieve projected top quartile CSI score

AEP performance will be determined based on a customer weighted average of the Operating

Company performance scores. AEP Texas is excluded because Texas is a full choice retail state and AEP does not bill customers directly, which reduces interaction with customers.

Mobile Alert Penetration – (2% weight)

- Threshold (0% payout) – Current customer penetration
- Target (100% payout) – 25% customer penetration (double current customer penetration)
- Maximum (200% payout) – 38% customer penetration

This measure excludes AEP Texas due to difficulty getting email addresses and text numbers for these customers who do not purchase services directly from AEP Texas

Culture & Employee Engagement (4% total weight)

Gallup Pulse Survey (2% weight) - Achieve a year over year improvement in our culture and engagement as demonstrated by Gallup Survey Results (Overall Company Grand Mean). The 2017 AEP Employee Culture Survey will be conducted as a census survey, meaning all employees will be invited to participate in the survey.

- 4.03 Threshold (.06 improvement) - 0% of target payout
- 4.07 Target (.10 improvement) - 100% of target payout
- 4.17 Maximum (.20 improvement) - 200% of target payout

Diversity (2% weight) - AEP's diversity goal is to increase the representation of women and minorities to ultimately achieve parity between internal representation and external availability for all AEP positions. To achieve this goal AEP will need to improve hiring rates for women and minorities for all open positions and take steps to reduce attrition from these groups.

- Threshold (0% payout) for each female and minority category is the higher of: a. AEP's current representation rate plus placements at 80% of the hiring availability rate less attrition at AEP's current representation rate or b. AEP's current representation rate
- Target (100% payout) for each female and minority category is the higher of a. AEP's current representation rate plus placements at 100% of the hiring availability rate less attrition at AEP's current representation rate or b. AEP's current representation rate
- Maximum (200% payout) for each female and minority category is the higher of a. AEP's current representation rate plus placements at 120% of the hiring availability rate less attrition at AEP's current representation rate or b. AEP's current representation rate

The overall diversity measure is the employee weighted average of female and minority representation rates for all Equal Employment Opportunity (EEO) categories, except Officials and Managers, which are double weighted.

Modifier

The Modifier is a normalizing function that allocates the available funding to each business unit and operating company based on the group's performance relative to the performance of all other business units and operating companies. This results in performance differentiated Overall Scores that fully utilize but never exceed the funding available.

The modifier is calculated as the Overall Score for the Funding Measures divided by the Average

Operating Performance Score (AOPS)[1] for all business units and operating companies as shown below:

$$\frac{Overall\ Funding\ Score}{AOPS} = Modifier$$

Maximum Score

If the application of the Modifier results in an Overall Score[2] for the Plan that exceeds 200% of target, then the Overall Score is capped at 200% of target.

Performance Adjustment

A Performance Adjustment may be used to increase or decrease the Overall Score for the Plan to the extent that the Plan Compensation Committee determines that the Overall Score does not appropriately reflect the group's performance for the year. Such adjustments may be used to capture those aspects of a group's performance that are difficult to quantify or that were not adequately included in the performance measures established at the beginning of the year. For example, a Performance Adjustment might be used to reward a group for successfully completing an important project that was not anticipated at the time the ICP goals were established.

Individual Performance Factor

Management determines individual awards for all employees in positions in the new SP20 salary plan as well as those in exempt positions in the old salary structure. These determinations are based on an assessment of each employee's relative individual performance, the value of their contribution to AEP, business unit, department and individual goals and other business factors, potentially including recent and pending employment changes. Individual performance factors have a lower limit of 0% and no upper limit. However, the approval of a member of the Executive Council is required for individual awards in excess of a participant's maximum award opportunity (see the Target and Maximum Awards section below). In addition managers cannot exceed their award pool.

In determining individual performance factors, managers are expected to assess employee performance and contribution relative to other employees in the same position or grade level as well as the performance expectations for that position. Managers are also expected to avoid a bias in favor of positions at either higher or lower salary grade levels in the organization.

Eligible Earnings

ICP Eligible Earnings include the following:

1. Regular Earnings – Straight Rate
2. Paid Vacation
3. Paid Holidays

[1] AOPS is the average of the Operating Performance Scores for all incentive groups weighted by the aggregate target incentive award for all participants in each incentive group (see attached scorecard for an example).

[2] See Sample Scorecard for the definition and an example of the calculation of the Overall Score.

4. Paid Personal Days Off
5. Sick Pay (Non-occupational & Occupational)
6. Paid Jury Duty
7. Paid Death in Family
8. Paid Rest Period
9. Inclement Weather Pay
10. Lump Sum Merit Increase
11. Lump Sum General Increase
12. Grievance Settlement for Wages
13. Overtime – Nonexempt and Exempt
14. Shift Premium
15. Sunday Premium
16. Military Pay
17. Trip Pay (River)
18. Paid Union Business

Earnings not classified as one of the above types in AEP's payroll system are not considered for award calculation purposes.

Target and Maximum Award Opportunity

A participant's target award percent is based on the salary grade for his/her position **as of the last day of the last pay period that will be paid during the Plan Year**, as shown in the chart below, except as discussed below for employees in positions at or above SP20 salary plan grade 12 or EXEM salary plan grade 30 at any point during the Plan Year who change targets during the Plan Year:

New Grade Structure		
Salary Plan	**Grade**	**Target %***
SP20	1	5%
	2	5%
	3	5%
	4	6%
	5	8%
	6	9%
	7	10%
	8	10%
	9	15%
	10	20%
	11	25%
	12	30%
	13	35%
	14	40%
	15	45%
	16	50%
	17	55%

New Grade Structure		
Salary Plan	**Grade**	**Target %***
	18	60%
	19	80%
	20 (CEO)	125%
* As a percent of eligible earnings.		

Old Grade Structures		
Salary Plan	**Grade**	**Target %***
All nonexempt salary structures and wage schedules except SP20	All grades	5%
EXEM (Old Exempt Structure)	1 - 6	5%
	7 - 12	7%
	13 - 20	10%
	21 - 24	15%
	25 - 26	17%
	27	20%
	28	22%
	29	25%
	30 - 32	27%
	33	30%
	34-35	35%
	36	40%
	38	45%
	40	50%
* As a percent of eligible earnings.		

A participant's maximum individual award percent is the greater of two times his or her target award percent or the Overall Score for the Plan plus 50% of the target score. This enables managers to positively differentiate awards by up to 50% of an employee's target award to reflect strong individual employee performance even if the Overall Score for the Plan is between 150% and the 200% of target maximum score. A participant's target and maximum award opportunity is their target or maximum award percentage multiplied by their eligible earnings. The approval of a member of AEP's Executive Council in the participant's chain of command is required for awards in excess of a participant's maximum award opportunity.

The award opportunity for employees in SP20 grade 12 or EXEM grade 30 and higher positions at any point during the Plan Year whose target changes will be prorated on a monthly basis and calculated as the total of the independently calculated award opportunities for each position held during the Plan Year, including the earnings, target award percent, and Overall Score for each such position. This calculation will be performed as shown in the example below:

Position 1: Earnings * Target Award % * Overall Score = $ Pos 1
Position 2: Earnings * Target Award % * Overall Score = $ Pos 2
Position 3: Earnings * Target Award % * Overall Score = <u>$ Pos 3</u>
= Total Award Opportunity

The target awards for employees in positions below SP20 salary plan grade 12 or EXEM salary plan grade 30 for the entire Plan Year will be calculated based on the target percent and Overall Score for the position held as of the last day of the last full pay period of the Plan Year.

Award Calculation

Because the Plan includes several discretionary factors, attainment of performance objectives does not guarantee the payment of awards. An award pool will be calculated for each group based on the scores for each performance measure as soon as practical after the conclusion of the Plan Year. The final score for each performance objective is rounded to three decimal places.

The Modifier is computed as follows:

- AEP's funding measures are compared to their performance targets to determine their performance scores, which are rounded to three decimal places (e.g., 105.5% or 1.055). The Weighted Average Score is then calculated based on the weight assigned to each funding measure.
- The Average Operating Performance Score (AOPS) is the average of the Operating Performance Scores for all annual incentive plans (each of which is rounded to three decimal places) weighted by the sum of the incentive targets for all participants in each plan. AOPS is then rounded to three decimal places (e.g., 125.7% or 1.257).
- The Modifier is the Weighted Average Score for the Funding Measures divided by AOPS, the result of which is rounded to three decimal places (e.g., 1.055 / 1.257 = .839)

Board Policy on Recouping Incentive Compensation

This policy applies to all executive officers of the Company as well as all other employees of the Company or any of its subsidiaries at salary grade 15 or equivalent and higher, regulated operating company presidents and officer direct reports to the Company's Chief Executive Officer (collectively, the "Covered Employees").

This policy relates to incentive compensation paid or payable to such Covered Employees, whether under this Plan, the Company's Long Term Incentive Plan or otherwise.

The Board of Directors believes, subject to the exercise of its discretion based on the facts and circumstances of a particular case, that incentive compensation provided by the Company should be reimbursed to the Company if, in the Board's determination:

- Such incentive compensation was received by a Covered Employee where the payment or the award was predicated upon the achievement of financial or other results that were subsequently materially restated or corrected, and
- Incentive compensation would have been materially lower had the achievement been

calculated on such restated or corrected financial or other results.

Therefore, the Plan, hereby, requires Cover Employees to reimburse the Company, if and to the extent that, in the Board's view, such reimbursement is warranted by the facts and circumstances of the particular case or if the applicable legal requirements impose more stringent requirements on the Company to obtain reimbursement of such compensation. The Company also may retain any deferred compensation credited to a Covered Employee, including earnings thereon, if, when and to the extent that it otherwise would become payable.

This right to reimbursement is in addition to, and not in substitution for, any and all other rights the Company might have to pursue reimbursement or such other remedies against a Covered Employee in the course of employment by the Company or otherwise based on applicable legal considerations, all of which are expressly retained by AEP.

Administration

Plan Compensation Committee

The Plan is administered by the HR Committee of the Board of Directors with respect to executives in the HR Committee Review Group and a Plan Compensation Committee consisting of AEP's CEO, COO, CFO, General Counsel and Chief Administrative Officer with respect to all other employees, in either case ("the Committee"). The CEO of American Electric Power Company, Inc. may change the composition and number of members of the Plan Compensation Committee at any time for any reason. The Committee may delegate day-to-day authority to administer the Plan, as they deem appropriate. In lieu of an official meeting, the Committee may act by written or electronic consent of a majority of its members. The Committee's interpretations of the Plan provisions are conclusive and binding on all Participants.

The Committee has sole authority to amend or terminate the Plan and may do so at any time, for any reason, either with or without notice. The Committee may adopt, delete, modify or adjust performance objectives, metrics and weights at any time, including after the conclusion of a Plan Year, should the Committee determine that changes in AEP's structure or other significant business situations would produce an Overall Score or awards for a Plan Year that are not reflective of the underlying economics or performance of the business. The Committee may also modify the eligibility criteria for the Plan, add or delete individual participants or groups of participants and adjust any or all award payouts.

Executive Council members with management responsibility for a business unit or staff function served by the Plan have the authority to increase or decrease the award pool for any group under their purview, provided that such adjustments do not increase the total of all award pools under their purview.

Plan Year

A "Plan Year" begins on January 1st and ends on December 31st of each year for which the Plan is in effect.

Participation

All full-time and regular part-time AEP employees who are actively employed during the Plan Year will be "Participants" in the Plan for such Plan Year except:

1. Employees participating in any other **annual** AEP incentive plan,
2. Employees participating in any other plan or agreement that explicitly excludes their participation in the Plan or annual incentive compensation plans in general,
3. Employees represented by unions that decline the opportunity to participate in the Plan or all similar incentive plans,
4. Temporary employees and contract workers, and
5. Employees hired by AEP on or after December 1 of such Plan Year.

Participation in an incentive compensation plan in any Plan Year shall not confer any right to continued employment or to continued participation in the Plan for any subsequent Plan Year.

Participant Responsibility

Plan Participants are expected to comply with all applicable company policies and directives as well as all applicable laws and regulations. Failure to do so may have many serious consequences, including but not limited to forfeiture of award eligibility in the current and future Plan Years.

Award Eligibility

Participants must be **actively** employed on the last day of a Plan Year to be eligible to receive an award for that Plan Year, except as otherwise noted below.

If a Participant transfers during the Plan Year to a position that is ineligible to participate in the Plan, then such Participant will be ineligible to receive an award for such Plan Year from the Plan, unless the participant was SP20 salary plan grade 12 or EXEM salary plan grade 30 or higher during the Plan Year. In which case, the participant will be eligible for a prorated award for the Plan Year as specified in the "Target and Maximum Award Opportunity" section above.

If a participant is on Leave of Absence status as of the last day of the Plan Year, the Participant will be eligible to receive an award for the Plan Year to the extent that they have eligible earnings for the Plan Year.

Employees who become inactive during the Plan Year due to participation in an AEP long-term disability plan will be eligible to receive an award for that Plan Year to the extent that they have eligible earnings for the Plan Year, although long-term disability benefits are not ICP eligible earnings.

Participants forfeit their incentive plan eligibility if they are discharged for cause or resign in lieu of being "discharged for cause" at any time prior to the award payment date, unless the Plan Compensation Committee approves an award payment to such employee.

Satisfaction of eligibility criteria does not guarantee the payment of any awards.

Termination Due to Death or Retirement

Participants remain **eligible** for an award, based on their eligible earnings for a Plan Year, if their employment with AEP is terminated during the Plan Year due to their death or retirement and they were employed by AEP through at least the first 3 months of the Plan Year. In the event of a Participant's death, any award to which they would otherwise be entitled will become payable to the Participant's estate. For the purposes of the Plan, "retirement" is defined as termination of employment for any reason other than for cause or as part of a voluntary or involuntary severance or layoff, after the Participant attains at least age 55 and five years of AEP service.

Termination Due to Voluntary and Involuntary Severance and Layoffs

Due to the severe financial constraints that generally give rise to the need for employee severances and layoffs, Participants with both discretionary and non-discretionary award opportunities are **ineligible** for an award if they would have a separation from service with AEP during the Plan Year as part of a voluntary or involuntary severance program or a layoff as defined under a collective bargaining agreement or the Supplemental Handbook and they are not rehired during the Plan Year. Severed employees are ineligible for an award even if, in connection with their severance, they are (a) placed on a Leave of Absence or (b) offered, but fail to meet the qualifications to be paid a severance benefit (e.g., if they would fail to timely sign and return, a Severance and Release of All Claims Agreement). In the event a severed employee is rehired during the Plan Year, such Participant will be eligible for an award only to the extent of their earnings for the period after they were rehired.

Resignations after the Plan Year

Participants who are **actively** employed on the last day of a Plan Year but who subsequently voluntarily resign their employment remain eligible for an award. However, for discretionary participants, their actual or pending voluntary resignation is a business factor that management may consider in determining their award payment, if any.

Award Payment

Award payment will be made within 2-1/2 months after the end of the year or as soon as practical thereafter if it is impractical, either administratively or economically, to make payments within this time period.

The Plan is hereby approved by:

____

EVP or Higher Name Date

EVP Title

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Paul Chodak III — Date
Executive Vice President - Utilities

Appendix A

2017 Operating Company ICP Details

FINAL - April 2017

2017 Operating Company ICP Framework

Infrastructure Development (25%)

- **OpCo Net Income** (10%)
- **OpCo / AEPU Economic Development** (5%)
- **Continuous Improvement** (10%)
  - Total District Cost Per As Built Hour - (5%)
  - DOLC Unit Price Target Achievement – (2.5%)
  - Contractor Inspection Percentage – (2.5%)

Customer Experience (40%)

- **Customer Reliability** *(Total 10%)*
  - OpCo SAIDI (5 %)
  - OpCo Reliability Work Plan Execution (5%)
- **Risk Mitigation Work Plan Execution** (5%)
  - Execution of Risk Mitigation plans (5 Components – Network, Poles, Overhead, Underground Transformer, Contact Voltage)
- **Regulatory Execution** (5%)
  - Pursuit of innovative or technology-based, customer-driven programs with regulators (e.g., solar, AMI)
- **Customer Exp. Work Plan** (10%)
  - OpCo – (5%)
  - System-Wide (5%)
    - Implement Mobile App (2%)
    - Bill Redesign (2%)
    - Mobile Alerts Enrollment (1%)
- **JDPA Residential Overall Customer Satisfaction Index** (5%)
- **MSR Commercial Customer Satisfaction Survey** (5%)

Employee Experience (35%)

- **Gallup Action Plan Measure** (5%)
- **Combined Employee-Contractor DART Rate** (10%)
- **Pro-Active Employee Safety Measures** (20%)
  - Good Catch Quality Measure
  - Site Inspections
  - CORE Visit Quality
  - Standardization of High-Risk Activities
  - Vehicle and Equipment Operation

LEAN VALUES AND PRACTICE

OpCo ICP plans are subject to Executive Leadership discretion

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2017 Tier 1 Targets

Tier 1 Measures

		KPCO Goals	
Infrastructure Development	[redacted]		[redacted]
OpCo Net Income (vs. Control budget)		$44.9	
Efficiency and Effectiveness - Tot Dist Cost Per ASB Hour		$388.58	
Efficiency and Effectiveness - DOLC Unit Price		70%	
Efficiency and Effectiveness - Contractor Inspection Percentage		50%	
Economic & Business Development Revenue ($M)		$2.88	
Economic & Business Development Work Plan		1.00	
Customer Experience			
SAIDI (12M Ending)		433.3	
Reliability Work Plan		1.00	
Risk Mitigation Work Plan Execution		1.00	
Regulatory Execution		1.00	
OpCo Customer Work Plan Execution		1.00	
Systemwide Customer Work Plan Execution - Bill Redesign		1.00	
Systemwide Customer Work Plan Execution - Mobile App		1.00	
Systemwide Customer Work Plan Execution - Mobile Alerts		[redacted]	
Customer Satisfaction Performance (JDPA - 6 OpCos, MSI Cogent - AEP-TX)		692	
MSR Commercial Customer Satisfaction Survey Results		90.2%	
Employee Experience			
Gallup Action Plan Measure		1.00	
Employee-Contractor DART Rate		0.61	
Pro-Active Employee Safety Measures - Vehical Operation		1.00	
Pro-Active Employee Safety Measures - High Risk Activities		1.00	
Pro-Active Employee Safety Measures - Site Inspections		1.00	
Pro-Active Employee Safety Measures - CORE Visit Quality		14.40	
Pro-Active Employee Safety Measures - CORE Visit Participation		90%	
Pro-Active Employee Safety Measures - Good Catch Quality		90%	

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Tier 1 - Net Income Targets / Bandwidths

***Measure**: Ongoing Operating Company Earnings*

***Target:** Based on 2017 control budget & modeling, bandwidth curves based on Budget ROE*

	Budget ROE	Earnings Range ($M)			ICP Curve Bandwidth (% Δ vs Budget)	
		0.0	1.0	2.0	0.0	2.0
Higher Earnings Curves (>10.5%)						
[redacted]						
Middle Earnings Curves (>9.5% and <10.5%)						
[redacted]						
Lower Earnings Curves (<9.5%)						
[redacted]						
Kentucky	6.7%	40.4	44.9	58.3	-10%	30%
[redacted]						

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Tier 1 – Economic Development Measure

***Measure**: Based on performance relative to OpCo EB&D net revenue target (40%), AEP System EB&D net revenue target (20%), and OpCo-specific work plan performance (40%)*

***Target:** OpCo EB&D net revenue target (defined below); assessment of performance vs. OpCo-specific work plan; assessment of performance vs. AEP System revenue target (defined below)*

	2017 Targets		
	0.0	1.0	2.0
Economic & Business Development Revenue ($M)			
[redacted]			
Kentucky	$2.31	$2.88	$3.46
[redacted]			

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Tier 1 - Efficiency and Effectiveness Measures

***Measure**: Based on demonstrated value produced by efficiency in operations (50%) and work toward contractor pricing and inspection targets with measurable objectives (50%)*

***Target:** Efficiency measure by Operating Company based on baseline historical performance. Other valuation & operational targets set by leadership to drive impactful value or savings*

Total District Cost Per As Built Hour (5%)

- Targets are in accordance with the 3-year, 10% improvement glide path established in early 2016. Adjustments to targets attributable to changes in calculation methodology may be made as the year progresses. Target exceptions may also be considered with documented impacts as a result of changes in work plans, budgets or other operational factors.
- "Total District Costs" are defined as any direct costs attributed to the district-level financial rollup for each company. Excluded from these costs are MRO departments (if present), as well as Network, Restoration, Off-System and DOP work. Added to these costs are any central Contractor expense charged to a "D" construction work order, and allocated back to each district based on work location.
- As-Built Hours for each district represent all work requests that have been "completed" in the preceding 12-month period. At year end, this will include all work requests completed between January and December of 2017, as of the reporting time

	AEPOH	AEPTX	APCo	I&M	KPCO	PSO	SWEPCo
Efficiency and Effectiveness - Tot Dist Cost Per ASB Hour	$299.00	$301.75	$328.95	$357.00	$388.58	$370.44	$263.75

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Tier 1 - Efficiency and Effectiveness Measures (cont'd)

***Measure**: Based on demonstrated value produced by efficiency in operations (50%) and work toward contractor pricing and inspection targets with measurable objectives (50%)*

***Target:** Efficiency measure by Operating Company based on baseline historical performance. Other valuation & operational targets set by leadership to drive impactful value or savings*

Distribution Overhead Line Contractors – Unit Price Work Target (2.5%)

- Performance will be measured based on the total dollar value of Contractor work

0.0 ICP Performance = 65% Unit Price Work
1.0 ICP Performance = 70% Unit Price Work
2.0 ICP Performance = 85% Unit Price Work

***Glide path targets may be set for extenuating circumstances, on a case-by-case basis*

Percentage of Contractor Work Field Inspected (2.5%)

- Performance will be measured based on the total YTD dollar value of inspected work

0.0 ICP Performance = 45% Contractor Work Inspected
1.0 ICP Performance = 50% Contractor Work Inspected
2.0 ICP Performance = 60% Contractor Work Inspected

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Tier 1 – SAIDI Performance

***Measure**: Number of customer minutes interrupted divided by total customers; exclusions of major events differ based on regulatory definition*

***Target**: Based either on established jurisdictional regulatory targets, maintenance of three year average (if performance is favorable to regulatory peers), or placement along glide path to achieve regulatory peer average*

		2017 Targets		
	2016 Target	0.0	1.0	2.0
SAIDI				
[redacted]				
Kentucky	451.9	541.6	433.3	325.0
[redacted]				

***Deration of reliability factors previously impacting several Operating Companies, and based on unfavorable performance against Regulatory targets, has been excluded from the ICP plan in 2017 for simplicity purposes.*

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Tier 1 – Reliability Work Plan Execution

Measure: *Performance on reliability work plan developed and executed individually by each Operating Company, then reviewed by Distribution Engineering Services group on quarterly basis. Action items must adhere to framework provided by Distribution Engineering Services.*

Target: *Achievement of Operating Company specific work plan objectives. Measured reliability performance and trends will be considered for final scoring of work plan effectiveness. The bandwidth for the reliability programs is +/- 20%, unless otherwise indicated.*

2017 RELIABILITY PROGRAM TARGETS			
Program	[redacted]	KPCO	[redacted]
Cutout Replacement		1,800	
Sectionalizing		$250K	
System Hardening		$1.25M	
Worst Performing Circuits			
Vegetation Management		1,775	
Circuit Ties			
Targeted Inspection Repairs (poles)			
Targeted Inspection Repairs (OVHD)			
Targeted Inspection Repairs (URD)			
Vine Removal			
URD Cable Replacement (miles)			

****Failure to submit a detailed work plan to Performance Management will result in a 0.0 ICP score for the Operating Company until such time as the work plan has been received.*

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Tier 1 - Risk Mitigation Work Plan Execution

***Measure**: Development and execution of Operating Company Risk Mitigation plans (5 Components – Network Remediation, Pole Inspections, Overhead Circuit Inspection, Underground Circuit Inspection and Contact Voltage)*

***Target:** Achievement of planned objectives (outlined below). For the first four programs the 0.0 is earned for anything less than 80% of target. The 2.0 is earned when they have achieved objectives and met the inspection target. For the Underground Network Remediation the 0.0 is earned when the replacement footage is less than 80% of target. The 2.0 is earned when the replacement footage is over 120% of target.*

2017 RISK PROGRAM TARGETS			
Program	[redacted]	**KPCO**	[redacted]
Pole Inspections	[redacted]	9,500	[redacted]
OVHD Circuit Inspections (miles)	[redacted]	4,419	[redacted]
UG Circuit Inspections (units)	[redacted]	2,129	[redacted]
Contact Voltage (Cities)	[redacted]	NA	[redacted]
Network Remediation (feet)	[redacted]	NA	[redacted]

****Failure to submit a detailed work plan to Performance Management will result in a 0.0 ICP score for the Operating Company until such time as the work plan has been received.*

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Tier 1 – Regulatory Execution

Measure: *Completion of a planned program of work towards innovative Regulatory actions and technological implementations to improve the customer experience within each local jurisdiction*

Target: *Achievement of planned objectives by Operating Company. Regulatory achievements and outcomes will be taken into consideration for final scoring.*

****Failure to submit a detailed work plan to Performance Management will result in a 0.0 ICP score for the Operating Company until such time as the work plan has been received.*

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Tier 1 – Customer Experience Work Plan Execution

***Measure**: Completion of specific strategic and tactical efforts aimed at improving the customer experience. All action items should tie to drivers of customer satisfaction performance.*

***Target:** Achievement of specific work plan objectives, both systemwide and Operating Company specific. Measured impacts to customer satisfaction survey performance will be taken into consideration for final scoring. Milestone-based plans will be assessed based on plan progress.*

Systemwide Customer Experience Plan Components (5%)

- **Bill Redesign** (2%)
  0.0 Performance Milestone = No Progress
  1.0 Performance Milestone = Operating Companies sign off on the new bill design by 10/27/2017
  2.0 Performance Milestone = New Bill Design in production and printing by 12/31/2017
- **Mobile App Implementation** (2%)
  0.0 Performance Milestone = No Progress
  1.0 Performance Milestone = Provide three demos for OPCO feedback in May, August and October
  2.0 Performance Milestone = Deliver app with MVP feature set for all OPCOs by December 31
- **Mobile Alerts Enrollment** (1%)
  0.0 Performance Milestone = 12% overall enrollment, company-wide
  1.0 Performance Milestone = 25% overall enrollment, company-wide
  2.0 Performance Milestone = 38% overall enrollment, company-wide

OPCo-Specific Customer Experience Plan Component (5%)

- Individual plans submitted by Operating Companies (see Appendix)

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Tier 1 - JD Power Residential Customer Satisfaction

Measure: *Overall Residential CSI index for the 4 individual waves conducted during the 2017 calendar year (2017 wave 3 & 4, 2018 wave 1 & 2).*

Target: *Target index score determined by adjustable glide paths relative to Operating Company performance as compared to peer group. AEP-TX will utilize MSI Cogent survey results in the absence of JDPA scores.*

	Customer Satisfaction Index		
	0.0	1.0	2.0
	Higher of 2016 Actual OR 1.0 Target Less Gap (2.0 to 1.0)	3 Year Glide Path to Projected Top Quartile Threshold	1 Year Projected Top Quartile Threshold
JDPA Residential Customer Satisfaction Targets			
[redacted]			
Kentucky	653	692	737
[redacted]			

[redacted]

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Tier 1 - MSR Commercial Customer Satisfaction

***Measure**: Overall MSR Commercial Customer Satisfaction score.*

***Target:** Target index score determined by measured improvement over 2016 MSR Commercial survey results. 2017 targets represent first step in a 3-yr glide path to 95% satisfaction, with a 5% bandwidth in the first year, capped at 95%. Bandwidth was intentionally set wide, due to the limited data available (1 year) upon which to base the targets. Glide path to be adjusted annually.*

		2017 Targets		
	2016 Actual	0.0	1.0	2.0
MSR Commercial - Customer Satisfaction				
[redacted]				
Kentucky	87.8%	85.2%	90.2%	95.0%
[redacted]				

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Tier 1 – Gallup Action Planning Work Plan Execution

***Measure**: Entry and Ongoing Maintenance of the Gallup Action Plans in the Gallup system for all leaders with direct reports*

***Target:** Adherence to Gallup Action Plan, Plan Updates and actual Gallup survey performance will be taken into consideration for final scoring. Plan activity in the Gallup system will be reported by Human Resources, and activity will be scored by operating company.*

0.0 ICP Performance =
Enter 100% of Culture Action Plans for OPCo teams into the Gallup System for 2017

1.0 ICP Performance =
Provide at least one Action Plan Update during 2017 (100% OpCo team participation)

2.0 ICP Performance =
Provide at least two Action Plan Updates during 2017 (75% OpCo team participation)

****ICP performance is not tied to survey results, however achieving results is a good indicator of effective planning, therefore Gallup results including Grand Mean improvement and Accountability Index measures, will be considered when evaluating year end scoring*

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Tier 1 – Combined Employee-Contractor DART Rate

***Measure**: Calculated DART Rate combining both Employee and Contractor results by Operating Company. DART Rate = (Total DART events x 200,000) divided by Total Hours*

***Target:** Single Employee-Contractor DART target defined as the more stringent of the historic three-year rolling average or the previous year's target.*

Year	Operating Company	Actual Hours Worked	DART Cases	Actual DART Rate			
2014	OPCO Distribution Contractors-Line & Forestry	13,027,712	35	0.54	[redacted]		
2015	OPCO Distribution Contractors-Line & Forestry	12,956,308	44	0.68			
2016	OPCO Distribution Contractors-Line & Forestry	13,422,275	48	0.72			
2014	OPCO Total - Employees	10,365,381	41	0.79			
2015	OPCO Total - Employees	10,450,078	37	0.71	2017 ICP Operating Company Targets		
2016	OPCO Total - Employees	10,460,309	35	0.67	0.0 Target	1.0 Target	2.0 Target
		70,682,063	**240**	**0.68**	**0.68**	**0.61**	**0.54**
2014	Transmission Forestry	1,989,397	5	0.50	[redacted]		
2015	Transmission Forestry	1,496,079	7	0.94			
2016	Transmission Forestry	1,227,686	2	0.33			
2014	Customer & Distribution Services	2,272,554	0	0.00			
2015	Customer & Distribution Services	2,349,271	4	0.34	2017 ICP C&DS and T Forestry Targets		
2016	Customer & Distribution Services	2,375,166	0	0.00	0.0 Target	1.0 Target	2.0 Target
		11,710,153	**18**	**0.31**	**0.31**	**0.28**	**0.25**
					0.0 Target	**1.0 Target**	**2.0 Target**
	AEP Utilities Target	**82,392,216**	**258**	**0.63**	**0.63**	**0.56**	**0.50**

****Historical average sets the 0.0 ICP target. 1.0 target represents 10% improvement and 2.0 target represents 20% improvement over the historical average.*

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Tier 1 – Pro-Active Safety Measures

***Measure**: Vehicle and Equipment Operation*
***Target:** Approximately 15-30 representatives from the Grand Central Safety/other teams will participate in the Driving Summit in Q2 of 2017. Business Units will then implement agreed upon recommendations from the summit. This will be a shared performance score across all participating business units.*

<u>Performance Measure (4%)</u>

0.0 ICP Performance = Attend and participate in Driving Summit
1.0 ICP Performance = Develop recommendations and develop implementation plans for approved recommendations
2.0 ICP Performance = Develop recommendations and develop implementation plans for approved recommendations and implement five recommendations in 2017

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Tier 1 – Pro-Active Safety Measures

***Measure**: High Risk Activities*
***Target:** Continue the evaluation and implementation of standard work practices for high risk work activities common across organizations and business units. Business units are also encouraged to look for overlap of activities with other business units to drive consistency. This will be a shared performance score across all operating companies.*

Performance Measure (4%)

0.0 ICP Performance = Implement less than the remaining high risk mitigation work processes identified in 2016

1.0 ICP Performance = Implement all of the remaining high risk mitigation work processes identified in 2016

2.0 ICP Performance = Implement remaining High Risk mitigation work processes identified in 2016 and implement either two new High Risk mitigation processes OR two from other BU OR one new High Risk mitigation process and one from other BU

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Tier 1 – Pro-Active Safety Measures

***Measure**: Site Inspection Program*
***Target:** Develop Mitigation Plans and Estimates for the high risk hazards identified in 2016. Assess risk after mitigation plan developed to confirm acceptable level of risk. This will be a shared performance score across all participating business units.*

Performance Measure (4%)

0.0 ICP Performance = Develop Mitigation Plans and budget inputs for 0% of identified sites
1.0 ICP Performance = Develop Mitigation Plans and budget inputs for all identified sites
2.0 ICP Performance = Develop Mitigation Plans and budget inputs for all identified sites, implement work practices for all high risk hazards and mitigation plans requiring on-site physical work for 25% of high hazards

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Tier 1 – Pro-Active Safety Measures

***Measure**: CORE/Shadow of the Leader Training and CORE Visit Requirements*
***Target:** Employees with at least 1 direct report, and others identified as being in leadership roles will be required to complete CORE training, and any associated CORE visits. Performance will be measured in two parts – a quality measure based on observed CORE visit scores, and a participation measure based on the number of observed CORE visit forms recorded.*

Observed CORE Visit Expectations are as follows:
Q1 2017 Training = 3 CORE Visits (Q2,Q3,Q4) in 2017
Q3 2017 Training = 1 CORE Visit (Q4) in 2017
2016 Training = 2 CORE Visits (Any Quarter) in 2017
Q2 2017 Training = 2 CORE Visits (Q3,Q4) in 2017
Q4 2017 Training = 1 CORE Visit (Q4) in 2017

Quality Measure (2 %)

2.0 ICP Performance = 15.2 average score or 95%
1.0 ICP Performance = 14.4 average score or 90%
0.0 ICP Performance = 12.8 average score or 80%

Participation Measure (2%)

2.0 ICP Performance = 95% CORE Visit forms recorded
1.0 ICP Performance = 90% CORE Visit forms recorded
0.0 ICP Performance = 80% CORE Visit forms recorded

****Overall year end calculations in each measure will be averaged together by Business Unit for final scoring purposes. Participation will be calculated using the number of individuals that completed requirements and not the overall submission total*

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Tier 1 – Pro-Active Safety Measures

***Measure**: Good Catch Quality Measure*
***Target:** The quality measurement which will help assure this continues to be a leading indicator across the company. The measurement is based on a grading system communicated and evaluated by Safety & Health. Each month a random sample of 20% (with a maximum of 30 and a minimum of 20) good catch events will be reviewed for each Business Unit. If the monthly minimum of 20 events is not achieved, 100% of the events will be evaluated. This will be a shared performance score across all operating companies.*

Performance Measure (4%)

0.0 ICP Performance = An average score of 80% Good Catch Quality
1.0 ICP Performance = An average score of 90% Good Catch Quality
2.0 ICP Performance = An average score of 95% Good Catch Quality

*****Business Units will be expected to create their own Good Catch sharing strategy to address local sharing (area, location, OPCO, etc.) as well as sharing across the entire Business Unit. Those events that might be shared across the Company need to be coordinated through the respective Director S&H. Documentation of the local sharing should be done through SHEMS.*

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2017 ICP Evaluation Process & Principles

- Consistent with past review practice, ICP scores will be evaluated collectively rather than individually and scoring adjustments may be made at the discretion of Executive Leadership.
  - This does not seek to replace each Presidents' ICP review if desired, but puts in place a formal review of all scores, with input from central groups considered for evaluation
  - Subjective measures are work plan based, but ***measured outcomes and related trends will be considered in evaluating the strength and effectiveness of work plans***
- In order to facilitate evaluation consistently, we are seeking greater structure in the development of the following work plan measures:
  - **Reliability Work Plan Execution** – should follow structure communicated by Distribution Engineering Services to Reliability Managers, including clear 0.0, 1.0, and 2.0 targets
  - **Regulatory Execution Work Plan** – should be concise action items, including clear 0.0, 1.0, and 2.0 targets, and drive innovative or technological, customer-driven solutions
  - **Customer Experience Work Plan Execution** – both system-wide and OpCo-specific components should be concise (3-5 major actions), measurable (0.0, 1.0, 2.0 targets), and clearly tie/drive customer satisfaction performance
- Final ICP Scoring for the year will be calculated using data available as of the designated deadline for score submission, per AEP Corporate.

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Kentucky Power Company
KPSC Case No. 2017-00179 General Rate Adjustment
Commission Staff's First Set of Data Requests
Order Dated May 22, 2017

DATA REQUEST

KPSC_1_66 Regarding the utility's employee compensation policy:

a. Provide the utility's written compensation policy as approved by the Board of Directors.

b. Provide a narrative description of the compensation policy, including the reasons for establishing the policy and the utility's objectives for the policy.

c. Explain whether the compensation policy was developed with the assistance of an outside consultant. If the compensation policy was developed or reviewed by a consultant, provide any study or report provided by the consultant.

d. Explain when the utility's compensation policy was last reviewed or given consideration by the Board of Directors.

RESPONSE

a. AEP does not have a written policy covering all compensation for all employees that has been approved by the board of directors. AEP has a policy governing incentive compensation that has been approved by the Board of Directors. Please refer to KPCO_R_KPSC_1_66_Attachment1.pdf for the policy.

b. Please see answer to subpart (a) above. The reason and objectives for adoption of the policy were to provide a framework and establish limits for AEP's incentive compensation programs, consistent with corporate governance.

The incentive compensation policy was developed to govern incentive compensation which is one of the responsibilities and duties listed in the charter of the HR Committee of the Board of Directors.

c. AEP's Incentive Compensation Guiding Principles and Policies were not developed with the assistance of an outside consultant. They are reviewed annually by the HR Committee and its outside compensation consultant in the normal course of business but the compensation consultant has not been asked to provide a study, report or opinion with respect to this policy.

KPSC_1_66 (cont'd)

d. This policy was last reviewed by the HR Committee of the Board of Directors in April 2017.

Witness: Andrew R. Carlin

AEP Incentive Compensation Guiding Principles and Policies Revised as of April 2017

Compensation Governance - American Electric Power Company, Inc. (AEP) and the Human Resources Committee of AEP's Board of Directors (HR Committee) has established the following incentive compensation standards for the Company and its subsidiaries. These standards are reviewed at least annually and adjusted as needed.

Approvals and Exceptions- The approval of the CEO and, as necessary or appropriate, the HR Committee is required for any substantial exceptions to these standards. The approval of the Director of Compensation, Managing Director Total Rewards, VP Human Resources or SVP & Chief Administrative Officer is required for all other exceptions to these standards. The Chairman of the HR Committee is responsible for determining which exceptions require full HR Committee review and approval in accordance with the HR Committee Charter as part of the agenda setting process for the HR Committee. The SVP & Chief Administrative Officer is responsible for reviewing exceptions to these standards that may require HR Committee approval with the Chairman of the HR Committee so that the Chairman of the HR Committee has sufficient information to set its agenda.

All compensation commitments and payments that exceed $50,000 and that are granted outside a previously approved plan or program require notification to the HR Committee Chairman. Examples of such commitments and payments include signing bonuses, retention awards and buy-outs of prior employer compensation and benefits. All compensation commitments and payments that exceed $100,000 and that are granted outside a previously approved plan or program require the approval of the HR Committee Chairman or, at the HR Committee Chairman's discretion, the full HR Committee.

Incentive Award Opportunity - Standard target and maximum annual incentive award opportunity levels have been established by the HR Committee as shown in the tables below. These standard target and maximum award levels are periodically reviewed and adjusted as needed to reflect market competitive compensation levels; AEP's compensation strategy and desired compensation mix; and AEP's financial situation, among other factors.

All individual incentive compensation awards in excess of the maximum award opportunity (defined below) require the approval of an executive council member unless the HR Committee has previously approved higher maximum award opportunities for the plan or executive in question. The maximum award levels do not necessarily represent potential or possible outcomes of any plan or performance measure.

New SP20 Grade Structure		
Salary Plan	**Grade**	**Target %***
SP20	1	5%
	2	5%
	3	5%
	4	6%
	5	8%
	6	9%
	7	10%
	8	10%
	9	15%
	10	20%
	11	25%
	12	30%
	13	35%
	14	40%
	15	45%
	16	50%
	17	55%
	18	60%
	19	80%
	20 (CEO)	125%
* As a percent of eligible earnings.		

Competitive Business Grade Structure		
Salary Plan	**Grade**	**Target %***
All nonexempt salary structures and wage schedules except SP20	All grades	5%
EXEM (Old Exempt Structure)	1 - 6	5%
	7 - 12	7%
	13 - 20	10%
	21 - 24	15%
	25 - 26	17%
	27	20%
	28	22%
	29	25%
	30 - 32	27%
	33	30%
	34-35	35%
	36	40%
	38	45%
	40	50%
* As a percent of eligible earnings.		

Performance Measure Design - Performance metrics shall be established at levels that foster the sustained achievement of business objectives. As general guidelines, performance metrics should:

- Provide stretch but achievable goals.
- Provide target awards only when performance is at or better than budget, if applicable.
- Allow for adjustment to reflect changing business needs.
- Be designed to so that the probability of below threshold or above maximum performance is no higher than about 10%-15% for any single performance measure and no higher than about 5%-10% for all performance measures combined, in a normal year using external comparisons whenever possible.

A 2.0 cap shall apply to all performance objectives unless the value-sharing proposition of any uncapped performance objective is reviewed and approved by the CEO and, as necessary or appropriate, the HR Committee.

Performance Measures – Funding of all annual incentive plans will be based on AEP's Operating Earnings per Share and other measures established by the HR Committee.

All annual incentive plans shall include a discretionary Operating Unit Performance Factor, which the Plan Compensation Committee (defined below) may use to adjust the overall score to the extent that it determines that such score is not indicative of the group's overall performance or economic situation.

Annual incentive awards for all employees classified in the SP20 or EXEM salary plans shall be discretionarily determined based on management's assessment of each participant's performance, contribution and other legal business considerations for the plan year.

Generally, at least 25% of the total target award for each incentive plan or group should be based on quantitative financial objectives.

Board Policy on Recouping Incentive Compensation - All incentive compensation plans shall incorporate the following Board Policy on Recouping Incentive Compensation.

"This policy applies to all executive officers of the Company as well as all other employees of the Company or any of its subsidiaries at salary grade 15 or equivalent and higher, regulated operating company presidents and officer direct reports to the Company's Chief Executive Officer (collectively, the "Covered Employees").

This policy relates to incentive compensation paid or payable to such Covered Employees, whether under this Plan, the Company's Long Term Incentive Plan or otherwise.

The Board of Directors believes, subject to the exercise of its discretion based on the facts and circumstances of a particular case, that incentive compensation provided by the Company should be reimbursed to the Company if, in the Board's determination:

- Such incentive compensation was received by a Covered Employee where the payment or the award was predicated upon the achievement of financial or other results that were subsequently materially restated or corrected, and
- Incentive compensation would have been materially lower had the achievement been calculated on such restated or corrected financial or other results.

Therefore, this Plan, hereby, requires Cover Employees to reimburse the Company, if and to the extent that, in the Board's view, such reimbursement is warranted by the facts and circumstances of the particular case or if the applicable legal requirements impose more stringent requirements on the Company to obtain reimbursement of such compensation. The Company also may retain any deferred compensation credited to a Covered Employee, including earnings thereon, if, when and to the extent that it otherwise would become payable.

This right to reimbursement is in addition to, and not in substitution for, any and all other rights the Company might have to pursue reimbursement or such other remedies against a Covered Employee in the course of employment by the Company or otherwise based on applicable legal considerations, all of which are expressly retained by AEP."

Incentive Plan Design Standards - All AEP incentive plans shall be documented in writing and shall include the signature of a member of the Executive Council showing the plan's approval, unless the plan has been approved by the HR Committee.

All annual incentive plans shall be administered by the HR Committee with respect to executives in the HR Committee Review Group and a Plan Compensation Committee that generally consists of AEP's CEO, CFO, General Counsel and Chief Administrative Officer with respect to all other participants. The applicable Committee shall have authority to modify or terminate the plan at any time for any reason the Committee deems appropriate, including the ability to adjust, modify, substitute, or eliminate performance measures and their weights at any time. This allows for the adjustment of performance measures and results that are inconsistent with or detrimental to the underlying performance or economics of a business unit or AEP as a whole. The applicable Committee shall also have the discretion to determine plan participation, add or delete participants, and adjust a participant's award payout.

All annual incentive plans shall have a term of one plan year unless extended by the Plan Compensation Committee. Plan eligibility shall generally be limited to full-time and regular part-time active employees of the business unit or function.

Employment At Will - Participation in an incentive plan does not confer a right to continued employment.

Continued Participation - Participation in one or more years does not confer the right to participate or to receive an award in any subsequent year.

Standard Eligible Earnings Definition - Base Earnings plus Overtime for the plan year (not base rate at year-end) are used to calculate annual incentive compensation opportunities. Base earnings generally include paid time off, such as vacation, PDOs, bereavement, sick leave, jury duty, etc.

Standard Termination of Employment Provisions – Employees who voluntarily resign during the plan year are ineligible for an award.

Participants are ineligible for an award if they separate from service with AEP during the Plan Year as part of a voluntary or involuntary severance program or a layoff as defined under a collective bargaining agreement or the Supplemental Handbook and they are not rehired during the Plan Year. Severed employees are ineligible for an award even if, in connection with their severance, they are (a) placed on a Leave of Absence or (b) offered, but fail to meet the qualifications to be paid a severance benefit (e.g., if they would fail to timely sign and return, a Severance and Release of All Claims Agreement). In the event a severed employee is rehired during the Plan Year, such Participant is eligible for an award only to the extent of their earnings for the period after they were rehired.

Employees who are terminated for cause or resign in lieu of termination for cause at any time before the award payment date are ineligible for an award.

Participants remain **eligible** for an award if their employment with AEP is terminated during the Plan Year due to their death or retirement (age 55 with 5 years of service) and, effective January 1, 2018, they were employed by AEP through at least the first 3 months of the Plan Year. Because such awards are based on participant's eligible earnings for a Plan Year, which reflects the portion of the year in which they worked, they are effectively prorated.

Kentucky Power Company
Case No. 2017-00179 General Rate Adjustment
Commission Staff's Second Set of Data Requests
Dated August 14, 2017

DATA REQUEST

KPSC_2_085

Refer to the response to Staff's First Request, Item 42. Provide the following information for any of the AEP Service Corporation and other affiliated entities' costs directly assigned or allocated to Kentucky Power, as well as other requested information.
a. Reflected in the test-year level of expenses proposed by Kentucky Power, provide the following as it relates to salaries either directly assigned or allocated to Kentucky Power by another AEP entity.

(1) By AEP Service Corporation by Department, the total salary amount along with the number of hours associated with the salary cost and associated incentive pay broken down by each incentive pay program, including any stock option plans in effect during any month of the test year.

(2) By any other AEP subsidiary, provide the name of the subsidiary and the department along with the total salary amount and associated incentive pay, including any stock option plans, along with the number of hours associated with the salary, incentive pay and any stock option plans costs.

b. The AEP Service Corporation Charge billed to Kentucky Power for each 12 months ended February 2012 through February 2017.

c. The number of AEP Service Corporation employees for each 12-month period from February 2012 through February 2017.

d. Kentucky Power's peak demand (date and time) for each 12-month period from February 2012 through February 2017.

e. Kentucky Power's kWh sales (by customer class residential, commercial, and industrial) for each 12-month period from February 2012, through February 2017.

f. The level of Kentucky Power employees for each 12-month period from February 2012 through February 2017.

g. Whether the costs are allocated based on the number of Kentucky Power employees, Kentucky Power kWh sales, or Kentucky Power's peak demand. If so, identify each.
h. Whether Kentucky Power has made an adjustment to the test-year

level of AEP Service Corporation costs to reflect the most recent three-, five-, or ten-year trend in the number of employees, the kWh sales, and Kentucky Power's peak demand. If so, identify each adjustment.

i. If the answer to h. Above is no, provide a complete explanation as to why no test-year adjustment was made in Kentucky Power's proposed test-year level of AEP Service Corporation costs.

RESPONSE

a.(1) See KPSC_R_2_085_Attachment1.xls for the AEPSC labor, annual incentive, and long term incentive expenses billed to Kentucky Power for the 12 months ended February 28, 2017.

a.(2) See KPSC_R_2_085_Attachment2.xlsx for the Other Affiliate labor, annual incentive, and long term incentive expenses billed to Kentucky Power for the 12 months ended February 28, 2017.

b. See KPSC_R_2_085_Attachment3.xls for the AEP Service Corporation charges billed to Kentucky Power for each 12 months ended February 28, 2012 through February 28, 2017.

c. See KPSC_R_2_085_Attachment4.xlsx for AEPSC employees.

d. See KPSC_R_2_085_Attachment5.xls for Peak demand.

e. See KPSC_R_2_085_Attachment6.xls for kWh sales.

f. See KPSC_R_2_085_Attachment7.xlsx for Kentucky Power employees.

g. Please refer to Section II, Exhibits U and V for costs allocated by AEPSC to Kentucky Power. The test year charges with an allocation factor #09 are allocated based on number of employees; test year charges with allocation factor #43 are allocated based on kWh sales; and test year charges with allocation factor #64 are allocated based on peak load.

h. No adjustments to test-year level of AEP Service Corporation costs were made to reflect the most recent three, five, or ten year trend in the number of employees, the kWh sales, or Kentucky Power's peak demand.

i. AEPSC billings to Kentucky Power are considered to be billings for outside services. Those services vary from year to year depending upon the needs of Kentucky Power Company. This is consistent with most of our O&M expenses, such that they vary year to year depending upon the needs of the Company. Therefore, the Company did not make any test year cost of service adjustments.

Witness: Ranie K. Wohnhas
Tyler H. Ross

Kentucky Power Company
Expense Amounts Billed to Kentucky Power by Affiliates Other than AEPSC
For Labor, Annual Incentive, and Long Term Incentive
For the 12 Months Ended February 28, 2017

Affiliate	Department Level 2	Department Level 3	Labor	Annual Incentive	Long Term Incentive
AEP Energy Partners, Inc.	13254R Energy Supply	13254 Energy Supply Admin	1,838	776	769
		13365 CSWE Operations	25,436	13,980	10,754
AEP Energy Partners, Inc. Total			**27,274**	**14,756**	**11,523**
AEP Generation Resources	11991R Generation	10004R Generation-Fossil & Hydro	409	41	4
AEP Generation Resources Total			**409**	**41**	**4**
AEP OnSite Partners, LLC	13254R Energy Supply	11511XR Commercial Operations	18	5	2
AEP OnSite Partners, LLC Total			**18**	**5**	**2**
AEP Texas Central Company	10370R Chief Administrative Officer	10683R Real Estate & Workplace Svcs	13		
		11057R Information Technology	1,046	137	6
	12916R AEP Transmission	12904R Trans Controls & Field Svcs	2,865	252	8
		13127R Trans Asset Strategy & Policy	19	2	0
	13263R Utilities	12397XR Utility Operations Texas	2,858	327	19
	13535R External Affairs	13498R Chief Customer Officer	183	17	2
AEP Texas Central Company Total			**6,985**	**734**	**36**
AEP Texas North Company	10370R Chief Administrative Officer	10683R Real Estate & Workplace Svcs	7	1	
	12916R AEP Transmission	12904R Trans Controls & Field Svcs	13,892	1,782	28
		13127R Trans Asset Strategy & Policy	13	1	0
	13263R Utilities	12397XR Utility Operations Texas	246	28	0
AEP Texas North Company Total			**14,158**	**1,812**	**28**
Appalachian Power Company	10370R Chief Administrative Officer	10683R Real Estate & Workplace Svcs	12,659	2,681	113
		11057R Information Technology	6,674	877	48
	11991R Generation	10004R Generation-Fossil & Hydro	9,291	1,064	25
		10591R GET ENG VP Eng Services	67,968	6,395	179
		10773R Environmental Services	19,752	2,478	
	13263R Utilities	12358XR Utility Operations Appalachian	17,797	2,913	447
	13535R External Affairs	13498R Chief Customer Officer	65,829	7,289	1,236
Appalachian Power Company Total			**199,969**	**23,697**	**2,047**
Indiana Michigan Power Company	10370R Chief Administrative Officer	11057R Information Technology	146	53	0
	10559R Chief Executive Officer	10764R Legal GC/Administration	439	275	140
	11991R Generation	10004R Generation-Fossil & Hydro	1,291	175	8
		12162R Reg Commercial Operations	1,145	208	0
	12916R AEP Transmission	11515R Corp Safety & Health	130	23	
		12904R Trans Controls & Field Svcs	2,886	277	3
		13428R Trans Grid Development	50	5	0
	13263R Utilities	12378XR Utility Operations I&M	1,090	141	16
	13535R External Affairs	13498R Chief Customer Officer	30	3	0
	NONBU Orgs Excluded from BU View	99920 Billings from Assoc cos	1	0	0
Indiana Michigan Power Company Total			**7,206**	**1,159**	**168**
Kingsport Power Company	13263R Utilities	12358XR Utility Operations Appalachian	194	71	
Kingsport Power Company Total			**194**	**71**	
Ohio Power Company	10370R Chief Administrative Officer	10683R Real Estate & Workplace Svcs	71	6	
		11057R Information Technology	2,096	288	
	11991R Generation	10773R Environmental Services	360	2	
	12916R AEP Transmission	13127R Trans Asset Strategy & Policy	13	1	
		13428R Trans Grid Development	53	4	
	13263R Utilities	12369XR Utility Operations Ohio	12,977	1,581	29
	13535R External Affairs	13498R Chief Customer Officer	36,694	3,602	(86)
Ohio Power Company Total			**52,264**	**5,485**	**(57)**
Public Service Company of Oklahoma	11991R Generation	10004R Generation-Fossil & Hydro	609	79	6
		10591R GET ENG VP Eng Services	193	54	2
	12916R AEP Transmission	12904R Trans Controls & Field Svcs	1,011	96	4
		13127R Trans Asset Strategy & Policy	34	3	0
		13428R Trans Grid Development	133	16	1
	13263R Utilities	12406XR Utility Operations Oklahoma	908	151	77
	13535R External Affairs	13498R Chief Customer Officer	905	109	28
Public Service Company of Oklahoma Total			**3,795**	**507**	**119**
Southwestern Electric Power Company	10038R Chief Financial Officer	12034R SC & Fleet Operations Admin	110	13	
	10370R Chief Administrative Officer	10683R Real Estate & Workplace Svcs	32	2	
		11057R Information Technology	30	2	
	11991R Generation	10004R Generation-Fossil & Hydro	2,023	328	11
	12916R AEP Transmission	12904R Trans Controls & Field Svcs	825	88	4
		13428R Trans Grid Development	97	10	0
	13263R Utilities	12415XR Utility Operations SWEPCO	2,735	498	495
	13535R External Affairs	13498R Chief Customer Officer	15,635	2,072	651
Southwestern Electric Power Company Total			**21,485**	**3,012**	**1,162**
Wheeling Power Company	13263R Utilities	12358XR Utility Operations Appalachian	51	20	
Wheeling Power Company Total			**51**	**20**	
				51,300	**15,032**

EXHIBIT RCS-6

Kentucky Power Company
KPSC Case No. 2017-00179 General Rate Adjustment
Attorney General's First Set of Data Requests
Dated August 14, 2017

DATA REQUEST

AG_1_081 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. 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. Provide a description of each distinct stock-based compensation program that is included in the charges to KPCo during the test year ended February 28, 2017.

RESPONSE

a. Please refer to KPCO_R_AG_1_081_Attachment1.xlsx for the requested information.

b. Two types of stock-based long-term incentive compensation were outstanding or granted during the test year: Performance Units and Restricted Stock Units (RSUs).

Performance Units Description

Performance Units are a type of variable long-term incentive compensation. They do not convey to employees any voting, dividend, or other rights associated with shares of AEP common stock, but they do accrue dividend credits that are generally equal to the value of dividends paid on shares of AEP common stock. Performance unit vesting, and therefore its entire value, is generally subject to the employee's continuous AEP employment through the vesting date. The value of each performance unit that employees may ultimately earn is based on the value of AEP common stock at the end of the performance and vesting period. The number of performance units that employees may ultimately earn is based on the performance score for two equally-weighted performance measures, which may range from 0% to 200%:

- Cumulative Earnings Per Share (EPS) measured relative to a Board approved target

- Total Shareholder Return (TSR) measured relative to a Board approved peer group

At the end of the performance period participants receive either a cash or stock payment (depending on the year) equal to the number of vested performance units (if any), including dividend credits, multiplied by the overall performance Score and multiplied by the average closing price of AEP common stock for the last 20 trading days of the Performance Period.

RSUs Description

RSUs are a type of long-term compensation denominated in AEP Common Stock. Recipients receive a share of AEP Common Stock for each RSU that vests or, for certain RSU awards that vest to Section 16 Officers, they recieve cash. Vesting generally occurs in equal thirds on or within a few months after each of the first three anniversaries of the grant date, subject to the recipient's continued AEP employment through the vesting date. The recipient is then free to hold the shares of AEP Common Stock they receive or sell them at a time of their choosing.

RSUs have no voting rights and are not entitled to receive any dividend declared on AEP common stock. However, RSUs are entitled to additional RSUs ("Dividend Equivalent RSUs") of an equal value to dividends paid on AEP common stock.

Unlike Performance Units, which are subject to a 0% to 200% multiplier based upon achievement performance goals, RSUs are not linked to any performance measures.

Please refer to KPCO_R_KIUC_1_30_Attachment_1.pdf for additional long-term incentive plan information.

c. Please also refer to KPCO_R_AG_1_081_Attachment1.xlsx for the requested information.

d. Please see the response to AG 1-081 b. above.

Witness: Tyler H. Ross
Andrew R. Carlin

KPSC Case No. 2017-00179
AG 1-081

Kentucky Power Company
Proforma Stock-Based Compensation Expense
For the Test Year Ended 2/28/17

Account	Per Books	Related Adjustments: RSU	Related Adjustments: PSI	Proforma Stock-Based Compensation Expense	KY Retail Proforma Stock-Based Compensatio
		$ (6,345)	$ (65,888)		OML Factor 0.992
Generation:					
5000	$ 1,945	$ (129)	$ (1,339)	$ 477	$ 473
5010	186	(13)	(138)	35	35
5010	1,275	(80)	(828)	367	364
5020	2,222	(145)	(1,506)	571	566
5020	1	-	(1)	-	-
5020	1	-	(1)	-	-
5020	1	-	(2)	(1)	(1)
5020	436	(24)	(253)	159	158
5050	3	-	(2)	1	1
5060	16,463	(1,015)	(10,542)	4,906	4,867
5100	7,798	(492)	(5,111)	2,195	2,177
5110	1,063	(58)	(604)	401	398
5120	17,520	(1,109)	(11,520)	4,891	4,852
5130	4,130	(303)	(3,143)	684	679
5140	2,702	(162)	(1,683)	857	850
Transmission:					
5600	0	-	-	-	-
5710	0	(13)	(134)	(147)	(146)
Distribution:					
5800	2,578	(41)	(423)	2,114	2,097
5830	10,163	(51)	(530)	9,582	9,505
5840	346	(6)	(61)	279	277
5850	45	(1)	(6)	38	38
5860	17,088	(139)	(1,440)	15,509	15,385
5870	2,290	(31)	(323)	1,936	1,921
5880	36,379	(502)	(5,213)	30,664	30,419
5900	8	-	(1)	7	7
5930	79,508	(987)	(10,245)	68,276	67,730
5930	9,816	(146)	(1,520)	8,150	8,085
5940	307	(2)	(23)	282	280
5950	488	(8)	(84)	396	393
5960	359	(4)	(44)	311	309
5970	992	(14)	(145)	833	826
5980	295	(5)	(57)	233	231
9010	2,816	(35)	(359)	2,422	2,403
9020	30	-	(5)	25	25
9020	3,377	(48)	(502)	2,827	2,804
9020	18	-	(3)	15	15
9030	403	(8)	(83)	312	310
9030	1,802	(36)	(372)	1,394	1,383
9030	11,002	(154)	(1,597)	9,251	9,177
9030	1,879	(26)	(265)	1,588	1,575
9050	35	-	(2)	33	33
9070	790	(16)	(171)	603	598
9080	3,834	(51)	(530)	3,253	3,227
9080	5,408	(78)	(805)	4,525	4,489
9100	67	(1)	(9)	57	57
Admin. and General:					
9200	22,783	(351)	(3,641)	18,791	18,641
9210	18	-	2	20	20
9220	0	125	1,302	1,427	1,416
9250	127	(1)	(14)	112	111
9260	39	(3)	(28)	8	8
9280	1,030	(20)	(209)	801	795
9301	18	-	(3)	15	15
9302	55	(1)	(9)	45	45
9302	35	(5)	(47)	(17)	(17)
9350	-1	(154)	(1,596)	(1,751)	(1,737)
9350	12	(2)	(20)	(10)	(10)
Total	271,985	(6,345)	(65,888)	199,752	198,159

Kentucky Power Company
KPSC Case No. 2017-00179 General Rate Adjustment
KIUC First Set of Data Requests
Dated August 14, 2017

DATA REQUEST

KIUC_1_031 Please provide the amount of incentive compensation expense pursuant to the Long Term Incentive Plan (LTIP) included in the test year revenue requirement for each target metric used for this plan during the test year. Separately provide the costs incurred directly by the Company and the costs incurred through AEPSC affiliate charges. In addition, please provide these amounts by FERC O&M and/or A&G expense account.

RESPONSE

The information cannot be provided as requested. The LTIP is comprised of two components: Restricted Stock Units (RSUs) and Performance Share Incentives (PSIs). RSUs do not have a target metric as payout of RSUs is based on the grant date stock price of American Electric Power Company, Inc. PSIs have two target metrics: Earnings per Share (EPS) and Total Shareholder Return (TSR). Separate entries were not recorded to the ledger in the test year related to these two PSI target metrics. In addition, the expense related to the PSI is calculated based on the performance of the components over a three-year period and not the test year as requested.

The Company is providing the total PSI and total RSU expense included in the test year revenue requirement for the twelve months ended February 28, 2017. Please see KIUC_1_31_Attachment1.xls and KIUC_1_31_Attachment2.xls for total LTIP and total RSU expense included in the test year revenue requirement for the twelve months ended February 28, 2017 related to Kentucky Power employees and AEPSC employees that were billed to Kentucky Power, respectively.

Witness: Tyler H. Ross

Kentucky Power Company
AEPSC Billings to Kentucky Power Company in Cost of Service
For Long Term Incentive (PSI & RSU)
For the Test Year Ended February 2017

	PSI - Performance Share Incentive			RSU - Restricted Stock Units			LTIP - Total		
FERC Account	Amount Billed by AEPSC to KPCO	Less: Mitchell Amount Billed by KPCO to Co-Owner	Adjusted Amount Billed KPCO	Amount Billed by AEPSC to KPCO	Less: Mitchell Amount Billed by KPCO to Co-Owner	Adjusted Amount Billed KPCO	Amount Billed by AEPSC to KPCO	Less: Mitchell Amount Billed by KPCO to Co-Owner	Adjusted Amount Billed KPCO
5000	137,115	46,100	91,015	17,315	11,884	5,432	154,430	57,984	96,447
5010	4,053	390	3,663	1,391	141	1,250	5,444	531	4,913
5020	2,177	815	1,362	157	46	110	2,333	861	1,472
5050	7	0	7	13	0	13	21	0	21
5060	3,587	1,462	2,126	1,003	393	610	4,590	1,855	2,735
5100	12,615	4,834	7,782	3,220	1,212	2,008	15,836	6,046	9,790
5110	13,352	5,507	7,845	2,866	1,047	1,819	16,218	6,554	9,663
5120	19,212	6,116	13,096	4,552	1,700	2,851	23,764	7,816	15,948
5130	27,265	9,448	17,817	7,275	2,225	5,051	34,540	11,673	22,867
5140	11,091	5,175	5,917	2,031	958	1,072	13,122	6,133	6,989
5280	43	18	25	7	3	4	50	21	29
5300	2	0	2	0	0	0	2	0	2
5310	188	80	108	58	25	34	246	105	141
5350	2	1	1	0	0	0	2	1	1
5560	15,299	6,502	8,797	3,949	1,679	2,271	19,249	8,181	11,068
5570	45,759	18,647	27,112	11,124	4,650	6,474	56,883	23,297	33,585
5600	20,118	113	20,005	10,216	35	10,181	30,334	149	30,186
5611	92	0	92	65	0	65	157	0	157
5612	13,575	8	13,567	6,508	2	6,506	20,082	9	20,073
5615	1,681	67	1,615	954	24	930	2,635	90	2,545
5620	2,239	0	2,239	1,205	0	1,205	3,444	0	3,444
5630	689	0	689	392	0	392	1,082	0	1,082
5660	12,759	220	12,539	5,466	69	5,397	18,225	290	17,936
5680	401	(2)	403	194	1	193	596	(1)	596
5690	77	0	77	2	0	2	78	0	78
5691	21	0	21	12	0	12	32	0	32
5692	993	3	990	507	1	505	1,500	4	1,495
5693	9	0	9	5	0	5	14	0	14
5700	6,721	1	6,720	3,307	0	3,307	10,028	1	10,027
5710	10,730	0	10,730	4,588	0	4,588	15,318	0	15,318
5720	1	0	1	0	0	0	1	0	1
5730	6,498	0	6,498	2,825	0	2,825	9,323	0	9,323
5800	11,215	412	10,803	3,349	72	3,277	14,564	484	14,080
5810	52	0	52	24	0	24	75	0	75
5820	1,863	0	1,863	1,154	0	1,154	3,017	0	3,017
5830	(3)	0	(3)	0	0	0	(3)	0	(3)
5840	167	0	167	49	0	49	216	0	216
5860	2,427	1	2,426	659	0	659	3,086	1	3,085
5880	12,230	62	12,167	3,067	13	3,054	15,297	76	15,221
5890	4	0	4	0	0	0	4	0	4
5900	101	0	101	36	0	36	137	0	137
5910	92	0	92	29	0	29	121	0	121
5920	4,430	0	4,430	2,044	0	2,044	6,474	0	6,474
5930	643	0	643	166	0	166	808	0	808
5970	84	0	84	16	0	16	99	0	99
5980	20	0	20	38	0	38	59	0	59
9010	960	(0)	960	284	0	284	1,243	(0)	1,243

Kentucky Power Company
AEPSC Billings to Kentucky Power Company in Cost of Service
For Long Term Incentive (PSI & RSU)
For the Test Year Ended February 2017

	PSI - Performance Share Incentive			RSU - Restricted Stock Units			LTIP - Total		
FERC Account	Amount Billed by AEPSC to KPCO	Less: Mitchell Amount Billed by KPCO to Co-Owner	Adjusted Amount Billed KPCO	Amount Billed by AEPSC to KPCO	Less: Mitchell Amount Billed by KPCO to Co-Owner	Adjusted Amount Billed KPCO	Amount Billed by AEPSC to KPCO	Less: Mitchell Amount Billed by KPCO to Co-Owner	Adjusted Amount Billed KPCO
9020	1,507	5	1,502	437	1	437	1,945	6	1,939
9030	84,281	31	84,250	23,616	6	23,609	107,897	38	107,859
9050	298	0	298	89	0	89	387	0	387
9070	1,166	0	1,166	335	0	335	1,501	0	1,501
9080	436	0	436	126	0	126	562	0	562
9100	(1)	(0)	(1)	2	0	1	1	0	1
9200	983,571	210,611	772,960	244,530	54,724	189,806	1,228,101	265,335	962,766
9230	7,067	1,744	5,323	1,706	416	1,290	8,774	2,161	6,613
9250	79	20	59	42	10	32	121	30	91
9260	942	236	705	264	65	199	1,205	302	904
9280	29,035	3,125	25,909	10,963	1,222	9,741	39,998	4,347	35,650
9301	240	0	240	71	0	71	311	0	311
9302	3,799	570	3,229	1,048	157	891	4,847	727	4,120
9350	4,712	217	4,495	1,081	54	1,027	5,793	271	5,522
Grand Total	1,519,784	322,538	1,197,247	386,431	82,836	303,595	1,906,216	405,374	1,500,841

EXHIBIT RCS-7

Kentucky Power Company
KPSC Case No. 2017-00179 General Rate Adjustment
Attorney General's First Set of Data Requests
Dated August 14, 2017

DATA REQUEST

AG_1_083

Supplemental Executive Retirement Program (SERP).
a. Provide the level of SERP expense, by account, included in the Company's cost of service for the test year.
b. Provide the level of SERP expense, by account, included in the Company's cost of service for the rate effective period.
c. Provide the comparable SERP expense for each calendar year, 2014, 2015, 2016, and 2017.
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.

RESPONSE

a. The SERP net expense recorded to account 9260037 for the test year is $3,409.

b. The SERP net expense recorded to account 9260037 for the rate effective period is $6,273.

c. The comparable SERP net expense for 2014, 2015, 2016 and 2017 is $153, $2,055, $2,835, and $6,267 (estimated), respectively.

d. Please see attachments KPCO_R_AG_1_83_Attachment1.pdf, KPCO_R_AG_1_83_Attachment2.pdf, and KPCO_R_AG_1_83_Attachment3.pdf for the 2015, 2016, and 2017 Willis Towers Watson Actuarial reports.

e. Please see attachment KPCO_R_AG_1_83_Attachment3.pdf for the 2017 Willis Towers Watson Actuarial report.

f. - for part a. discussed above - Refer to KPCO_R_AG_1_83_Attachment4.xls for the AEPSC SERP net expenses billed to Kentucky Power for the test year.

f. - for part b. discussed above - Since AEPSC billings to Kentucky Power are considered to be billings for outside services, the Company did not make any test year cost of service adjustments. For AEPSC SERP expenses billed to Kentucky Power for the test year, refer to KPCO_R_AG_1_83_Attachment4.xls.

Kentucky Power Company
KPSC Case No. 2017-00179 General Rate Adjustment
Attorney General's First Set of Data Requests
Dated August 14, 2017

f. - for part c. discussed above - The AEPSC SERP net expenses billed to Kentucky Power for the years 2014, 2015, 2016, and 2017 are $108,044, $114,274, $93,246, and $99,961 (estimated), respectively.

f. - for part d. discussed above - Please see attachments KPCO_R_AG_1_83_Attachment1.pdf, KPCO_R_AG_1_83_Attachment2.pdf, and KPCO_R_AG_1_83_Attachment3.pdf for the 2015, 2016, and 2017 Willis Towers Watson Actuarial reports.

f. - for part e. discussed above - Please see attachment KPCO_R_AG_1_83_Attachment3.pdf for the 2017 Willis Towers Watson Actuarial report.

Witness: Tyler H. Ross
Andrew R. Carlin

Kentucky Power Company
AEPSC SERP Billings to Kentucky Power Company in Cost of Services
For the 12 Months Ended February 28, 2017

Account	Amount Billed by AEPSC to KPCO	Less: Mitchell Amount Billed by KPCO to Co-Owner	Adjusted Amount Billed KPCO
5000	10,928	4,731	6,197
5010	472	73	399
5020	171	70	101
5050	11	1	10
5060	171	73	98
5100	1,325	542	783
5110	1,004	429	575
5120	1,901	759	1,142
5130	2,376	884	1,492
5140	826	406	420
5280	4	2	2
5310	16	7	8
5350	1	0	0
5400	1	0	1
5560	1,604	745	859
5570	3,269	1,511	1,758
5600	2,972	183	2,789
5611	21	1	19
5612	1,927	113	1,814
5615	272	25	248
5620	354	21	333
5630	124	7	117
5660	1,719	122	1,597
5680	64	4	60
5690	11	1	10
5691	4	0	3
5692	152	9	143
5693	2	0	1
5700	1,040	60	980
5710	1,414	82	1,332
5730	690	40	650
5800	1,020	77	944
5810	8	0	8
5820	346	20	325
5830	1	0	1
5840	13	1	13
5860	209	12	197
5880	1,049	66	984
5890	1	0	1
5900	8	0	8
5910	16	1	15
5920	534	31	503
5930	51	3	48
5970	5	0	5
5980	10	1	9
9010	89	5	84
9020	138	9	130
9030	7,225	419	6,806
9050	28	2	27
9070	114	7	108
9080	42	2	39
9100	1	0	1
9200	23,491	6,778	16,713
9230	202	53	149
9250	10	3	7
9260	88	26	62
9280	1,321	198	1,123
9301	21	1	19
9302	167	14	153
9350	502	49	452
Grand Total	**71,557**	**18,681**	**52,876**

Kentucky Power Company
KPSC Case No. 2017-00179 General Rate Adjustment
Attorney General's Second Set of Data Requests
Dated September 8, 2017

DATA REQUEST

AG_2_079 SERP Expense. Refer to the response to AG_1_083 and Section V, Exhibit 2, W23 from the Company's filing.
a. Reconcile the net test year SERP expense of $3,409 to the amount shown on Company workpaper W23. Identify, quantify and explain each reconciling item.
b. Reconcile the rate effective period SERP expense of $6,273 to Company workpaper W23. Identify, quantify and explain each reconciling item.

RESPONSE

a. Please refer to KPCO_R_AG_2_79_Attachment1.xlsx for the requested information.

b. Please refer to KPCO_R_AG_2_79_Attachment2.xlsx for the requested information.

Witness: Tyler H. Ross

KPCO_R_AG_2_79_Attachment2.xlsx

Kentucky Power

SERP Expense

For the Rate Effective Year 2017

SERP Gross Cost - 9260037 (W23, Line No. 3)	8,911
KPCo O&M %	70.96%
O&M Expense For SERP	6,323
KY Jurisdictional Factor - OML	99.2%
KPSC Jurisdictional SERP Adjusted Test Year Net Expense (AG_1_083(b))	6,273

EXHIBIT RCS-8

Kentucky Power Company
KPSC Case No. 2017-00179 General Rate Adjustment
Attorney General's First Set of Data Requests
Dated August 14, 2017

DATA REQUEST

AG_1_153 List all revenue, expense and rate base amounts by account included in the test year relating to any Company or affiliate-owned or leased air¬port, airplane and helicopter facilities, if applicable.

RESPONSE

Please see KPCO_R_AG_1_153_Attachment1.xls for the requested information.

Witness: Tyler H. Ross

Kentucky Power Company
AEPSC Billings to Kentucky Power Company for Aviation
For the Test Year Ended February 2017

FERC Account	Total
1070	213
1630	1,418
1880	6,674
4264	4,090
5000	122,207
5570	11,356
5600	30,254
5660	5,334
9120	1,348
9210	217,857
Grand Total	400,750

Kentucky Power Company
Case No. 2017-00179 General Rate Adjustment
Commission Staff's Second Set of Data Requests
Dated August 14, 2017

DATA REQUEST

KPSC_2_055 Refer to the Rogness Testimony, page 5, regarding the Annualization of Lease Costs.

a. Provide for each month of the test year the dollar amount associated with any aviation costs (ownership, lease, or rental costs directly assigned or allocated to Kentucky Power) reflected in the test-year level of costs, along with the purpose of the flight and with the names of persons on the flight.

b. Provide supporting information for lease costs during the test year. Include the beginning and ending dates of each lease, cost per lease, and nature of lease.

RESPONSE

a. Please see KPCO_R_KPSC_2_55_Attachment1.xls for the requested information. The information in the attachment shows the Pre-Allocated cost during the test year, as accounting does not break out how much each specific flight will be allocated to Kentucky Power. Of the total Pre-Allocated cost shown in KPCO_R_KPSC_2_55_Attachment1.xls, $400,750 was allocated to Kentucky Power as described in the Company's response to AG 1-153 and in KPCO_R_AG_1_153_Attachment1.xls.

b. Please see KPCO_R_KPSC_2_55_Attachment2.xls for the requested information.

Witness: Tyler H. Ross

Exhibit RCS-8
Case No. 2017-00179
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	A	B	C	D	E	F	G	H	I
1	Allocated Flight Costs to Kentucky Power Company (includes Purpose and Passengers)								
2	**Note that the Total Cost is the pre-unallocated cost of the flight. Kentucky Powers is only billed for a portion of each of these flights.								
3									
4									
5	Sum of Cost								
6	Departing Airport City	Arriving Airport City	Purpose	PASSENGER 1	PASSENGER 2	PASSENGER 3	PASSENGER 4	PASSENGER 5	PASSENGER 6
7	Abilene, TX	San Angelo, TX	FIELD VISIT: TULSA AND CORPUS CHRISTI	BARTON, LISA	WAGNER, ROBERT	GROFF, DANIEL	SMITH, SCOTT	WEBER, BRIAN	KREHER, IAN
8	Albuquerque, NM	Columbus, OH	ATTEND MEETING WITH PNM RESOURCES	TIERNEY, BRIAN	HALL, GREG	FRANSEN, MATTHEW			
9	Atlanta, GA	Charleston, WV	ATTEND A CUSTOMER AND TECHNOLOGY VISIT AT SOUTHERN	MCCULLOUGH, MARK	SASTRY, RAM	USHER, MATTHEW	DION, PHILIP	EVANS, MURRAY	CHERIPKO, ROB
10	Atlanta, GA	Columbus, OH	ATTEND JUNIOR ACHIEVEMENT MEETING IN ATLANTA, GEOR		AKINS, NICHOLAS	COLE, MICHAEL	GOOD, DAN	KELLOGG, JOHN	KRIDLER, DOUG
11	Atlanta, GA	Columbus, OH	ATTEND JUNIOR ACHIEVEMENT MEETING IN ATLANTA, GEOR	JAMES, MARK	FRANCOIS, PAUL	IZZO, TAMMY	MADISON, ROGER	MOLLARD, KERRI	PARAGAS, DAVID
12	Atlanta, GA	Columbus, OH	INPO (INSTITUTE OF NUCLEAR POWER OPERATIONS) 2016	AKINS, NICHOLAS	MCHENRY, MELISSA	POLK, JOSHUA	FLORA, TERRI		
13	Atlanta, GA	Columbus, OH	TO ATTEND THE FNG MEETING IN ATLANTA, GA		LEE, DANIEL				
14	Atlanta, GA	Teterboro, NJ	NERC SEMI-ANNUAL BOARD MEETING & ANALYST MEETING	BARTON, LISA					
15	Augusta, GA	Columbus, OH	MEETING WITH MITSUBISHI	LEE, DANIEL					
16	Austin, TX	Columbus, OH	QUANTA TRAINING FACILITY AND ETT BOARD MTG	BARTON, LISA	FERGUSON, DAVID	FRANKLIN-THOMAS,	SMITH, SCOTT	FISCHER, KRISTEN	SUNDARARAJAN, RAJ
17	Austin, TX	Columbus, OH	TO ATTEND AEIC POWER GEN MEETING	MCCULLOUGH, MARK	LEE, DANIEL				
18	Austin, TX	Dallas, TX	SPEAK AT THE NATURAL GAS SUPPLY ASSOCIATION ANNUAL	AKINS, NICHOLAS	NESSING, SANDRA	HILLEBRAND, LANA			
19	Bangor, ME	Columbus, OH	EEI INTERNATIONAL ELECTRICITY SUMMIT 2016 ON BEHAL	POWERS, ROBERT	POWERS, JAN				
20	Battle Creek, MI	Columbus, OH	BRING BACK FROM MAINTENANCE						
21	Battle Creek, MI	Columbus, OH	MAINTENANCE						
22	Battle Creek, MI	Columbus, OH	MAINTENANCE RUN						
23	Battle Creek, MI	Columbus, OH	PICK UP CREW FROM TAKING PLANE TO MAINTENANCE						
24	Beckley, WV	Columbus, OH	CHAIRMAN'S LIFE SAVING AWARD & EMPLOYEE MEETINGS	TIERNEY, BRIAN	RHOADES, CRAIG	WEAVER, DIANA			
25	Beckley, WV	Columbus, OH	LINEBERRY CEREMONY AND FIELD VISIT						
26	Boston, MA	Columbus, OH	ATTEND BAML 2016 POWER & GAS LEADERS CONFERENCE	BARTON, LISA	ROZSA, BETTE	FUNK, BRADLEY			
27	Boston, MA	Columbus, OH	MTG W/SANJAY GUPTA IN NYC AND THEN ON TO BOSTON FO						
28	Boston, MA	Washington DC	TO MEET WITH CERES AND INVESTORS IN BOSTON	MCCULLOUGH, MARK	NESSING, SANDRA	MCMANUS, JOHN	DION, PHILIP	FUNK, BRADLEY	
29	Brunswick, GA	Columbus, OH	AUDIT PLANNING MEETINGS WITH AUDIT COMMITTEE MEMBE	REIS, ANDREW	HOFFMAN, JAY	HEHR, STEPHEN	BURNHAM, RODNEY		
30	Charleston, SC	Columbus, OH	HRC PREP MEETING	HILLEBRAND, LANA	CARLIN, ANDREW	MCCOUGH, JAMES			
31	Charleston, WV	Atlanta, GA	ATTEND A CUSTOMER AND TECHNOLOGY VISIT AT SOUTHERN	MCCULLOUGH, MARK	SASTRY, RAM	USHER, MATTHEW	DION, PHILIP	EVANS, MURRAY	CHERIPKO, ROB
32	Charleston, WV	Columbus, OH	ATTEND A CUSTOMER AND TECHNOLOGY VISIT AT SOUTHERN	MCCULLOUGH, MARK	SASTRY, RAM	USHER, MATTHEW	DION, PHILIP	EVANS, MURRAY	CHERIPKO, ROB
33	Charleston, WV	Columbus, OH	LINEBERRY CEREMONY AND FIELD VISIT	BARTON, LISA	SMITH, SCOTT	MCCORD, NATALIE	HOFFMAN, RICK	WEBER, BRIAN	ETTINGER, JUSTIN
34	Charleston, WV	Frankfort, KY	ATTEND IRC MEETINGS WITH APCO & KENTUCKY POWER	TIERNEY, BRIAN	POWERS, ROBERT	MCLRAVY, JENNIFER	BRADISH, ROBERT	PUGH, ARCHIE	POE, MIKE
35	Charleston, WV	Tulsa, OK	CALL CENTER TOUR	EVANS, MURRAY	CHERIPKO, ROB	REGOLI, JEFF	GALFORD, BRADLEY		
36	Charlotte, NC	Columbus, OH	AEP / DUKE ENERGY MEETING	BARTON, LISA	SMYTH, ANTONIO				
37	Chicago, IL	Columbus, OH	INVENERGY MEETING						
38	Chicago, IL	Columbus, OH	INVENERGY MEETING	LIGHT, TIM	SMYTH, ANTONIO	GODFREY, JAY	RYAN, RANDY	WEBER, BRIAN	LOZIER, BETH
39	Chicago, IL	Columbus, OH	INVENERGY MEETING	LIGHT, TIM	SMYTH, ANTONIO	RYAN, RANDY	DERUNTZ, JOE		
40	Chicago, IL	Columbus, OH	INVENERGY MEETING IN CHICAGO	LIGHT, TIM	SMYTH, ANTONIO				
41	Chicago, IL	Columbus, OH	MEET WITH DR. RICHARD SANDOR AND UNIVERSITY OF CHI	TIERNEY, BRIAN					
42	Chicago, IL	Columbus, OH	NERC BOARD MEETING	BARTON, LISA					
43	Chicago, IL	Columbus, OH	SIEMENS MIDWEST ENERGY FORUM (PANELIST)	BARTON, LISA					
44	Chicago, IL	Columbus, OH	TO ATTEND THE 2016 EEI ANNUAL CONVENTION IN CHICAG						
45	Chicago, IL	Columbus, OH	TO ATTEND THE 2016 EEI ANNUAL CONVENTION IN CHICAG	POWERS, ROBERT	POWERS, JAN	MCMANUS, JOHN	MCMANUS, PAM		
46	Chicago, IL	Columbus, OH	TO ATTEND/PARTICIPATE IN THE EEI CONVENTION PANEL	AKINS, NICHOLAS	AKINS, DONNA	MCCULLOUGH, MARK	BARTON, LISA	WELCH, DENNIS	
47	Chicago, IL	Columbus, OH	TO MEET WITH INVENERGY	MCCULLOUGH, MARK	LIGHT, TIM	GODFREY, JAY	SUNDARARAJAN, RAJ	BRADISH, ROBERT	
48	Chicago, IL	Columbus, OH	TO MEET WITH INVENERGY	MCCULLOUGH, MARK	RIORDAN, TIM	BEAM, CHRISTIAN	GODFREY, JAY	LEOPOLD, CHRISTOP	KARRASCH, JOSEPH
49	Chicago, IL	Columbus, OH	TO PARTICIPATE IN PANEL DISCUSSION AT AMERICAN	AKINS, NICHOLAS	HEYDLAUFF, DALE				
50	Chicago, IL	Columbus, OH	TO SPEAK TO THE LEADERSHIP GROUP AT SARGENT & LUND	MCCULLOUGH, MARK					
51	Chicago, IL	Columbus, OH	UTILITIES PERSPECTIVE CONFERENCE (SPEAKING)	BARTON, LISA					
52	Chicago, IL	Orlando, FL	TO ATTEND/PARTICIPATE IN THE EEI CONVENTION PANEL		KELLY, MEGYN	JEFFERS, EMILY	CURICH-BALL, CHRI	CAROVILLANO, VINC	JANETTI, MICHAEL
53	Chicago/Prospect/Heights/Wheeling, IL	Columbus, OH	HRC PREP WITH RALPH CROSBY		CARLIN, ANDREW				
54	Cincinnati, OH	Columbus, OH	ATTEND EEI AND LAMPAC MEETINGS	AKINS, NICHOLAS					
55	Cincinnati, OH	Shreveport, LA	MAINTENANCE RECOVERY						
56	Colorado Springs, CO	Columbus, OH	ATTEND EIM BOARD MEETING	TIERNEY, BRIAN	TIERNEY, ELIZABET				
57	Colorado Springs, CO	Columbus, OH	EEI FALL BOARD & CEO MEETING	BARTON, LISA	DION, PHILIP	DION, PAMELA			
58	Colorado Springs, CO	Dallas, TX	COLORADO SPRINGS, CO-EDISON ELECTRIC INSTITUTE (EE	AKINS, NICHOLAS	AKINS, DONNA				
59	Columbia, MO	Columbus, OH	Reclass original accounting for VISIT HUBBELL POWER SYSTEMS DISTRIBUTION CENTER	RHOADES, CRAIG	SCHUMACHER, JUDSO	WEAVER, DIANA	ALVAREZ, MANUEL	GALECKI, TIMOTHY	STEINKE, BRIAN
60	Columbia, MO	Columbus, OH	VISIT HUBBELL POWER SYSTEMS DISTRIBUTION CENTER	RHOADES, CRAIG	SCHUMACHER, JUDSO	WEAVER, DIANA	ALVAREZ, MANUEL	GALECKI, TIMOTHY	STEINKE, BRIAN
61	Columbus, OH	Albuquerque, NM	ATTEND MEETING WITH PNM RESOURCES	TIERNEY, BRIAN	HALL, GREG	FRANSEN, MATTHEW			
62	Columbus, OH	Atlanta, GA	ATTEND JUNIOR ACHIEVEMENT MEETING IN ATLANTA, GEOR		AKINS, NICHOLAS	COLE, MICHAEL	GOOD, DAN	KELLOGG, JOHN	KRIDLER, DOUG
63	Columbus, OH	Atlanta, GA	ATTEND JUNIOR ACHIEVEMENT MEETING IN ATLANTA, GEOR	JAMES, MARK	FRANCOIS, PAUL	IZZO, TAMMY	MADISON, ROGER	MOLLARD, KERRI	PARAGAS, DAVID
64	Columbus, OH	Atlanta, GA	NERC SEMI-ANNUAL BOARD MEETING & ANALYST MEETING	BARTON, LISA					
65	Columbus, OH	Atlanta, GA	TO ATTEND THE FNG MEETING IN ATLANTA, GA		LEE, DANIEL				
66	Columbus, OH	Austin, TX	SPEAK AT THE NATURAL GAS SUPPLY ASSOCIATION ANNUAL	AKINS, NICHOLAS	NESSING, SANDRA	HILLEBRAND, LANA			
67	Columbus, OH	Austin, TX	TO ATTEND AEIC POWER GEN MEETING	MCCULLOUGH, MARK					
68	Columbus, OH	Battle Creek, MI	MAINTENANCE						
69	Columbus, OH	Battle Creek, MI	MAINTENANCE RUN						
70	Columbus, OH	Battle Creek, MI	PICK UP CREW FROM TAKING PLANE TO MAINTENANCE						
71	Columbus, OH	Battle Creek, MI	TAKE TO MAINTENANCE						
72	Columbus, OH	Beckley, WV	CHAIRMAN'S LIFE SAVING AWARD & EMPLOYEE MEETINGS	TIERNEY, BRIAN	RHOADES, CRAIG	WEAVER, DIANA			
73	Columbus, OH	Beckley, WV	LINEBERRY CEREMONY AND FIELD VISIT	BARTON, LISA	SMITH, SCOTT	MCCORD, NATALIE	HOFFMAN, RICK	WEBER, BRIAN	ETTINGER, JUSTIN
74	Columbus, OH	Boston, MA	ATTEND BAML 2016 POWER & GAS LEADERS CONFERENCE	BARTON, LISA	ROZSA, BETTE	FUNK, BRADLEY			
75	Columbus, OH	Boston, MA	TO MEET WITH CERES AND INVESTORS IN BOSTON	MCCULLOUGH, MARK	NESSING, SANDRA	MCMANUS, JOHN	DION, PHILIP	FUNK, BRADLEY	
76	Columbus, OH	Charleston, SC	HRC PREP MEETING	HILLEBRAND, LANA	CARLIN, ANDREW				
77	Columbus, OH	Charleston, WV	ATTEND A CUSTOMER AND TECHNOLOGY VISIT AT SOUTHERN	MCCULLOUGH, MARK	SASTRY, RAM	USHER, MATTHEW	DION, PHILIP	EVANS, MURRAY	CHERIPKO, ROB
78	Columbus, OH	Charleston, WV	ATTEND IRC MEETINGS WITH APCO & KENTUCKY POWER	TIERNEY, BRIAN	POWERS, ROBERT	MCLRAVY, JENNIFER	BRADISH, ROBERT	PUGH, ARCHIE	POE, MIKE
79	Columbus, OH	Charleston, WV	CALL CENTER TOUR	EVANS, MURRAY	CHERIPKO, ROB	REGOLI, JEFF	GALFORD, BRADLEY		
80	Columbus, OH	Charleston, WV	LINEBERRY CEREMONY AND FIELD VISIT						
81	Columbus, OH	Charlotte, NC	AEP / DUKE ENERGY MEETING	BARTON, LISA	SMYTH, ANTONIO				
82	Columbus, OH	Chicago, IL	INVENERGY MEETING						
83	Columbus, OH	Chicago, IL	INVENERGY MEETING	LIGHT, TIM	SMYTH, ANTONIO	RYAN, RANDY	DERUNTZ, JOE		
84	Columbus, OH	Chicago, IL	INVENERGY MEETING	LIGHT, TIM	SMYTH, ANTONIO	RYAN, RANDY	WEBER, BRIAN	LOZIER, BETH	VERMILION, MATTHE
85	Columbus, OH	Chicago, IL	INVENERGY MEETING IN CHICAGO	LIGHT, TIM	SMYTH, ANTONIO				
86	Columbus, OH	Chicago, IL	MEET WITH DR. RICHARD SANDOR AND UNIVERSITY OF CHI	TIERNEY, BRIAN	TIERNEY, KATHERIN				
87	Columbus, OH	Chicago, IL	NERC BOARD MEETING	BARTON, LISA					
88	Columbus, OH	Chicago, IL	SIEMENS MIDWEST ENERGY FORUM (PANELIST)	BARTON, LISA					
89	Columbus, OH	Chicago, IL	TO ATTEND THE 2016 EEI ANNUAL CONVENTION IN CHICAG						
90	Columbus, OH	Chicago, IL	TO ATTEND THE 2016 EEI ANNUAL CONVENTION IN CHICAG	POWERS, ROBERT	POWERS, JAN	FEINBERG, DAVID	FEINBERG, FELICIA	MCMANUS, JOHN	MCMANUS, PAM
91	Columbus, OH	Chicago, IL	TO ATTEND/PARTICIPATE IN THE EEI CONVENTION PANEL	AKINS, NICHOLAS	AKINS, DONNA	MCCULLOUGH, MARK	MOORE, SCOTT	DION, PHILIP	WELCH, DENNIS
92	Columbus, OH	Chicago, IL	TO MEET WITH INVENERGY	MCCULLOUGH, MARK	LIGHT, TIM	GODFREY, JAY	SUNDARARAJAN, RAJ	BRADISH, ROBERT	
93	Columbus, OH	Chicago, IL	TO MEET WITH INVENERGY	MCCULLOUGH, MARK	RIORDAN, TIM	BEAM, CHRISTIAN	GODFREY, JAY	LEOPOLD, CHRISTOP	KARRASCH, JOSEPH
94	Columbus, OH	Chicago, IL	TO PARTICIPATE IN PANEL DISCUSSION AT AMERICAN	AKINS, NICHOLAS	HEYDLAUFF, DALE				
95	Columbus, OH	Chicago, IL	TO SPEAK TO THE LEADERSHIP GROUP AT SARGENT & LUND	MCCULLOUGH, MARK					
96	Columbus, OH	Cincinnati, OH	ATTEND EEI AND LAMPAC MEETINGS						
97	Columbus, OH	Cincinnati, OH	MAINTENANCE RECOVERY						
98	Columbus, OH	Colorado Springs, CO	ATTEND EIM BOARD MEETING	TIERNEY, BRIAN	TIERNEY, ELIZABET				
99	Columbus, OH	Colorado Springs, CO	COLORADO SPRINGS, CO-EDISON ELECTRIC INSTITUTE (EE	AKINS, NICHOLAS	AKINS, DONNA	DION, PHILIP	DION, PAMELA		
100	Columbus, OH	Columbia, MO	Reclass original accounting for VISIT HUBBELL POWER SYSTEMS DISTRIBUTION CENTER	RHOADES, CRAIG	SCHUMACHER, JUDSO	WEAVER, DIANA	ALVAREZ, MANUEL	GALECKI, TIMOTHY	STEINKE, BRIAN
101	Columbus, OH	Columbia, MO	VISIT HUBBELL POWER SYSTEMS DISTRIBUTION CENTER	RHOADES, CRAIG	SCHUMACHER, JUDSO	WEAVER, DIANA	ALVAREZ, MANUEL	GALECKI, TIMOTHY	STEINKE, BRIAN
102	Columbus, OH	Columbus, OH (Rickenbacker)	TRAINING FLIGHT						
103	Columbus, OH	Corpus Christi, TX	MEET WITH EMPLOYEES IN CORPUS CHRISTI & TULSA	TIERNEY, BRIAN	RHOADES, CRAIG	PANNELLE, SCOTT			
104	Columbus, OH	Corpus Christi, TX	SPEAK AT AEP TEXAS LEADERSHIP RETREAT	EVANS, MURRAY					
105	Columbus, OH	Corpus Christi, TX	TRANSMISSION UPDATE MEETING WITH BRUCE EVANS	SMITH, WADE	SMITH, SCOTT				

	A	B	C	D	E	F	G	H	I
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2	**Note that the Total Cost is the pre-unallocated cost of the flight. Kentucky Powers is only billed for a portion of each of these flights.								
3									
4									
5	Sum of Cost								
6	Departing Airport City	Arriving Airport City	Purpose	PASSENGER 1	PASSENGER 2	PASSENGER 3	PASSENGER 4	PASSENGER 5	PASSENGER 6
106	Columbus, OH	Dallas, TX	ATTEND THE EPRI BOD MEETING	MCCULLOUGH, MARK					
107	Columbus, OH	Dallas, TX	AUDIT PLANNING MEETINGS WITH AUDIT COMMITTEE MEMBE	REIS, ANDREW	HOFFMAN, JAY	HEHR, STEPHEN	BURNHAM, RODNEY		
108	Columbus, OH	Dallas, TX	COLORADO SPRINGS, CO-EDISON ELECTRIC INSTITUTE (EE						
109	Columbus, OH	Dallas, TX	DINNER DISCUSSION WITH TRAMMELL CROW; MEETINGS WIT	AKINS, NICHOLAS	HILLEBRAND, LANA				
110	Columbus, OH	Denver, CO	CYBER MUTUAL ASSISTANCE TASK FORCE MEETING	POWERS, ROBERT	PARTLOW, STANLEY				
111	Columbus, OH	Detroit, MI	ATTEND GSEP SUMMIT IN BEIJING, CHINA	AKINS, NICHOLAS	AKINS, DONNA				
112	Columbus, OH	Detroit, MI	TO ATTEND THE EPRI BOD AND COMMITTEE MEETING	MCCULLOUGH, MARK					
113	Columbus, OH	Fort Wayne, IN	ATTEND I&M IRC MEETING	TIERNEY, BRIAN	POWERS, ROBERT	MCLRAVY, JENNIFER	BRADISH, ROBERT	SMITH, WADE	PUGH, ARCHIE
114	Columbus, OH	Fort Wayne, IN	TECHNOLOGY ROAD SHOW AT (I&M)	MCCULLOUGH, MARK	SASTRY, RAM	USHER, MATTHEW	WEAVER, TOM	OKAFOR, CHUKWUEME	MAST, WILLIAM
115	Columbus, OH	Fort Wayne, IN	TO MEET WITH THE DOJ						
116	Columbus, OH	Fort Wayne, IN	TO MEET WITH THE DOJ		CHODAK, PAUL				
117	Columbus, OH	Fort Wayne, IN	TO SPEAK TO THE ENGINEERING STUDENTS AT PURDUE POL	POWERS, ROBERT					
118	Columbus, OH	Frankfort, KY	MEET GOVERNOR EVIN AND SECRETARY OF ENERGY CHARLES	AKINS, NICHOLAS					
119	Columbus, OH	Fulton, NY	AEP 2016 LEADERSHIP SUMMIT						
120	Columbus, OH	Fulton, NY	AEP 2016 LEADERSHIP SUMMIT	AKINS, NICHOLAS					
121	Columbus, OH	Grand Junction, CO	HRC PREP MEETING	HILLEBRAND, LANA	CARLIN, ANDREW				
122	Columbus, OH	Greenbrier, WV	ATTEND INAUGURATION OF JIM JUSTICE	AKINS, NICHOLAS	AKINS, DONNA	PATTON, CHARLES	BEAM, CHRISTIAN		
123	Columbus, OH	Greenbrier, WV	ATTEND NEIL BOARD MEETINGS	AKINS, NICHOLAS					
124	Columbus, OH	Greensboro, GA	MEETING WITH MITSUBISHI	LEE, DANIEL					
125	Columbus, OH	Harlingen, TX	VISIT WITH FIELD EMPLOYEES IN TEXAS	AKINS, NICHOLAS					
126	Columbus, OH	Houston, TX	CENTERPOINT OPERATING CENTER VISIT	SMITH, WADE	BRADISH, ROBERT	BALL, DAVE	JOHNSON, PAUL	GROFF, DANIEL	STANINOVSKI, JON
127	Columbus, OH	Huntington, WV	TO CONDUCT KENTUCK POWER ONSITE EMPLOYEE MEETINGS		SATTERWHITE, MATT	HALL, BRAD	SEXTON, CHARLES		
128	Columbus, OH	Huntington, WV	TO CONDUCT KENTUCK POWER ONSITE EMPLOYEE MEETINGS	CHODAK, PAUL					
129	Columbus, OH	Huntington, WV	TO DO A COMPLIMENTS AND CONCERNS MEETING AT BIG SA	MCCULLOUGH, MARK	LEE, DANIEL	ALEXANDER, JENNIF	GASTON, CORY		
130	Columbus, OH	Kansas City, MO	TECHNOLOGY VISIT WITH KCP&L	MCCULLOUGH, MARK	SASTRY, RAM	WEAVER, TOM	DION, PHILIP	KIRKPATRICK, THOM	COLEMAN, MARK
131	Columbus, OH	La Grange, TX	QUANTA TRAINING FACILITY AND ETT BOARD MTG	BARTON, LISA	FERGUSON, DAVID	FRANKLIN-THOMAS,	SMITH, SCOTT	FISCHER, KRISTEN	
132	Columbus, OH	Lawrence, KS	TRAVEL TO ATTEND BUSINESS MEETINGS	SMYTH, ANTONIO	WEBER, BRIAN	ROGIER, DANIEL			
133	Columbus, OH	Lawton, OK	PRESENT CHAIRMAN'S LIFE SAVING AWARD AND VISIT WIT	AKINS, NICHOLAS	ANDRUS, TIMOTHY				
134	Columbus, OH	Lawton, OK	TO VISIT FT. STILL		BEAM, CHRISTIAN	DION, PHILIP	WEAVER, TOM		
135	Columbus, OH	Los Angeles, CA	ATTEND THE EPRI SUMMER SEMINAR BOD MEETINGS	MCCULLOUGH, MARK	KIRKPATRICK, THOM				
136	Columbus, OH	Los Angeles, CA	PARTICIPATE IN A PANEL DISCUSSION AT THE EPRI 201	AKINS, NICHOLAS					
137	Columbus, OH	Mackay, Qld.	AUDIT PLANNING MEETINGS WITH AUDIT COMMITTEE MEMBE						
138	Columbus, OH	Naples, FL	TO ATTEND THE NAM BOARD OF DIRECTORS MEETING IN NA	POWERS, ROBERT					
139	Columbus, OH	Nashville, TN	NUCLEAR ELECTRIC INSURANCE LIMITED (NEIL) BOARD ME	AKINS, NICHOLAS					
140	Columbus, OH	Nashville, TN	TO ATTEND AEIC IN NASHVILLE, TN	MCCULLOUGH, MARK					
141	Columbus, OH	Newport News, VA	TO SPEAK AT THE MID-ATLANTIC CONFERENCE OF REGULAT	POWERS, ROBERT					
142	Columbus, OH	Oklahoma City, OK	PSO MEETING	LEE, DANIEL	ELICH, TRACY				
143	Columbus, OH	Orange County, CA	HRC PREP WITH RALPH CROSBY	HILLEBRAND, LANA	CARLIN, ANDREW				
144	Columbus, OH	Owensboro, KY	2 C MEETING AT ROCKPORT	MCCULLOUGH, MARK	LEE, DANIEL	MAZZONE, JOHN	RITTENHOUSE, LESL		
145	Columbus, OH	Owensboro, KY	ROCKPORT, IN 2C MEETING	LEE, DANIEL	WISE, HEATHER				
146	Columbus, OH	Paducah, KY	CCR COMPLIANCE TRAINING	SPITZNOGLE, GARY	JOHNSON, CHRIS	MILLER, SETH	GARRETT, JAMES	RITTENHOUSE, LESL	ZYCH, GARY
147	Columbus, OH	Papeete, Tahiti	EEI INTERNATIONAL ELECTRICITY SUMMIT 2016 ON BEHAL	POWERS, ROBERT	POWERS, JAN				
148	Columbus, OH	Philadelphia, PA	PJM VISIT		SHERWOOD, JULIE	VOGEL, ANNE	ERICKSON, DAVID	MILLS, MARGUERITE	BELLER, ROBERT
149	Columbus, OH	Roanoke, VA	50 YEAR SAFETY CELEBRATION FOR LAWTON SERVICE CENT	BARTON, LISA	SMITH, SCOTT	HEITMEYER, CHAD	MCCORD, NATALIE	CRONIN, JONATHAN	KNAPP, RYAN
150	Columbus, OH	San Diego, CA	SPEAK AT FORTUNE BRAINSTORM E EVENT	AKINS, NICHOLAS	MCHENRY, MELISSA				
151	Columbus, OH	San Francisco, CA	G100 DINNER	BARTON, LISA					
152	Columbus, OH	San Francisco, CA	TO ATTEND THE INNOVARI BOD MEETINGTO ATTEND THE IN	MCCULLOUGH, MARK	SASTRY, RAM				
153	Columbus, OH	Santa Fe, NM	CURRENT ISSUES REGULATORY CONFERENCE (SPEAKING)						
154	Columbus, OH	Santa Fe, NM	TO PARTICIPATE IN INDUSTRIES LEADERS ROUNDTABLE DI	AKINS, NICHOLAS	DION, PHILIP	BARTON, LISA			
155	Columbus, OH	Seawell, Christ Church	ATTEND EIM BOARD MEETING	TIERNEY, BRIAN	TIERNEY, BETH				
156	Columbus, OH	Sheboygan Falls, WI	ATTEND INVESTOR MEETING	TIERNEY, BRIAN					
157	Columbus, OH	Shreveport, LA	ATTEND FUNERAL FOR ANDY HEINES, AEP TEXAS	SMITH, WADE	POLK, JOSHUA				
158	Columbus, OH	Shreveport, LA	ATTEND IRC MEETINGS WITH WESTERN OPERATING COMPANI		POWERS, ROBERT	KIRKPATRICK, THOM	SEVER, OLLIE	MCLRAVY, JENNIFER	
159	Columbus, OH	Shreveport, LA	CCR TRAINING		SPITZNOGLE, GARY	JOHNSON, CHRIS	KING, DAVID	LOHNER, TIMOTHY	DISHON, MARY
160	Columbus, OH	Shreveport, LA	CCR TRAINING		SPITZNOGLE, GARY	JOHNSON, CHRIS	ZYCH, GARY	MILLER, SETH	MUNSON, KEVIN
161	Columbus, OH	Shreveport, LA	DHLC/SABINE QUARTERLY BUSINESS MEETING	LEE, DANIEL	MILLS, MARGUERITE	MAJTENYI, JULIET	MCINTYRE, TERESA	CARSON, DEREK	SEATON, ANDREW
162	Columbus, OH	Shreveport, LA	DOLET HILL BOARD MEETING	LEE, DANIEL	MILLS, MARGUERITE	GINOCCHI, FRANK			
163	Columbus, OH	Shreveport, LA	EMPLOYEE FIELD VISIT	AKINS, NICHOLAS	MCCELLON-ALLEN, V				
164	Columbus, OH	Shreveport, LA	PLANT VISIT, DHLC & SABINE MINES QTR MTG						
165	Columbus, OH	Shreveport, LA	PLANT VISIT, DHLC & SABINE MINES QTR MTG	LEE, DANIEL	MILLS, MARGUERITE	FISCHER, JENIFER	CHUNG, MURNY		
166	Columbus, OH	Shreveport, LA	RSOW EMPLOYEE MEETING	LEE, DANIEL					
167	Columbus, OH	Shreveport, LA	SWEPCO PLANT VISITS	LEE, DANIEL	MCCAMMON, DAVID	RIORDAN, TIM	ZUCAL, JAMES	RENTZSCH, ARTHUR	
168	Columbus, OH	Shreveport, LA	TO ATTEND THE LOUISIANA TECH UNIVERSITY DISTINGUIS	AKINS, NICHOLAS	AKINS, DONNA				
169	Columbus, OH	Shreveport, LA	TO ATTEND THE SPRING 2016 WEST REC MEETING IN SHRE	MCCULLOUGH, MARK	MCMANUS, JOHN	ADKINSON, DAN	RUPP, BRIAN	TOOLE, AIMEE	
170	Columbus, OH	Shreveport, LA	TO GIVE PLENARY SPEECH AT IHS CERAWEEK 2016 ENERGY	AKINS, NICHOLAS	WEAVER, SCOTT	MCHENRY, MELISSA	MCCELLON-ALLEN, V	MATTISON, D. (BRE	
171	Columbus, OH	Shreveport, LA	TO MEET WITH BARKSDAE AFB AND SWEPCO		DION, PHILIP	KARRASCH, JOSEPH	WEAVER, TOM	WITTINE, ERIC	USHER, MATTHEW
172	Columbus, OH	Springfield, IL	MAINTENANCE RUN						
173	Columbus, OH	Springfield, IL	TAKE CREW TO GET AIRCRAFT FROM MAINTENACE						
174	Columbus, OH	Springfield, IL	TAKE TO NAINTENANCE						
175	Columbus, OH	Sundsvall	ATTEND EEI FINANCIAL CONFERENCE		POWERS, ROBERT	BARTON, LISA	MCCULLOUGH, MARK	MCHENRY, MELISSA	
176	Columbus, OH	Sundsvall	C200 ANNUAL CONFERENCE	BARTON, LISA					
177	Columbus, OH	Sundsvall	TO ATTEND THE EEI (EDISON ELECTRIC INSTITUTE) FINA	AKINS, NICHOLAS	TIERNEY, BRIAN	DIECK, LONNI	SEVER, OLLIE	SLOAT, JULIE	SUNDARARAJAN, RAJ
178	Columbus, OH	Tampa, FL	ATTEND EIM BOARD MEETING	TIERNEY, BRIAN					
179	Columbus, OH	Terre Haute, IN	TO ATTEND THE VIEWING HOURS FOR MCCULLOUGH'S MOTHE		POWERS, ROBERT	TIERNEY, BRIAN	HEYDLAUFF, DALE	BARTON, LISA	WELCH, DENNIS
180	Columbus, OH	Teterboro, NJ	2016 WSJ WOMEN IN THE WORKPLACE DINNER						
181	Columbus, OH	Teterboro, NJ	2016 WSJ WOMEN IN THE WORKPLACE DINNER	HILLEBRAND, LANA					
182	Columbus, OH	Teterboro, NJ	ATTEND ANALYST DAY IN NEW YORK	AKINS, NICHOLAS	HOAGLIN, THOMAS	MCHENRY, MELISSA	FEINBERG, DAVID		
183	Columbus, OH	Teterboro, NJ	ATTEND ANALYST DAY IN NEW YORK	TIERNEY, BRIAN	DIECK, LONNI	ROZSA, BETTE	FUNK, BRADLEY	PHILLIPS, MELISSA	ZEBULA, CHARLES
184	Columbus, OH	Teterboro, NJ	ATTEND BARCLAYS CEO ENERGY / POWER CONFERENCE	TIERNEY, BRIAN	ROZSA, BETTE	FUNK, BRADLEY			
185	Columbus, OH	Teterboro, NJ	ATTEND D&O INSURANCE MEETINGS IN NY		HAYNES, STEPHAN	GROFF, LISA	FUNK, BRADLEY	HUNDLEY, CATHY	
186	Columbus, OH	Teterboro, NJ	ATTEND G100	TIERNEY, BRIAN					
187	Columbus, OH	Teterboro, NJ	ATTEND G100 MEETING IN NY						
188	Columbus, OH	Teterboro, NJ	ATTEND G100 MEETING IN NY	TIERNEY, BRIAN					
189	Columbus, OH	Teterboro, NJ	BANK VISIT	DIECK, LONNI	MESSNER, FRANZ				
190	Columbus, OH	Teterboro, NJ	BANKERS MEETINGS	DIECK, LONNI	BARTON, LISA	BOTELER, RANDY	MILLER, ZACHARY	HAWKINS, RENEE	WILLIAMSON, ANDRE
191	Columbus, OH	Teterboro, NJ	BARCLAYS		MESSNER, FRANZ				
192	Columbus, OH	Teterboro, NJ	EDISON ELECTRIC INSTITUTE (EEI)-CEO LEADERSHIP MEE	AKINS, NICHOLAS	MCHENRY, MELISSA	BARTON, LISA			
193	Columbus, OH	Teterboro, NJ	G-100 | WOMEN'S LEADERSHIP ACCELERATION (SPEAKING)	BARTON, LISA					
194	Columbus, OH	Teterboro, NJ	G100 SPRING SESSION						
195	Columbus, OH	Teterboro, NJ	GOLDMAN SACHS CONFERENCE	DIECK, LONNI	ROZSA, BETTE	FUNK, BRADLEY			
196	Columbus, OH	Teterboro, NJ	MEETING WITH RANDY BECK - ERNST & YOUNG	HILLEBRAND, LANA					
197	Columbus, OH	Teterboro, NJ	MTG W/SANJAY GUPTA IN NYC AND THEN ON TO BOSTON FO	BARTON, LISA					
198	Columbus, OH	Teterboro, NJ	NATIONAL URBAN LEAGUE BOARD MEETING						
199	Columbus, OH	Teterboro, NJ	NATIONAL URBAN LEAGUE BOARD MEETING	BARTON, LISA					
200	Columbus, OH	Teterboro, NJ	NATIONAL URBAN LEAGUE BOARD MTG	BARTON, LISA					
201	Columbus, OH	Teterboro, NJ	TO ATTEND THE COLUMBIA UNIVERSITY CENTER ON GLOBAL	AKINS, NICHOLAS	MCHENRY, MELISSA				
202	Columbus, OH	Teterboro, NJ	TO ATTEND THE DILENSCHNEIDER ROUNDTABLE DISCUSSION	AKINS, NICHOLAS	NESSING, SANDRA				
203	Columbus, OH	Teterboro, NJ	TO ATTEND THE G100 FALL 2016 MEETING	AKINS, NICHOLAS	MCHENRY, MELISSA				
204	Columbus, OH	Teterboro, NJ	TO PARTICIPATE IN A DILENSCHNEIDER MEETING	AKINS, NICHOLAS	MCHENRY, MELISSA				

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3									
4									
5	Sum of Cost								
6	Departing Airport City	Arriving Airport City	Purpose	PASSENGER 1	PASSENGER 2	PASSENGER 3	PASSENGER 4	PASSENGER 5	PASSENGER 6
205	Columbus, OH	Texarkana, AR	WEST PLANT BRO REVIEWS	KING, DAVID	HUBBARD, DOUGLAS	GREENE, BENJAMIN	DURNER, MICHAEL	WEHNER, DAVID	SCULLEY, DANIEL
206	Columbus, OH	Tulsa, OK	EMPLOYEE VISITS	BARTON, LISA	SMITH, SCOTT	ELICH, TRACY	GRAHAM, MATTHEW	WELKER, SCOTT	SMITH, JAMES
207	Columbus, OH	Tulsa, OK	FIELD VISIT: TULSA AND CORPUS CHRISTI	BARTON, LISA	WAGNER, ROBERT	GROFF, DANIEL	SMITH, SCOTT	WEBER, BRIAN	KREHER, IAN
208	Columbus, OH	Tulsa, OK	PSO INVESTOR TOUR	DIECK, LONNI	HAWKINS, RENEE	CARLOS, RACHELLE	WNEK, ZACHARY	FUNK, BRADLEY	
209	Columbus, OH	Tulsa, OK	TECHNOLOGY ROAD TRIP AT PSO	MCCULLOUGH, MARK	SASTRY, RAM	USHER, MATTHEW	WEAVER, TOM	OKAFOR, CHUKWUEME	MAST, WILLIAM
210	Columbus, OH	Tulsa, OK	TO DO A 2 C MEETING AT NORTHEAST PLANT	MCCULLOUGH, MARK	LEE, DANIEL	RITTENHOUSE, LESL	VENTERS, KEVIN		
211	Columbus, OH	Tulsa, OK	TO VISIT RIVERSIDE PLANT AND ATTEND GARY KNIGHT'S	MCCULLOUGH, MARK	LEE, DANIEL	FIALA, KATHY	ELICH, TRACY	JOHNSON, CHRIS	LAFLEUR, JEFFREY
212	Columbus, OH	Walterboro, SC	PRE MEETING TO PREP FOR HRC MEETING WITH RALPH CRO	HILLEBRAND, LANA	CARLIN, ANDREW	MCGOUGH, JAMIE			
213	Columbus, OH	Washington DC	2016 USEA ANNUAL MEMBERSHIP MEETING & PUBLIC POLIC	POWERS, ROBERT	LOEFFELMAN, PAUL				
214	Columbus, OH	Washington DC	ATTEND A CYBERSECURITY MEETING IN WASHINGTON, D.C.	AKINS, NICHOLAS	SWICK, STEVE				
215	Columbus, OH	Washington DC	ATTEND AN ELECTRICITY SUBSECTOR COORDINATING COUNC	AKINS, NICHOLAS					
216	Columbus, OH	Washington DC	ATTEND EEI AND LAMPAC MEETINGS						
217	Columbus, OH	Washington DC	ATTEND EEI AND LAMPAC MEETINGS	AKINS, NICHOLAS					
218	Columbus, OH	Washington DC	ATTEND INFRASTRUCTURE MEETING IN WASHINGTON, D.C.	AKINS, NICHOLAS	VOGEL, ANNE				
219	Columbus, OH	Washington DC	CYBERSECURITY MEETING	AKINS, NICHOLAS	PARTLOW, STANLEY				
220	Columbus, OH	Washington DC	DC OFFICE VISIT		LAING, DAVID	GRAYEM, MARY			
221	Columbus, OH	Washington DC	DINNER WITH SUSAN EISENHOWER	AKINS, NICHOLAS	NESSING, SANDRA				
222	Columbus, OH	Washington DC	GET INDOCTRINATED FOR TOP SECRET CLEARANCE	AKINS, NICHOLAS	STOGRAN, KEVIN				
223	Columbus, OH	Washington DC	HRC PREP MTG. WITH RALPH CROSBY	HILLEBRAND, LANA	CARLIN, ANDREW				
224	Columbus, OH	Washington DC	PERSONNEL ISSUES		LAING, DAVID	GRAYEM, KATIE	ELICH, TRACY		
225	Columbus, OH	Washington DC	RELIABILITY FIRST BOARD MEETING						
226	Columbus, OH	Washington DC	RELIABILITY FIRST BOARD MEETING	BARTON, LISA					
227	Columbus, OH	Washington DC	SPEAK AT ELCON'S WORKSHOP	AKINS, NICHOLAS					
228	Columbus, OH	Washington DC	THE COLUMBUS PARTNERSHIP D.C. FLY-IN, PUBLIC POLIC	AKINS, NICHOLAS	BLOM, DAVE	HARRISON, DAVID	KIDDER, CHARLES	LYONS, STEPHEN	MCDONALD, KENNETH
229	Columbus, OH	Washington DC	TO ATTEND A MEETING WITH PENTAGON OFFICIALS	CHODAK, PAUL	DION, PHILIP				
230	Columbus, OH	Washington DC	TO ATTEND A MEETING WITH SUSAN EISENHOWER AND THE	AKINS, NICHOLAS	NESSING, SANDRA	KAVANAGH, TONY			
231	Columbus, OH	Washington DC	TO ATTEND MEETING WITH EPA FOR NICK AKINS		MCMANUS, JOHN				
232	Columbus, OH	Washington DC	TO ATTEND THE BUSINESS ROUNDTABLE CEO QUARTERLY ME	AKINS, NICHOLAS					
233	Columbus, OH	Washington DC	TO ATTEND THE BUSINESS ROUNDTABLE MEETING	AKINS, NICHOLAS					
234	Columbus, OH	Washington DC	TO ATTEND THE ELECTRICITY SUBSECTOR COORDINATING C	AKINS, NICHOLAS					
235	Columbus, OH	Washington DC	TO ATTEND THE EPRI BOD AND COMMITTEE MEETING	MCCULLOUGH, MARK					
236	Columbus, OH	Washington DC	TO ATTEND THE LAMPAC AND EEI						
237	Columbus, OH	Washington DC	TO ATTEND THE LAMPAC AND EEI	MCCULLOUGH, MARK	POWERS, ROBERT	DION, PHILIP	MCCORD, NATALIE	SUNDARARAJAN, RAJ	
238	Columbus, OH	Washington DC	TO ATTEND THE WALL STREET JOURNAL CEO COUNCIL MEET	AKINS, NICHOLAS					
239	Columbus, OH	Washington DC	TO CONDUCT KENTUCK POWER ONSITE EMPLOYEE MEETINGS						
240	Columbus, OH	Washington DC	TO MEET WITH THE DOJ	MCCULLOUGH, MARK	CHODAK, PAUL	MCMANUS, JOHN	HENRY, JANET		
241	Columbus, OH	Washington DC	TO MEET WITH THE DOJ	MCCULLOUGH, MARK	CHODAK, PAUL	MCMANUS, JOHN	HENRY, JANET	FEINBERG, DAVID	LAING, DAVID
242	Columbus, OH	Washington DC	TO PARTICIPATE IN THE ELECTRICITY SUBSECTOR CORODI	POWERS, ROBERT					
243	Columbus, OH	Washington DC	WIRES 10TH ANNUAL MEETING	BARTON, LISA	SIMMONS, PEGGY	SUNDARARAJAN, RAJ	BAIR, MICHELE		
244	Columbus, OH	Washington DC	WIRES BOARD MEETING	BARTON, LISA	SIMMONS, PEGGY				
245	Columbus, OH	West Palm Beach, FL	EEI SPRING LEGAL CONFERENCE	FEINBERG, DAVID	CRESPO, JOHN				
246	Columbus, OH	West Palm Beach, FL	TO ATTEND THE AEIC ANNUAL MEETING	MCCULLOUGH, MARK					
247	Columbus, OH	West Palm Beach, FL	TO ATTEND THE EEI BOARD & CHIEF EXECUTIVE MEETINGS	POWERS, ROBERT	POWERS, JAN	MCCULLOUGH, MARK	DION, PHILIP		
248	Columbus, OH	West Palm Beach, FL	TO ATTEND THE EEI BOARD AND CHIEF EXECUTIVE MEETIN	AKINS, NICHOLAS	AKINS, DONNA	BARTON, LISA			
249	Columbus, OH	White Plains, NY	TRAVEL TO ATTEND BUSINESS MEETINGS	SMYTH, ANTONIO	ROGIER, DANIEL	WILCOX, EVAN	WEBER, BRIAN	BURKHOLDER, JOSH	VERMILION, MATTHE
250	Columbus, OH	Wilmington, DE	ATTEND THE NUCLEAR ELECTRIC INSURANCE LIMITED (NEI	AKINS, NICHOLAS					
251	Columbus, OH	Wilmington, DE	MAINTENANCE TEST FLIGHT						
252	Columbus, OH	Winchester, VA	FNG EXECUTIVE MEETING	MCCULLOUGH, MARK	LEE, DANIEL	POWELL, DAVID	GEDEON, RUSSEL		
253	Columbus, OH	Wise, VA	TO DO A 2 C MEETING AT CLINCH RIVER	MCCULLOUGH, MARK	LEE, DANIEL	ALEXANDER, JENNIF	CLARK, ANDREW		
254	Columbus, OH (Rickenbacker)	Columbus, OH	TRAINING FLIGHT						
255	Columbus, OH (Rickenbacker)	Columbus, OH (Rickenbacker)	TRAINING FLIGHT						
256	Corpus Christi, TX	Columbus, OH	CALL CENTER TOUR	EVANS, MURRAY	CHERIPKO, ROB	REGOLI, JEFF	GALFORD, BRADLEY		
257	Corpus Christi, TX	Columbus, OH	SPEAK AT AEP TEXAS LEADERSHIP RETREAT	EVANS, MURRAY					
258	Corpus Christi, TX	Columbus, OH	TRANSMISSION UPDATE MEETING WITH BRUCE EVANS	SMITH, WADE	SMITH, SCOTT				
259	Corpus Christi, TX	Shreveport, LA	ATTEND FUNERAL FOR ANDY HEINES, AEP TEXAS	SMITH, WADE	POLK, JOSHUA	SULLIVAN, CAREY			
260	Corpus Christi, TX	Tulsa, OK	ATTEND IRC MEETINGS WITH WESTERN OPERATING COMPANI		POWERS, ROBERT	KIRKPATRICK, THOM	SEVER, OLLIE	MCLRAVY, JENNIFER	ROBINSON, K SHAWN
261	Corpus Christi, TX	Tulsa, OK	FIELD VISIT: TULSA AND CORPUS CHRISTI	BARTON, LISA	WAGNER, ROBERT	GROFF, DANIEL	SMITH, SCOTT	WEBER, BRIAN	KREHER, IAN
262	Corpus Christi, TX	Tulsa, OK	MEET WITH EMPLOYEES IN CORPUS CHRISTI & TULSA	TIERNEY, BRIAN	RHOADES, CRAIG	PANNELLE, SCOTT			
263	Dallas, TX	Colorado Springs, CO	EEI FALL BOARD & CEO MEETING						
264	Dallas, TX	Columbus, OH	ATTEND THE EPRI BOD MEETING	MCCULLOUGH, MARK					
265	Dallas, TX	Columbus, OH	COLORADO SPRINGS, CO-EDISON ELECTRIC INSTITUTE (EE	AKINS, NICHOLAS	AKINS, DONNA				
266	Dallas, TX	Columbus, OH	SPEAK AT THE NATURAL GAS SUPPLY ASSOCIATION ANNUAL	AKINS, NICHOLAS	NESSING, SANDRA				
267	Dallas, TX	Lake Charles, LA	DINNER DISCUSSION WITH TRAMMELL CROW; MEETINGS WIT	AKINS, NICHOLAS					
268	Dallas, TX	Mackay, Qld.	AUDIT PLANNING MEETINGS WITH AUDIT COMMITTEE MEMBE	REIS, ANDREW	HOFFMAN, JAY	HEHR, STEPHEN	BURNHAM, RODNEY		
269	Denver, CO	Columbus, OH	CYBER MUTUAL ASSISTANCE TASK FORCE MEETING	POWERS, ROBERT	PARTLOW, STANLEY				
270	Denver, CO	Washington DC	HRC PREP MEETING	HILLEBRAND, LANA	CARLIN, ANDREW	CROSBY, RALPH			
271	Detroit, MI	Columbus, OH	ATTEND GSEP SUMMIT IN BEIJING, CHINA						
272	Detroit, MI	Columbus, OH	TO ATTEND THE EPRI BOD AND COMMITTEE MEETING	MCCULLOUGH, MARK					
273	Fayetteville, AR	Shreveport, LA	SWEPCO PLANT VISITS	LEE, DANIEL	MCCAMMON, DAVID	RIORDAN, TIM	ZUCAL, JAMES	GEDEON, RUSSEL	FRANKLIN, PAUL
274	Fayetteville, AR	Tulsa, OK	CCR TRAINING		SPITZNOGLE, GARY	JOHNSON, CHRIS	KING, DAVID	LOHNER, TIMOTHY	SPENCER, KELLY
275	Fayetteville, AR	Tulsa, OK	WEST PLANT BRO REVIEWS	KING, DAVID	HUBBARD, DOUGLAS	DURNER, MICHAEL	WEHNER, DAVID	SCULLEY, DANIEL	MCMAHON, KEVIN
276	Fort Wayne, IN	Columbus, OH	ATTEND I&M IRC MEETING	TIERNEY, BRIAN	POWERS, ROBERT	MCLRAVY, JENNIFER	BRADISH, ROBERT	SMITH, WADE	PUGH, ARCHIE
277	Fort Wayne, IN	Columbus, OH	TECHNOLOGY ROAD SHOW AT (I&M)	MCCULLOUGH, MARK	SASTRY, RAM	USHER, MATTHEW	WEAVER, TOM	OKAFOR, CHUKWUEME	MAST, WILLIAM
278	Fort Wayne, IN	Columbus, OH	TO MEET WITH THE DOJ						
279	Fort Wayne, IN	Columbus, OH	TO MEET WITH THE DOJ		CHODAK, PAUL				
280	Fort Wayne, IN	Columbus, OH	TO SPEAK TO THE ENGINEERING STUDENTS AT PURDUE POL	POWERS, ROBERT					
281	Frankfort, KY	Columbus, OH	ATTEND IRC MEETINGS WITH APCO & KENTUCKY POWER	TIERNEY, BRIAN	POWERS, ROBERT	MCLRAVY, JENNIFER	BRADISH, ROBERT	PUGH, ARCHIE	POE, MIKE
282	Frankfort, KY	Columbus, OH	MEET GOVERNOR EVIN AND SECRETARY OF ENERGY CHARLES	AKINS, NICHOLAS					
283	Fulton, NY	Columbus, OH	AEP 2016 LEADERSHIP SUMMIT						
284	Fulton, NY	Columbus, OH	AEP 2016 LEADERSHIP SUMMIT	AKINS, NICHOLAS					
285	Gainesville, FL	Columbus, OH	C200: OUTREACH @ THE UNIVERSITY OF FLORIDA (PANELI	BARTON, LISA					
286	Gardner, KS	Chicago, IL	INVENERGY MEETING IN CHICAGO						
287	Grand Junction, CO	Denver, CO	HRC PREP MEETING	HILLEBRAND, LANA	CARLIN, ANDREW	CROSBY, RALPH			
288	Greenbrier, WV	Columbus, OH	ATTEND INAUGURATION OF JIM JUSTICE	AKINS, NICHOLAS	AKINS, DONNA	PATTON, CHARLES	BEAM, CHRISTIAN		
289	Greenbrier, WV	Columbus, OH	ATTEND NEIL BOARD MEETINGS	AKINS, NICHOLAS					
290	Greensboro, GA	Augusta, GA	MEETING WITH MITSUBISHI						
291	Harlingen, TX	Laredo, TX	VISIT WITH FIELD EMPLOYEES IN TEXAS	AKINS, NICHOLAS	TALAVERA, JUDITH	HUGHES, GILBERT			
292	Houston, TX	Columbus, OH	CENTERPOINT OPERATING CENTER VISIT	SMITH, WADE	BRADISH, ROBERT	BALL, DAVE	JOHNSON, PAUL	GROFF, DANIEL	STANINOVSKI, JON
293	Houston, TX	Columbus, OH	TO GIVE PLENARY SPEECH AT IHS CERAWEEK 2016 ENERGY	AKINS, NICHOLAS	MCHENRY, MELISSA				
294	Huntington, WV	Columbus, OH	TO CONDUCT KENTUCK POWER ONSITE EMPLOYEE MEETINGS						
295	Huntington, WV	Columbus, OH	TO DO A COMPLIMENTS AND CONCERNS MEETING AT BIG SA	MCCULLOUGH, MARK	LEE, DANIEL	ALEXANDER, JENNIF	GASTON, CORY		
296	Huntington, WV	Washington DC	TO CONDUCT KENTUCK POWER ONSITE EMPLOYEE MEETINGS	CHODAK, PAUL	SATTERWHITE, MATT	HALL, BRAD	SEXTON, CHARLES		
297	Kansas City, MO	Columbus, OH	TECHNOLOGY VISIT WITH KCP&L	MCCULLOUGH, MARK	SASTRY, RAM	WEAVER, TOM	DION, PHILIP	KIRKPATRICK, THOM	COLEMAN, MARK
298	La Grange, TX	Austin, TX	QUANTA TRAINING FACILITY AND ETT BOARD MTG	BARTON, LISA	FERGUSON, DAVID	FRANKLIN-THOMAS,	SMITH, SCOTT	FISCHER, KRISTEN	
299	Lake Charles, LA	Columbus, OH	DINNER DISCUSSION WITH TRAMMELL CROW; MEETINGS WIT	AKINS, NICHOLAS					
300	Laredo, TX	Columbus, OH	VISIT WITH FIELD EMPLOYEES IN TEXAS	AKINS, NICHOLAS					
301	Lawrence, KS	Columbus, OH	TRAVEL TO ATTEND BUSINESS MEETINGS	SMYTH, ANTONIO	WEBER, BRIAN	ROGIER, DANIEL			
302	Lawton, OK	Columbus, OH	TO VISIT FT. STILL		BEAM, CHRISTIAN	DION, PHILIP	WEAVER, TOM		
303	Lawton, OK	Roanoke, VA	50 YEAR SAFETY CELEBRATION FOR LAWTON SERVICE CENT	BARTON, LISA	SMITH, SCOTT	HEITMEYER, CHAD	MCCORD, NATALIE	CRONIN, JONATHAN	WAGNER, ROBERT

	A	B	C	D	E	F	G	H	I
1	Allocated Flight Costs to Kentucky Power Company (includes Purpose and Passengers)								
2	**Note that the Total Cost is the pre-unallocated cost of the flight. Kentucky Powers is only billed for a portion of each of these flights.								
3									
4									
5	Sum of Cost								
6	Departing Airport City	Arriving Airport City	Purpose	PASSENGER 1	PASSENGER 2	PASSENGER 3	PASSENGER 4	PASSENGER 5	PASSENGER 6
304	Lawton, OK	Tulsa, OK	PRESENT CHAIRMAN'S LIFE SAVING AWARD AND VISIT WIT	AKINS, NICHOLAS	ANDRUS, TIMOTHY	SOLOMON, STUART	BAKER, STEVEN		
305	Longview, TX	Columbus, OH	WEST PLANT BRO REVIEWS	KING, DAVID	HUBBARD, DOUGLAS	DURNER, MICHAEL	WEHNER, DAVID	SCULLEY, DANIEL	GUTTNER, GYORGY
306	Los Angeles, CA	Columbus, OH	ATTEND THE EPRI SUMMER SEMINAR BOD MEETINGS	MCCULLOUGH, MARK	KIRKPATRICK, THOM	USHER, MATTHEW			
307	Los Angeles, CA	Columbus, OH	PARTICIPATE IN A PANEL DISCUSSION AT THE EPRI 201	AKINS, NICHOLAS					
308	Mackay, Qld.	Columbus, OH	AUDIT PLANNING MEETINGS WITH AUDIT COMMITTEE MEMBE						
309	Mackay, Qld.	West Palm Beach, FL	AUDIT PLANNING MEETINGS WITH AUDIT COMMITTEE MEMBE	REIS, ANDREW	HOFFMAN, JAY	HEHR, STEPHEN	BURNHAM, RODNEY		
310	McAllen, TX	Corpus Christi, TX	FIELD VISIT: TULSA AND CORPUS CHRISTI	BARTON, LISA	WAGNER, ROBERT	GROFF, DANIEL	SMITH, SCOTT	WEBER, BRIAN	KREHER, IAN
311	Naples, FL	Columbus, OH	TO ATTEND THE NAM BOARD OF DIRECTORS MEETING IN NA	POWERS, ROBERT	MUNCZINSKI, RICHA				
312	Nashville, TN	Columbus, OH	NUCLEAR ELECTRIC INSURANCE LIMITED (NEIL) BOARD ME	AKINS, NICHOLAS					
313	Nashville, TN	Columbus, OH	TO ATTEND AEIC IN NASHVILLE, TN	MCCULLOUGH, MARK					
314	Newport News, VA	Columbus, OH	TO SPEAK AT THE MID-ATLANTIC CONFERENCE OF REGULAT	POWERS, ROBERT	SLOAT, JULIE	FROEHLE, THOMAS			
315	Oklahoma City, OK	Columbus, OH	PSO MEETING	LEE, DANIEL	ELICH, TRACY				
316	Orange County, CA	Chicago/Prospect/Heights/Wheeling, IL	HRC PREP WITH RALPH CROSBY		CARLIN, ANDREW	MCGOUGH, JAMES			
317	Orlando, FL	Columbus, OH	TO ATTEND/PARTICIPATE IN THE EEI CONVENTION PANEL						
318	Owensboro, KY	Columbus, OH	2 C MEETING AT ROCKPORT	MCCULLOUGH, MARK	LEE, DANIEL	MAZZONE, JOHN	RITTENHOUSE, LESL		
319	Owensboro, KY	Columbus, OH	ROCKPORT, IN 2C MEETING						
320	Owensboro, KY	Columbus, OH	ROCKPORT, IN 2C MEETING	LEE, DANIEL	WISE, HEATHER				
321	Paducah, KY	Columbus, OH	CCR COMPLIANCE TRAINING	SPITZNOGLE, GARY	JOHNSON, CHRIS	MILLER, DAVID	GARRETT, JAMES	ZYCH, GARY	STANDLEY, DAVID
322	Paducah, KY	Columbus, OH	DHLC/SABINE QUARTERLY BUSINESS MEETING	LEE, DANIEL	MAJTENYI, JULIET	MCINTYRE, TERESA	CARSON, DEREK	SEATON, ANDREW	FISCHER, JENIFER
323	Paducah, KY	Shreveport, LA	CCR COMPLIANCE TRAINING	SPITZNOGLE, GARY	JOHNSON, CHRIS	MILLER, SETH	ZYCH, GARY	STANDLEY, DAVID	
324	Papeete, Tahiti	Bangor, ME	EEI INTERNATIONAL ELECTRICITY SUMMIT 2016 ON BEHAL	POWERS, ROBERT	POWERS, JAN				
325	Philadelphia, PA	Columbus, OH	PJM VISIT						
326	Philadelphia, PA	Columbus, OH	PJM VISIT		SHERWOOD, JULIE	VOGEL, ANNE	ERICKSON, DAVID	MILLS, MARGUERITE	BELLER, ROBERT
327	Roanoke, VA	Columbus, OH	50 YEAR SAFETY CELEBRATION FOR LAWTON SERVICE CENT	BARTON, LISA	SMITH, SCOTT	HEITMEYER, CHAD	MCCORD, NATALIE	CRONIN, JONATHAN	KNAPP, RYAN
328	Roanoke, VA	Lawton, OK	50 YEAR SAFETY CELEBRATION FOR LAWTON SERVICE CENT	BARTON, LISA	SMITH, SCOTT	HEITMEYER, CHAD	MCCORD, NATALIE	CRONIN, JONATHAN	WAGNER, ROBERT
329	Rogers, AR	Seattle, WA	AEIC IN SEATTLE, WA	MCCULLOUGH, MARK					
330	San Angelo, TX	McAllen, TX	FIELD VISIT: TULSA AND CORPUS CHRISTI	BARTON, LISA	WAGNER, ROBERT	GROFF, DANIEL	SMITH, SCOTT	WEBER, BRIAN	KREHER, IAN
331	San Diego, CA	Columbus, OH	SPEAK AT FORTUNE BRAINSTORM E EVENT	AKINS, NICHOLAS	MCHENRY, MELISSA				
332	San Francisco, CA	Wichita, KS	TO ATTEND THE INNOVARI BOD MEETINGTO ATTEND THE IN	MCCULLOUGH, MARK	SASTRY, RAM	HICKMAN, CHRIS			
333	Santa Fe, NM	Columbus, OH	CURRENT ISSUES REGULATORY CONFERENCE (SPEAKING)	BARTON, LISA					
334	Santa Fe, NM	Columbus, OH	TO PARTICIPATE IN INDUSTRIES LEADERS ROUNDTABLE DI	AKINS, NICHOLAS					
335	Seattle, WA	Columbus, OH	AEIC IN SEATTLE, WA	MCCULLOUGH, MARK	USHER, MATTHEW				
336	Seawell, Christ Church	Columbus, OH	ATTEND EIM BOARD MEETING	TIERNEY, BRIAN	TIERNEY, BETH	REID, CARTER	DURKIN, MARIAN		
337	Sheboygan Falls, WI	Columbus, OH	ATTEND INVESTOR MEETING	TIERNEY, BRIAN					
338	Shreveport, LA	Atlanta, GA	PLANT VISIT, DHLC & SABINE MINES QTR MTG						
339	Shreveport, LA	Columbus, OH	ATTEND FUNERAL FOR ANDY HEINES, AEP TEXAS	SMITH, WADE	POLK, JOSHUA				
340	Shreveport, LA	Columbus, OH	CCR TRAINING		SPITZNOGLE, GARY	JOHNSON, CHRIS	KING, DAVID	LOHNER, TIMOTHY	ZYCH, GARY
341	Shreveport, LA	Columbus, OH	CCR TRAINING		SPITZNOGLE, GARY	JOHNSON, CHRIS	ZYCH, GARY	MILLER, SETH	MUNSON, KEVIN
342	Shreveport, LA	Columbus, OH	DOLET HILL BOARD MEETING	LEE, DANIEL	GINOCCHI, FRANK	MILLER, SETH			
343	Shreveport, LA	Columbus, OH	EMPLOYEE FIELD VISIT	AKINS, NICHOLAS	AKINS, DONNA				
344	Shreveport, LA	Columbus, OH	MAINTENANCE						
345	Shreveport, LA	Columbus, OH	PLANT VISIT, DHLC & SABINE MINES QTR MTG	LEE, DANIEL	GARRETT, JAMES	MILLS, MARGUERITE	FISCHER, JENIFER	CHUNG, MURNY	DROBNY, NICOLE
346	Shreveport, LA	Columbus, OH	RSOW EMPLOYEE MEETING	LEE, DANIEL					
347	Shreveport, LA	Columbus, OH	SWEPCO PLANT VISITS	LEE, DANIEL	MCCAMMON, DAVID	RIORDAN, TIM	ZUCAL, JAMES		
348	Shreveport, LA	Columbus, OH	TO ATTEND THE LOUISIANA TECH UNIVERSITY DISTINGUIS	AKINS, NICHOLAS	AKINS, DONNA				
349	Shreveport, LA	Columbus, OH	TO ATTEND THE SPRING 2016 WEST REC MEETING IN SHRE	MCCULLOUGH, MARK	MCMANUS, JOHN	ADKINSON, DAN	RUPP, BRIAN	TOOLE, AIMEE	
350	Shreveport, LA	Columbus, OH	TO MEET WITH BARKSDAE AFB AND SWEPCO		DION, PHILIP	KARRASCH, JOSEPH	WEAVER, TOM	WITTINE, ERIC	USHER, MATTHEW
351	Shreveport, LA	Corpus Christi, TX	ATTEND FUNERAL FOR ANDY HEINES, AEP TEXAS	SMITH, WADE	POLK, JOSHUA	SULLIVAN, CAREY			
352	Shreveport, LA	Corpus Christi, TX	ATTEND IRC MEETINGS WITH WESTERN OPERATING COMPANI		POWERS, ROBERT	KIRKPATRICK, THOM	SEVER, OLLIE	MCLRAVY, JENNIFER	MCCELLON-ALLEN, V
353	Shreveport, LA	Corpus Christi, TX	CALL CENTER TOUR	EVANS, MURRAY	CHERIPKO, ROB	REGOLI, JEFF	GALFORD, BRADLEY		
354	Shreveport, LA	Fayetteville, AR	CCR TRAINING		SPITZNOGLE, GARY	JOHNSON, CHRIS	KING, DAVID	LOHNER, TIMOTHY	SPENCER, KELLY
355	Shreveport, LA	Fayetteville, AR	SWEPCO PLANT VISITS	LEE, DANIEL	MCCAMMON, DAVID	RIORDAN, TIM	ZUCAL, JAMES	RENTZSCH, ARTHUR	GEDEON, RUSSEL
356	Shreveport, LA	Houston, TX	TO GIVE PLENARY SPEECH AT IHS CERAWEEK 2016 ENERGY	AKINS, NICHOLAS	WEAVER, SCOTT	MCHENRY, MELISSA			
357	Shreveport, LA	Paducah, KY	CCR COMPLIANCE TRAINING	SPITZNOGLE, GARY	JOHNSON, CHRIS	MILLER, DAVID	ZYCH, GARY	STANDLEY, DAVID	
358	Shreveport, LA	Paducah, KY	DHLC/SABINE QUARTERLY BUSINESS MEETING	LEE, DANIEL	MAJTENYI, JULIET	MCINTYRE, TERESA	CARSON, DEREK	SEATON, ANDREW	FISCHER, JENIFER
359	Shreveport, LA	Vernon, TX	CCR COMPLIANCE TRAINING	SPITZNOGLE, GARY	JOHNSON, CHRIS	MILLER, DAVID	SPENCER, KELLY	WEHLING, TERRY	ZYCH, GARY
360	Springfield, IL	Columbus, OH	MAINTENANCE RUN						
361	Springfield, IL	Columbus, OH	TAKE CREW TO GET AIRCRAFT FROM MAINTENACE						
362	Springfield, IL	Tulsa, OK	FIELD VISIT: TULSA AND CORPUS CHRISTI						
363	Sundsvall	Columbus, OH	ATTEND EEI FINANCIAL CONFERENCE		POWERS, ROBERT	BARTON, LISA	MCCULLOUGH, MARK	MCHENRY, MELISSA	
364	Sundsvall	Columbus, OH	C200 ANNUAL CONFERENCE	BARTON, LISA					
365	Sundsvall	Columbus, OH	TO ATTEND THE EEI (EDISON ELECTRIC INSTITUTE) FINA	AKINS, NICHOLAS	TIERNEY, BRIAN	DIECK, LONNI	SEVER, OLLIE	SLOAT, JULIE	SUNDARARAJAN, RAJ
366	Tampa, FL	Columbus, OH	ATTEND EIM BOARD MEETING	TIERNEY, BRIAN					
367	Terre Haute, IN	Columbus, OH	TO ATTEND THE VIEWING HOURS FOR MCCULLOUGH'S MOTHE		POWERS, ROBERT	TIERNEY, BRIAN	HEYDLAUFF, DALE	BARTON, LISA	WELCH, DENNIS
368	Teterboro, NJ	Atlanta, GA	INPO (INSTITUTE OF NUCLEAR POWER OPERATIONS) 2016	AKINS, NICHOLAS	MCHENRY, MELISSA				
369	Teterboro, NJ	Boston, MA	MTG W/SANJAY GUPTA IN NYC AND THEN ON TO BOSTON FO	BARTON, LISA					
370	Teterboro, NJ	Columbus, OH	2016 WSJ WOMEN IN THE WORKPLACE DINNER	HILLEBRAND, LANA					
371	Teterboro, NJ	Columbus, OH	ATTEND ANALYST DAY IN NEW YORK	TIERNEY, BRIAN	DIECK, LONNI	ROZSA, BETTE	FUNK, BRADLEY	PHILLIPS, MELISSA	BARTON, LISA
372	Teterboro, NJ	Columbus, OH	ATTEND BARCLAYS CEO ENERGY / POWER CONFERENCE	TIERNEY, BRIAN	ROZSA, BETTE	FUNK, BRADLEY			
373	Teterboro, NJ	Columbus, OH	ATTEND D&O INSURANCE MEETINGS IN NY						
374	Teterboro, NJ	Columbus, OH	ATTEND D&O INSURANCE MEETINGS IN NY	TIERNEY, BRIAN	TIERNEY, ELIZABET	FUNK, BRADLEY			
375	Teterboro, NJ	Columbus, OH	ATTEND G100	TIERNEY, BRIAN					
376	Teterboro, NJ	Columbus, OH	ATTEND G100 MEETING IN NY	TIERNEY, BRIAN					
377	Teterboro, NJ	Columbus, OH	BANK VISIT	DIECK, LONNI	MESSNER, FRANZ				
378	Teterboro, NJ	Columbus, OH	BANKERS MEETINGS	DIECK, LONNI	BARTON, LISA	BOTELER, RANDY	MILLER, ZACHARY	HAWKINS, RENEE	WILLIAMSON, ANDRE
379	Teterboro, NJ	Columbus, OH	BARCLAYS	DIECK, LONNI	MESSNER, FRANZ				
380	Teterboro, NJ	Columbus, OH	EDISON ELECTRIC INSTITUTE (EEI)-CEO LEADERSHIP MEE	AKINS, NICHOLAS	MCHENRY, MELISSA				
381	Teterboro, NJ	Columbus, OH	G-100 | WOMEN'S LEADERSHIP ACCELERATION (SPEAKING)	BARTON, LISA					
382	Teterboro, NJ	Columbus, OH	G100 SPRING SESSION	BARTON, LISA					
383	Teterboro, NJ	Columbus, OH	GOLDMAN SACHS CONFERENCE		ROZSA, BETTE	FUNK, BRADLEY			
384	Teterboro, NJ	Columbus, OH	MEETING WITH RANDY BECK - ERNST & YOUNG	HILLEBRAND, LANA					
385	Teterboro, NJ	Columbus, OH	NATIONAL URBAN LEAGUE BOARD MEETING	BARTON, LISA					
386	Teterboro, NJ	Columbus, OH	NATIONAL URBAN LEAGUE BOARD MTG						
387	Teterboro, NJ	Columbus, OH	NATIONAL URBAN LEAGUE BOARD MTG	BARTON, LISA					
388	Teterboro, NJ	Columbus, OH	TO ATTEND THE COLUMBIA UNIVERSITY CENTER ON GLOBAL	AKINS, NICHOLAS	MCHENRY, MELISSA				
389	Teterboro, NJ	Columbus, OH	TO ATTEND THE DILENSCHNEIDER ROUNDTABLE DISCUSSION	AKINS, NICHOLAS	NESSING, SANDRA				
390	Teterboro, NJ	Columbus, OH	TO ATTEND THE G100 FALL 2016 MEETING	AKINS, NICHOLAS					
391	Teterboro, NJ	Columbus, OH	TO PARTICIPATE IN A DILENSCHNEIDER MEETING	AKINS, NICHOLAS	MCHENRY, MELISSA				
392	Teterboro, NJ	Dallas, TX	NATIONAL URBAN LEAGUE BOARD MEETING						
393	Teterboro, NJ	Owensboro, KY	G-100 | WOMEN'S LEADERSHIP ACCELERATION (SPEAKING)						
394	Texarkana, AR	Fayetteville, AR	WEST PLANT BRO REVIEWS	KING, DAVID	HUBBARD, DOUGLAS	GREENE, BENJAMIN	DURNER, MICHAEL	WEHNER, DAVID	SCULLEY, DANIEL
395	Tulsa, OK	Abilene, TX	FIELD VISIT: TULSA AND CORPUS CHRISTI	BARTON, LISA	WAGNER, ROBERT	GROFF, DANIEL	SMITH, SCOTT	WEBER, BRIAN	KREHER, IAN
396	Tulsa, OK	Columbus, OH	ATTEND IRC MEETINGS WITH WESTERN OPERATING COMPANI		POWERS, ROBERT	KIRKPATRICK, THOM	SEVER, OLLIE	MCLRAVY, JENNIFER	BURNETT, CHAD
397	Tulsa, OK	Columbus, OH	EMPLOYEE VISITS	BARTON, LISA	SMITH, SCOTT	ELICH, TRACY	GRAHAM, MATTHEW	WELKER, SCOTT	SMITH, JAMES
398	Tulsa, OK	Columbus, OH	FIELD VISIT: TULSA AND CORPUS CHRISTI	BARTON, LISA	WAGNER, ROBERT	GROFF, DANIEL	SMITH, SCOTT	WEBER, BRIAN	KREHER, IAN

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	A	B	C	D	E	F	G	H	I
1	Allocated Flight Costs to Kentucky Power Company (includes Purpose and Passengers)								
2	**Note that the Total Cost is the pre-unallocated cost of the flight. Kentucky Powers is only billed for a portion of each of these flights.**								
3									
4									
5	Sum of Cost								
6	**Departing Airport City**	**Arriving Airport City**	**Purpose**	**PASSENGER 1**	**PASSENGER 2**	**PASSENGER 3**	**PASSENGER 4**	**PASSENGER 5**	**PASSENGER 6**
399	Tulsa, OK	Columbus, OH	HITCHHIKERS		WHITELEY, BILLIE	VANNOY, TOMMY	ELDRIDGE, LINDA		
400	Tulsa, OK	Columbus, OH	MEET WITH EMPLOYEES IN CORPUS CHRISTI & TULSA	TIERNEY, BRIAN	RHOADES, CRAIG	PANNELLE, SCOTT			
401	Tulsa, OK	Columbus, OH	PRESENT CHAIRMAN'S LIFE SAVING AWARD AND VISIT WIT	AKINS, NICHOLAS	ANDRUS, TIMOTHY				
402	Tulsa, OK	Columbus, OH	PSO INVESTOR TOUR	DIECK, LONNI	HAWKINS, RENEE	CARLOS, RACHELLE	WNEK, ZACHARY	FUNK, BRADLEY	
403	Tulsa, OK	Columbus, OH	TECHNOLOGY ROAD TRIP AT PSO	MCCULLOUGH, MARK	SASTRY, RAM	USHER, MATTHEW	WEAVER, TOM	OKAFOR, CHUKWUEME	MAST, WILLIAM
404	Tulsa, OK	Columbus, OH	TO DO A 2 C MEETING AT NORTHEAST PLANT	MCCULLOUGH, MARK	LEE, DANIEL	RITTENHOUSE, LESL	VENTERS, KEVIN		
405	Tulsa, OK	Columbus, OH	TO VISIT RIVERSIDE PLANT AND ATTEND GARY KNIGHT'S	MCCULLOUGH, MARK	LEE, DANIEL	FIALA, KATHY	ELICH, TRACY	JOHNSON, CHRIS	LAFLEUR, JEFFREY
406	Tulsa, OK	Shreveport, LA	CALL CENTER TOUR	EVANS, MURRAY	CHERIPKO, ROB	REGOLI, JEFF	GALFORD, BRADLEY		
407	Tulsa, OK	Shreveport, LA	CCR TRAINING		SPITZNOGLE, GARY	JOHNSON, CHRIS	KING, DAVID	LOHNER, TIMOTHY	SPENCER, KELLY
408	Tulsa, OK	Wichita Falls, TX	WEST PLANT BRO REVIEWS	KING, DAVID	HUBBARD, DOUGLAS	DURNER, MICHAEL	WEHNER, DAVID	SCULLEY, DANIEL	MCMAHON, KEVIN
409	Vernon, TX	Shreveport, LA	CCR COMPLIANCE TRAINING	SPITZNOGLE, GARY	JOHNSON, CHRIS	MILLER, DAVID	SPENCER, KELLY	ZYCH, GARY	WEHLING, TERRY
410	Walterboro, SC	Columbus, OH	PRE MEETING TO PREP FOR HRC MEETING WITH RALPH CRO	HILLEBRAND, LANA	CARLIN, ANDREW	MCGOUGH, JAMIE			
411	Washington DC	Columbus, OH	2016 USEA ANNUAL MEMBERSHIP MEETING & PUBLIC POLIC	POWERS, ROBERT	LOEFFELMAN, PAUL				
412	Washington DC	Columbus, OH	ATTEND A CYBERSECURITY MEETING IN WASHINGTON, D.C.	AKINS, NICHOLAS	SWICK, STEVE				
413	Washington DC	Columbus, OH	ATTEND AN ELECTRICITY SUBSECTOR COORDINATING COUNC	AKINS, NICHOLAS					
414	Washington DC	Columbus, OH	ATTEND EEI AND LAMPAC MEETINGS						
415	Washington DC	Columbus, OH	ATTEND EEI AND LAMPAC MEETINGS	AKINS, NICHOLAS	HEYDLAUFF, DALE				
416	Washington DC	Columbus, OH	ATTEND INFRASTRUCTURE MEETING IN WASHINGTON, D.C.	AKINS, NICHOLAS					
417	Washington DC	Columbus, OH	CYBERSECURITY MEETING	AKINS, NICHOLAS	PARTLOW, STANLEY				
418	Washington DC	Columbus, OH	DINNER WITH SUSAN EISENHOWER	AKINS, NICHOLAS	NESSING, SANDRA				
419	Washington DC	Columbus, OH	GET INDOCTRINATED FOR TOP SECRET CLEARANCE	AKINS, NICHOLAS	STOGRAN, KEVIN				
420	Washington DC	Columbus, OH	HRC PREP MEETING	HILLEBRAND, LANA	CARLIN, ANDREW				
421	Washington DC	Columbus, OH	HRC PREP MTG. WITH RALPH CROSBY	HILLEBRAND, LANA	CARLIN, ANDREW				
422	Washington DC	Columbus, OH	PERSONNEL ISSUES		LAING, DAVID	GRAYEM, KATIE	ELICH, TRACY		
423	Washington DC	Columbus, OH	RELIABILITY FIRST BOARD MEETING						
424	Washington DC	Columbus, OH	RELIABILITY FIRST BOARD MEETING	BARTON, LISA					
425	Washington DC	Columbus, OH	SPEAK AT ELCON'S WORKSHOP	AKINS, NICHOLAS					
426	Washington DC	Columbus, OH	THE COLUMBUS PARTNERSHIP D.C. FLY-IN, PUBLIC POLIC	AKINS, NICHOLAS	BLOM, DAVE	HARRISON, DAVID	KIDDER, CHARLES	LYONS, STEPHEN	MURDOCK, WILLIAM
427	Washington DC	Columbus, OH	TO ATTEND A MEETING WITH PENTAGON OFFICIALS	CHODAK, PAUL	DION, PHILIP				
428	Washington DC	Columbus, OH	TO ATTEND A MEETING WITH SUSAN EISENHOWER AND THE	AKINS, NICHOLAS					
429	Washington DC	Columbus, OH	TO ATTEND MEETING WITH EPA FOR NICK AKINS		MCMANUS, JOHN				
430	Washington DC	Columbus, OH	TO ATTEND THE BUSINESS ROUNDTABLE CEO QUARTERLY ME	AKINS, NICHOLAS					
431	Washington DC	Columbus, OH	TO ATTEND THE BUSINESS ROUNDTABLE MEETING	AKINS, NICHOLAS					
432	Washington DC	Columbus, OH	TO ATTEND THE ELECTRICITY SUBSECTOR COORDINATING C	AKINS, NICHOLAS					
433	Washington DC	Columbus, OH	TO ATTEND THE EPRI BOD AND COMMITTEE MEETING	MCCULLOUGH, MARK					
434	Washington DC	Columbus, OH	TO ATTEND THE LAMPAC AND EEI						
435	Washington DC	Columbus, OH	TO ATTEND THE LAMPAC AND EEI	MCCULLOUGH, MARK	POWERS, ROBERT	BARTON, LISA			
436	Washington DC	Columbus, OH	TO ATTEND THE WALL STREET JOURNAL CEO COUNCIL MEET	AKINS, NICHOLAS					
437	Washington DC	Columbus, OH	TO CONDUCT KENTUCK POWER ONSITE EMPLOYEE MEETINGS	CHODAK, PAUL	SATTERWHITE, MATT	HALL, BRAD	SEXTON, CHARLES		
438	Washington DC	Columbus, OH	TO MEET WITH CERES AND INVESTORS IN BOSTON	MCCULLOUGH, MARK	NESSING, SANDRA	DION, PHILIP	FUNK, BRADLEY		
439	Washington DC	Columbus, OH	TO MEET WITH THE DOJ	MCCULLOUGH, MARK	CHODAK, PAUL	MCMANUS, JOHN	HENRY, JANET		
440	Washington DC	Columbus, OH	TO MEET WITH THE DOJ	MCCULLOUGH, MARK	CHODAK, PAUL	MCMANUS, JOHN	HENRY, JANET	FEINBERG, DAVID	LAING, DAVID
441	Washington DC	Columbus, OH	TO PARTICIPATE IN THE ELECTRICITY SUBSECTOR CORODI	POWERS, ROBERT					
442	Washington DC	Columbus, OH	WIRES 10TH ANNUAL MEETING	BARTON, LISA	SIMMONS, PEGGY	QUEENO, SAM	WORRALL, ADAM		
443	Washington DC	Columbus, OH	WIRES BOARD MEETING	BARTON, LISA					
444	Washington DC	Philadelphia, PA	PJM VISIT						
445	Washington DC	Teterboro, NJ	ATTEND D&O INSURANCE MEETINGS IN NY						
446	West Palm Beach, FL	Brunswick, GA	AUDIT PLANNING MEETINGS WITH AUDIT COMMITTEE MEMBE	REIS, ANDREW	HOFFMAN, JAY	HEHR, STEPHEN	BURNHAM, RODNEY		
447	West Palm Beach, FL	Columbus, OH	EEI SPRING LEGAL CONFERENCE	FEINBERG, DAVID	CRESPO, JOHN				
448	West Palm Beach, FL	Columbus, OH	TO ATTEND THE AEIC ANNUAL MEETING	MCCULLOUGH, MARK					
449	West Palm Beach, FL	Columbus, OH	TO ATTEND THE EEI BOARD & CHIEF EXECUTIVE MEETINGS		MCCULLOUGH, MARK	DION, PHILIP	BARTON, LISA		
450	West Palm Beach, FL	Columbus, OH	TO ATTEND THE EEI BOARD AND CHIEF EXECUTIVE MEETIN	AKINS, NICHOLAS	AKINS, DONNA	FEINBERG, DAVID	ROZSA, BETTE		
451	White Plains, NY	Columbus, OH	TRAVEL TO ATTEND BUSINESS MEETINGS	SMYTH, ANTONIO	ROGIER, DANIEL	WILCOX, EVAN	WEBER, BRIAN	BURKHOLDER, JOSH	VERMILION, MATTHE
452	Wichita Falls, TX	Longview, TX	WEST PLANT BRO REVIEWS	KING, DAVID	HUBBARD, DOUGLAS	DURNER, MICHAEL	WEHNER, DAVID	SCULLEY, DANIEL	MCMAHON, KEVIN
453	Wichita, KS	Columbus, OH	TO ATTEND THE INNOVARI BOD MEETINGTO ATTEND THE IN	MCCULLOUGH, MARK	SASTRY, RAM				
454	Wilmington, DE	Columbus, OH	ATTEND THE NUCLEAR ELECTRIC INSURANCE LIMITED (NEI	AKINS, NICHOLAS					
455	Wilmington, DE	Columbus, OH	MAINTENANCE TEST FLIGHT						
456	Winchester, VA	Columbus, OH	FNG EXECUTIVE MEETING	MCCULLOUGH, MARK	LEE, DANIEL	POWELL, DAVID	GEDEON, RUSSEL		
457	Wise, VA	Columbus, OH	TO DO A 2 C MEETING AT CLINCH RIVER	MCCULLOUGH, MARK	LEE, DANIEL	ALEXANDER, JENNIF	CLARK, ANDREW		
458	**Grand Total**								

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Allocated Flight Costs to Kentucky Power Company (includes Purpose and Passengers)

Note that the Total Cost is the pre-unallocated cost of the flight. Kentucky Powers is only billed for a portion of each of these flights.

Sum of Cost

	Departing Airport City	Arriving Airport City	Purpose	PASSENGER 7	PASSENGER 8	PASSENGER 9	PASSENGER 1	PASSENGER 11	PASSENGER 12	PASSENGER 13	PASSENGER 14
7	Abilene, TX	San Angelo, TX	FIELD VISIT: TULSA AND CORPUS CHRISTI	BEASCHLER, JOHN	ROBINSON, K SHAWN	AVANESSIAN, PAUL	GRAHAM, KAREN				
8	Albuquerque, NM	Columbus, OH	ATTEND MEETING WITH PNM RESOURCES								
9	Atlanta, GA	Charleston, WV	ATTEND A CUSTOMER AND TECHNOLOGY VISIT AT SOUTHERN	PATTON, CHARLES							
10	Atlanta, GA	Columbus, OH	ATTEND JUNIOR ACHIEVEMENT MEETING IN ATLANTA, GEOR	LYONS, STEPHEN	NESS, JOHN	SAWYERS, MICHAEL	TEATER, ANDY	WAGNER, PHILLIP	WORLEY, GUY	DAVIS, MIKE	SMITH, DWIGHT
11	Atlanta, GA	Columbus, OH	ATTEND JUNIOR ACHIEVEMENT MEETING IN ATLANTA, GEOR	SCHOTT, MIKE	WHITE, SCOTT						
12	Atlanta, GA	Columbus, OH	INPO (INSTITUTE OF NUCLEAR POWER OPERATIONS) 2016								
13	Atlanta, GA	Columbus, OH	TO ATTEND THE FNG MEETING IN ATLANTA, GA								
14	Atlanta, GA	Teterboro, NJ	NERC SEMI-ANNUAL BOARD MEETING & ANALYST MEETING								
15	Augusta, GA	Columbus, OH	MEETING WITH MITSUBISHI								
16	Austin, TX	Columbus, OH	QUANTA TRAINING FACILITY AND ETT BOARD MTG	SMITH, WADE							
17	Austin, TX	Columbus, OH	TO ATTEND AEIC POWER GEN MEETING								
18	Austin, TX	Dallas, TX	SPEAK AT THE NATURAL GAS SUPPLY ASSOCIATION ANNUAL								
19	Bangor, ME	Columbus, OH	EEI INTERNATIONAL ELECTRICITY SUMMIT 2016 ON BEHAL								
20	Battle Creek, MI	Columbus, OH	BRING BACK FROM MAINTENANCE								
21	Battle Creek, MI	Columbus, OH	MAINTENANCE								
22	Battle Creek, MI	Columbus, OH	MAINTENANCE RUN								
23	Battle Creek, MI	Columbus, OH	PICK UP CREW FROM TAKING PLANE TO MAINTENANCE								
24	Beckley, WV	Columbus, OH	CHAIRMAN'S LIFE SAVING AWARD & EMPLOYEE MEETINGS								
25	Beckley, WV	Columbus, OH	LINEBERRY CEREMONY AND FIELD VISIT								
26	Boston, MA	Columbus, OH	ATTEND BAML 2016 POWER & GAS LEADERS CONFERENCE								
27	Boston, MA	Columbus, OH	MTG W/SANJAY GUPTA IN NYC AND THEN ON TO BOSTON FO								
28	Boston, MA	Washington DC	TO MEET WITH CERES AND INVESTORS IN BOSTON								
29	Brunswick, GA	Columbus, OH	AUDIT PLANNING MEETINGS WITH AUDIT COMMITTEE MEMBE								
30	Charleston, SC	Columbus, OH	HRC PREP MEETING								
31	Charleston, WV	Atlanta, GA	ATTEND A CUSTOMER AND TECHNOLOGY VISIT AT SOUTHERN	PATTON, CHARLES							
32	Charleston, WV	Columbus, OH	ATTEND A CUSTOMER AND TECHNOLOGY VISIT AT SOUTHERN								
33	Charleston, WV	Columbus, OH	LINEBERRY CEREMONY AND FIELD VISIT	PUGH, ARCHIE	COOK, JAMES						
34	Charleston, WV	Frankfort, KY	ATTEND IRC MEETINGS WITH APCO & KENTUCKY POWER	VAUGHAN, ALEX							
35	Charleston, WV	Tulsa, OK	CALL CENTER TOUR								
36	Charlotte, NC	Columbus, OH	AEP / DUKE ENERGY MEETING								
37	Chicago, IL	Columbus, OH	INVENERGY MEETING								
38	Chicago, IL	Columbus, OH	INVENERGY MEETING	VERMILION, MATTHE							
39	Chicago, IL	Columbus, OH	INVENERGY MEETING								
40	Chicago, IL	Columbus, OH	INVENERGY MEETING IN CHICAGO								
41	Chicago, IL	Columbus, OH	MEET WITH DR. RICHARD SANDOR AND UNIVERSITY OF CHI								
42	Chicago, IL	Columbus, OH	NERC BOARD MEETING								
43	Chicago, IL	Columbus, OH	SIEMENS MIDWEST ENERGY FORUM (PANELIST)								
44	Chicago, IL	Columbus, OH	TO ATTEND THE 2016 EEI ANNUAL CONVENTION IN CHICAG								
45	Chicago, IL	Columbus, OH	TO ATTEND THE 2016 EEI ANNUAL CONVENTION IN CHICAG								
46	Chicago, IL	Columbus, OH	TO ATTEND/PARTICIPATE IN THE EEI CONVENTION PANEL								
47	Chicago, IL	Columbus, OH	TO MEET WITH INVENERGY								
48	Chicago, IL	Columbus, OH	TO MEET WITH INVENERGY	HAYNES, STEPHAN	DION, PHILIP						
49	Chicago, IL	Columbus, OH	TO PARTICIPATE IN PANEL DISCUSSION AT AMERICAN								
50	Chicago, IL	Columbus, OH	TO SPEAK TO THE LEADERSHIP GROUP AT SARGENT & LUND								
51	Chicago, IL	Columbus, OH	UTILITIES PERSPECTIVE CONFERENCE (SPEAKING)								
52	Chicago, IL	Orlando, FL	TO ATTEND/PARTICIPATE IN THE EEI CONVENTION PANEL								
53	Chicago/Prospect/Heights/Wheeling, IL	Columbus, OH	HRC PREP WITH RALPH CROSBY								
54	Cincinnati, OH	Columbus, OH	ATTEND EEI AND LAMPAC MEETINGS								
55	Cincinnati, OH	Shreveport, LA	MAINTENANCE RECOVERY								
56	Colorado Springs, CO	Columbus, OH	ATTEND EIM BOARD MEETING								
57	Colorado Springs, CO	Columbus, OH	EEI FALL BOARD & CEO MEETING								
58	Colorado Springs, CO	Dallas, TX	COLORADO SPRINGS, CO-EDISON ELECTRIC INSTITUTE (EE								
59	Columbia, MO	Columbus, OH	Reclass original accounting for VISIT HUBBELL POWER SYSTEMS DISTRIBUTION CENTER								
60	Columbia, MO	Columbus, OH	VISIT HUBBELL POWER SYSTEMS DISTRIBUTION CENTER								
61	Columbus, OH	Albuquerque, NM	ATTEND MEETING WITH PNM RESOURCES								
62	Columbus, OH	Atlanta, GA	ATTEND JUNIOR ACHIEVEMENT MEETING IN ATLANTA, GEOR	LYONS, STEPHEN	NESS, JOHN	SAWYERS, MICHAEL	TEATER, ANDY	WAGNER, PHILLIP	WORLEY, GUY	DAVIS, MIKE	SMITH, DWIGHT
63	Columbus, OH	Atlanta, GA	ATTEND JUNIOR ACHIEVEMENT MEETING IN ATLANTA, GEOR	SCHOTT, MIKE	WHITE, SCOTT						
64	Columbus, OH	Atlanta, GA	NERC SEMI-ANNUAL BOARD MEETING & ANALYST MEETING								
65	Columbus, OH	Atlanta, GA	TO ATTEND THE FNG MEETING IN ATLANTA, GA								
66	Columbus, OH	Austin, TX	SPEAK AT THE NATURAL GAS SUPPLY ASSOCIATION ANNUAL								
67	Columbus, OH	Austin, TX	TO ATTEND AEIC POWER GEN MEETING								
68	Columbus, OH	Battle Creek, MI	MAINTENANCE								
69	Columbus, OH	Battle Creek, MI	MAINTENANCE RUN								
70	Columbus, OH	Battle Creek, MI	PICK UP CREW FROM TAKING PLANE TO MAINTENANCE								
71	Columbus, OH	Battle Creek, MI	TAKE TO MAINTENANCE								
72	Columbus, OH	Beckley, WV	CHAIRMAN'S LIFE SAVING AWARD & EMPLOYEE MEETINGS								
73	Columbus, OH	Beckley, WV	LINEBERRY CEREMONY AND FIELD VISIT								
74	Columbus, OH	Boston, MA	ATTEND BAML 2016 POWER & GAS LEADERS CONFERENCE								
75	Columbus, OH	Boston, MA	TO MEET WITH CERES AND INVESTORS IN BOSTON								
76	Columbus, OH	Charleston, SC	HRC PREP MEETING								
77	Columbus, OH	Charleston, WV	ATTEND A CUSTOMER AND TECHNOLOGY VISIT AT SOUTHERN								
78	Columbus, OH	Charleston, WV	ATTEND IRC MEETINGS WITH APCO & KENTUCKY POWER	VAUGHAN, ALEX							
79	Columbus, OH	Charleston, WV	CALL CENTER TOUR								
80	Columbus, OH	Charleston, WV	LINEBERRY CEREMONY AND FIELD VISIT								
81	Columbus, OH	Charlotte, NC	AEP / DUKE ENERGY MEETING								
82	Columbus, OH	Chicago, IL	INVENERGY MEETING								
83	Columbus, OH	Chicago, IL	INVENERGY MEETING								
84	Columbus, OH	Chicago, IL	INVENERGY MEETING								
85	Columbus, OH	Chicago, IL	INVENERGY MEETING IN CHICAGO								
86	Columbus, OH	Chicago, IL	MEET WITH DR. RICHARD SANDOR AND UNIVERSITY OF CHI								
87	Columbus, OH	Chicago, IL	NERC BOARD MEETING								
88	Columbus, OH	Chicago, IL	SIEMENS MIDWEST ENERGY FORUM (PANELIST)								
89	Columbus, OH	Chicago, IL	TO ATTEND THE 2016 EEI ANNUAL CONVENTION IN CHICAG								
90	Columbus, OH	Chicago, IL	TO ATTEND THE 2016 EEI ANNUAL CONVENTION IN CHICAG								
91	Columbus, OH	Chicago, IL	TO ATTEND/PARTICIPATE IN THE EEI CONVENTION PANEL								
92	Columbus, OH	Chicago, IL	TO MEET WITH INVENERGY								
93	Columbus, OH	Chicago, IL	TO MEET WITH INVENERGY	HAYNES, STEPHAN	DION, PHILIP						
94	Columbus, OH	Chicago, IL	TO PARTICIPATE IN PANEL DISCUSSION AT AMERICAN								
95	Columbus, OH	Chicago, IL	TO SPEAK TO THE LEADERSHIP GROUP AT SARGENT & LUND								
96	Columbus, OH	Cincinnati, OH	ATTEND EEI AND LAMPAC MEETINGS								
97	Columbus, OH	Cincinnati, OH	MAINTENANCE RECOVERY								
98	Columbus, OH	Colorado Springs, CO	ATTEND EIM BOARD MEETING								
99	Columbus, OH	Colorado Springs, CO	COLORADO SPRINGS, CO-EDISON ELECTRIC INSTITUTE (EE								
100	Columbus, OH	Columbia, MO	Reclass original accounting for VISIT HUBBELL POWER SYSTEMS DISTRIBUTION CENTER								
101	Columbus, OH	Columbia, MO	VISIT HUBBELL POWER SYSTEMS DISTRIBUTION CENTER								
102	Columbus, OH	Columbus, OH (Rickenbacker)	TRAINING FLIGHT								
103	Columbus, OH	Corpus Christi, TX	MEET WITH EMPLOYEES IN CORPUS CHRISTI & TULSA								
104	Columbus, OH	Corpus Christi, TX	SPEAK AT AEP TEXAS LEADERSHIP RETREAT								
105	Columbus, OH	Corpus Christi, TX	TRANSMISSION UPDATE MEETING WITH BRUCE EVANS								

Allocated Flight Costs to Kentucky Power Company (includes Purpose and Passengers)

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Sum of Cost

Row	Departing Airport City	Arriving Airport City	Purpose	PASSENGER 7	PASSENGER 8	PASSENGER 9	PASSENGER 1	PASSENGER 11	PASSENGER 12	PASSENGER 13	PASSENGER 14
106	Columbus, OH	Dallas, TX	ATTEND THE EPRI BOD MEETING								
107	Columbus, OH	Dallas, TX	AUDIT PLANNING MEETINGS WITH AUDIT COMMITTEE MEMBE								
108	Columbus, OH	Dallas, TX	COLORADO SPRINGS, CO-EDISON ELECTRIC INSTITUTE (EE								
109	Columbus, OH	Dallas, TX	DINNER DISCUSSION WITH TRAMMELL CROW; MEETINGS WIT								
110	Columbus, OH	Denver, CO	CYBER MUTUAL ASSISTANCE TASK FORCE MEETING								
111	Columbus, OH	Detroit, MI	ATTEND GSEP SUMMIT IN BEIJING, CHINA								
112	Columbus, OH	Detroit, MI	TO ATTEND THE EPRI BOD AND COMMITTEE MEETING								
113	Columbus, OH	Fort Wayne, IN	ATTEND I&M IRC MEETING	LISTEBARGER, SHAN	SATTERWHITE, MATT						
114	Columbus, OH	Fort Wayne, IN	TECHNOLOGY ROAD SHOW AT (I&M)	DION, PHILIP	COLEMAN, MARK	OSBORNE, SCOTT	MAZZONE, JOHN				
115	Columbus, OH	Fort Wayne, IN	TO MEET WITH THE DOJ								
116	Columbus, OH	Fort Wayne, IN	TO MEET WITH THE DOJ								
117	Columbus, OH	Fort Wayne, IN	TO SPEAK TO THE ENGINEERING STUDENTS AT PURDUE POL								
118	Columbus, OH	Frankfort, KY	MEET GOVERNOR EVIN AND SECRETARY OF ENERGY CHARLES								
119	Columbus, OH	Fulton, NY	AEP 2016 LEADERSHIP SUMMIT								
120	Columbus, OH	Fulton, NY	AEP 2016 LEADERSHIP SUMMIT								
121	Columbus, OH	Grand Junction, CO	HRC PREP MEETING								
122	Columbus, OH	Greenbrier, WV	ATTEND INAUGURATION OF JIM JUSTICE								
123	Columbus, OH	Greenbrier, WV	ATTEND NEIL BOARD MEETINGS								
124	Columbus, OH	Greensboro, GA	MEETING WITH MITSUBISHI								
125	Columbus, OH	Harlingen, TX	VISIT WITH FIELD EMPLOYEES IN TEXAS								
126	Columbus, OH	Houston, TX	CENTERPOINT OPERATING CENTER VISIT	SCHNEIDER, CAREY	CASABLANCA, CARLO	OFEI AMOH, KWEKU	WARE, RANDOLPH	RINALDI, DAVID	FORSHEY, MATT		
127	Columbus, OH	Huntington, WV	TO CONDUCT KENTUCK POWER ONSITE EMPLOYEE MEETINGS								
128	Columbus, OH	Huntington, WV	TO CONDUCT KENTUCK POWER ONSITE EMPLOYEE MEETINGS								
129	Columbus, OH	Huntington, WV	TO DO A COMPLIMENTS AND CONCERNS MEETING AT BIG SA								
130	Columbus, OH	Kansas City, MO	TECHNOLOGY VISIT WITH KCP&L	EVANS, MURRAY	USHER, MATTHEW	SMYTH, ANTONIO	RYAN, RANDY	WEBER, BRIAN			
131	Columbus, OH	La Grange, TX	QUANTA TRAINING FACILITY AND ETT BOARD MTG								
132	Columbus, OH	Lawrence, KS	TRAVEL TO ATTEND BUSINESS MEETINGS								
133	Columbus, OH	Lawton, OK	PRESENT CHAIRMAN'S LIFE SAVING AWARD AND VISIT WIT								
134	Columbus, OH	Lawton, OK	TO VISIT FT. STILL								
135	Columbus, OH	Los Angeles, CA	ATTEND THE EPRI SUMMER SEMINAR BOD MEETINGS								
136	Columbus, OH	Los Angeles, CA	PARTICIPATE IN A PANEL DISCUSSION AT THE EPRI 201								
137	Columbus, OH	Mackay, Qld.	AUDIT PLANNING MEETINGS WITH AUDIT COMMITTEE MEMBE								
138	Columbus, OH	Naples, FL	TO ATTEND THE NAM BOARD OF DIRECTORS MEETING IN NA								
139	Columbus, OH	Nashville, TN	NUCLEAR ELECTRIC INSURANCE LIMITED (NEIL) BOARD ME								
140	Columbus, OH	Nashville, TN	TO ATTEND AEIC IN NASHVILLE, TN								
141	Columbus, OH	Newport News, VA	TO SPEAK AT THE MID-ATLANTIC CONFERENCE OF REGULAT								
142	Columbus, OH	Oklahoma City, OK	PSO MEETING								
143	Columbus, OH	Orange County, CA	HRC PREP WITH RALPH CROSBY								
144	Columbus, OH	Owensboro, KY	2 C MEETING AT ROCKPORT								
145	Columbus, OH	Owensboro, KY	ROCKPORT, IN 2C MEETING								
146	Columbus, OH	Paducah, KY	CCR COMPLIANCE TRAINING	STANDLEY, DAVID							
147	Columbus, OH	Papeete, Tahiti	EEI INTERNATIONAL ELECTRICITY SUMMIT 2016 ON BEHAL								
148	Columbus, OH	Philadelphia, PA	PJM VISIT	WHITE, EDWARD	FUSEK, DAVID	LEOPOLD, CHRISTOP	JAMES, ERIC	MURPHY, TIMOTHY	FELIKS, KENT	PRESTHUS, THOMAS	
149	Columbus, OH	Roanoke, VA	50 YEAR SAFETY CELEBRATION FOR LAWTON SERVICE CENT								
150	Columbus, OH	San Diego, CA	SPEAK AT FORTUNE BRAINSTORM E EVENT								
151	Columbus, OH	San Francisco, CA	G100 DINNER								
152	Columbus, OH	San Francisco, CA	TO ATTEND THE INNOVARI BOD MEETINGTO ATTEND THE IN								
153	Columbus, OH	Santa Fe, NM	CURRENT ISSUES REGULATORY CONFERENCE (SPEAKING)								
154	Columbus, OH	Santa Fe, NM	TO PARTICIPATE IN INDUSTRIES LEADERS ROUNDTABLE DI								
155	Columbus, OH	Seawell, Christ Church	ATTEND EIM BOARD MEETING								
156	Columbus, OH	Sheboygan Falls, WI	ATTEND INVESTOR MEETING								
157	Columbus, OH	Shreveport, LA	ATTEND FUNERAL FOR ANDY HEINES, AEP TEXAS								
158	Columbus, OH	Shreveport, LA	ATTEND IRC MEETINGS WITH WESTERN OPERATING COMPANI								
159	Columbus, OH	Shreveport, LA	CCR TRAINING								
160	Columbus, OH	Shreveport, LA	CCR TRAINING	WOOD, AL	SILK, JAMES						
161	Columbus, OH	Shreveport, LA	DHLC/SABINE QUARTERLY BUSINESS MEETING	FISCHER, JENIFER	CASKIE, JARED						
162	Columbus, OH	Shreveport, LA	DOLET HILL BOARD MEETING								
163	Columbus, OH	Shreveport, LA	EMPLOYEE FIELD VISIT								
164	Columbus, OH	Shreveport, LA	PLANT VISIT, DHLC & SABINE MINES QTR MTG								
165	Columbus, OH	Shreveport, LA	PLANT VISIT, DHLC & SABINE MINES QTR MTG								
166	Columbus, OH	Shreveport, LA	RSOW EMPLOYEE MEETING								
167	Columbus, OH	Shreveport, LA	SWEPCO PLANT VISITS								
168	Columbus, OH	Shreveport, LA	TO ATTEND THE LOUISIANA TECH UNIVERSITY DISTINGUIS								
169	Columbus, OH	Shreveport, LA	TO ATTEND THE SPRING 2016 WEST REC MEETING IN SHRE								
170	Columbus, OH	Shreveport, LA	TO GIVE PLENARY SPEECH AT IHS CERAWEEK 2016 ENERGY								
171	Columbus, OH	Shreveport, LA	TO MEET WITH BARKSDAE AFB AND SWEPCO								
172	Columbus, OH	Springfield, IL	MAINTENANCE RUN								
173	Columbus, OH	Springfield, IL	TAKE CREW TO GET AIRCRAFT FROM MAINTENACE								
174	Columbus, OH	Springfield, IL	TAKE TO NAINTENANCE								
175	Columbus, OH	Sundsvall	ATTEND EEI FINANCIAL CONFERENCE								
176	Columbus, OH	Sundsvall	C200 ANNUAL CONFERENCE								
177	Columbus, OH	Sundsvall	TO ATTEND THE EEI (EDISON ELECTRIC INSTITUTE) FINA	ROZSA, BETTE	FUNK, BRADLEY						
178	Columbus, OH	Tampa, FL	ATTEND EIM BOARD MEETING								
179	Columbus, OH	Terre Haute, IN	TO ATTEND THE VIEWING HOURS FOR MCCULLOUGH'S MOTHE	RIORDAN, TIM	LEE, DANIEL	THOMAS, TOBY	GAUDIO, RANDALL				
180	Columbus, OH	Teterboro, NJ	2016 WSJ WOMEN IN THE WORKPLACE DINNER								
181	Columbus, OH	Teterboro, NJ	2016 WSJ WOMEN IN THE WORKPLACE DINNER								
182	Columbus, OH	Teterboro, NJ	ATTEND ANALYST DAY IN NEW YORK								
183	Columbus, OH	Teterboro, NJ	ATTEND ANALYST DAY IN NEW YORK	SEVER, OLLIE	POWERS, ROBERT						
184	Columbus, OH	Teterboro, NJ	ATTEND BARCLAYS CEO ENERGY / POWER CONFERENCE								
185	Columbus, OH	Teterboro, NJ	ATTEND D&O INSURANCE MEETINGS IN NY								
186	Columbus, OH	Teterboro, NJ	ATTEND G100								
187	Columbus, OH	Teterboro, NJ	ATTEND G100 MEETING IN NY								
188	Columbus, OH	Teterboro, NJ	ATTEND G100 MEETING IN NY								
189	Columbus, OH	Teterboro, NJ	BANK VISIT								
190	Columbus, OH	Teterboro, NJ	BANKERS MEETINGS								
191	Columbus, OH	Teterboro, NJ	BARCLAYS								
192	Columbus, OH	Teterboro, NJ	EDISON ELECTRIC INSTITUTE (EEI)-CEO LEADERSHIP MEE								
193	Columbus, OH	Teterboro, NJ	G-100 | WOMEN'S LEADERSHIP ACCELERATION (SPEAKING)								
194	Columbus, OH	Teterboro, NJ	G100 SPRING SESSION								
195	Columbus, OH	Teterboro, NJ	GOLDMAN SACHS CONFERENCE								
196	Columbus, OH	Teterboro, NJ	MEETING WITH RANDY BECK - ERNST & YOUNG								
197	Columbus, OH	Teterboro, NJ	MTG W/SANJAY GUPTA IN NYC AND THEN ON TO BOSTON FO								
198	Columbus, OH	Teterboro, NJ	NATIONAL URBAN LEAGUE BOARD MEETING								
199	Columbus, OH	Teterboro, NJ	NATIONAL URBAN LEAGUE BOARD MEETING								
200	Columbus, OH	Teterboro, NJ	NATIONAL URBAN LEAGUE BOARD MTG								
201	Columbus, OH	Teterboro, NJ	TO ATTEND THE COLUMBIA UNIVERSITY CENTER ON GLOBAL								
202	Columbus, OH	Teterboro, NJ	TO ATTEND THE DILENSCHNEIDER ROUNDTABLE DISCUSSION								
203	Columbus, OH	Teterboro, NJ	TO ATTEND THE G100 FALL 2016 MEETING								
204	Columbus, OH	Teterboro, NJ	TO PARTICIPATE IN A DILENSCHNEIDER MEETING								

Allocated Flight Costs to Kentucky Power Company (includes Purpose and Passengers)

Note that the Total Cost is the pre-unallocated cost of the flight. Kentucky Powers is only billed for a portion of each of these flights.

Sum of Cost

	Departing Airport City	Arriving Airport City	Purpose	PASSENGER 7	PASSENGER 8	PASSENGER 9	PASSENGER 1	PASSENGER 11	PASSENGER 12	PASSENGER 13	PASSENGER 14
205	Columbus, OH	Texarkana, AR	WEST PLANT BRO REVIEWS								
206	Columbus, OH	Tulsa, OK	EMPLOYEE VISITS	SUMMERS, TIMOTHY	MARLATT, HAROLD						
207	Columbus, OH	Tulsa, OK	FIELD VISIT: TULSA AND CORPUS CHRISTI	BEASCHLER, JOHN							
208	Columbus, OH	Tulsa, OK	PSO INVESTOR TOUR								
209	Columbus, OH	Tulsa, OK	TECHNOLOGY ROAD TRIP AT PSO	DION, PHILIP	COLEMAN, MARK	OSBORNE, SCOTT					
210	Columbus, OH	Tulsa, OK	TO DO A 2 C MEETING AT NORTHEAST PLANT								
211	Columbus, OH	Tulsa, OK	TO VISIT RIVERSIDE PLANT AND ATTEND GARY KNIGHT'S								
212	Columbus, OH	Walterboro, SC	PRE MEETING TO PREP FOR HRC MEETING WITH RALPH CRO								
213	Columbus, OH	Washington DC	2016 USEA ANNUAL MEMBERSHIP MEETING & PUBLIC POLIC								
214	Columbus, OH	Washington DC	ATTEND A CYBERSECURITY MEETING IN WASHINGTON, D.C.								
215	Columbus, OH	Washington DC	ATTEND AN ELECTRICITY SUBSECTOR COORDINATING COUNC								
216	Columbus, OH	Washington DC	ATTEND EEI AND LAMPAC MEETINGS								
217	Columbus, OH	Washington DC	ATTEND EEI AND LAMPAC MEETINGS								
218	Columbus, OH	Washington DC	ATTEND INFRASTRUCTURE MEETING IN WASHINGTON, D.C.								
219	Columbus, OH	Washington DC	CYBERSECURITY MEETING								
220	Columbus, OH	Washington DC	DC OFFICE VISIT								
221	Columbus, OH	Washington DC	DINNER WITH SUSAN EISENHOWER								
222	Columbus, OH	Washington DC	GET INDOCTRINATED FOR TOP SECRET CLEARANCE								
223	Columbus, OH	Washington DC	HRC PREP MTG. WITH RALPH CROSBY								
224	Columbus, OH	Washington DC	PERSONNEL ISSUES								
225	Columbus, OH	Washington DC	RELIABILITY FIRST BOARD MEETING								
226	Columbus, OH	Washington DC	RELIABILITY FIRST BOARD MEETING								
227	Columbus, OH	Washington DC	SPEAK AT ELCON'S WORKSHOP								
228	Columbus, OH	Washington DC	THE COLUMBUS PARTNERSHIP D.C. FLY-IN, PUBLIC POLIC	MURDOCK, WILLIAM							
229	Columbus, OH	Washington DC	TO ATTEND A MEETING WITH PENTAGON OFFICIALS								
230	Columbus, OH	Washington DC	TO ATTEND A MEETING WITH SUSAN EISENHOWER AND THE								
231	Columbus, OH	Washington DC	TO ATTEND MEETING WITH EPA FOR NICK AKINS								
232	Columbus, OH	Washington DC	TO ATTEND THE BUSINESS ROUNDTABLE CEO QUARTERLY ME								
233	Columbus, OH	Washington DC	TO ATTEND THE BUSINESS ROUNDTABLE MEETING								
234	Columbus, OH	Washington DC	TO ATTEND THE ELECTRICITY SUBSECTOR COORDINATING C								
235	Columbus, OH	Washington DC	TO ATTEND THE EPRI BOD AND COMMITTEE MEETING								
236	Columbus, OH	Washington DC	TO ATTEND THE LAMPAC AND EEI								
237	Columbus, OH	Washington DC	TO ATTEND THE LAMPAC AND EEI								
238	Columbus, OH	Washington DC	TO ATTEND THE WALL STREET JOURNAL CEO COUNCIL MEET								
239	Columbus, OH	Washington DC	TO CONDUCT KENTUCK POWER ONSITE EMPLOYEE MEETINGS								
240	Columbus, OH	Washington DC	TO MEET WITH THE DOJ								
241	Columbus, OH	Washington DC	TO MEET WITH THE DOJ	GRAYEM, MARY							
242	Columbus, OH	Washington DC	TO PARTICIPATE IN THE ELECTRICITY SUBSECTOR CORODI								
243	Columbus, OH	Washington DC	WIRES 10TH ANNUAL MEETING								
244	Columbus, OH	Washington DC	WIRES BOARD MEETING								
245	Columbus, OH	West Palm Beach, FL	EEI SPRING LEGAL CONFERENCE								
246	Columbus, OH	West Palm Beach, FL	TO ATTEND THE AEIC ANNUAL MEETING								
247	Columbus, OH	West Palm Beach, FL	TO ATTEND THE EEI BOARD & CHIEF EXECUTIVE MEETINGS								
248	Columbus, OH	West Palm Beach, FL	TO ATTEND THE EEI BOARD AND CHIEF EXECUTIVE MEETIN								
249	Columbus, OH	White Plains, NY	TRAVEL TO ATTEND BUSINESS MEETINGS	SUNDARARAJAN, RAJ							
250	Columbus, OH	Wilmington, DE	ATTEND THE NUCLEAR ELECTRIC INSURANCE LIMITED (NEI								
251	Columbus, OH	Wilmington, DE	MAINTENANCE TEST FLIGHT								
252	Columbus, OH	Winchester, VA	FNG EXECUTIVE MEETING								
253	Columbus, OH	Wise, VA	TO DO A 2 C MEETING AT CLINCH RIVER								
254	Columbus, OH (Rickenbacker)	Columbus, OH	TRAINING FLIGHT								
255	Columbus, OH (Rickenbacker)	Columbus, OH (Rickenbacker)	TRAINING FLIGHT								
256	Corpus Christi, TX	Columbus, OH	CALL CENTER TOUR								
257	Corpus Christi, TX	Columbus, OH	SPEAK AT AEP TEXAS LEADERSHIP RETREAT								
258	Corpus Christi, TX	Columbus, OH	TRANSMISSION UPDATE MEETING WITH BRUCE EVANS								
259	Corpus Christi, TX	Shreveport, LA	ATTEND FUNERAL FOR ANDY HEINES, AEP TEXAS								
260	Corpus Christi, TX	Tulsa, OK	ATTEND IRC MEETINGS WITH WESTERN OPERATING COMPANI	SMITH, WAYMAN							
261	Corpus Christi, TX	Tulsa, OK	FIELD VISIT: TULSA AND CORPUS CHRISTI	BEASCHLER, JOHN	ROBINSON, K SHAWN	AVANESSIAN, PAUL	GRAHAM, KAREN				
262	Corpus Christi, TX	Tulsa, OK	MEET WITH EMPLOYEES IN CORPUS CHRISTI & TULSA								
263	Dallas, TX	Colorado Springs, CO	EEI FALL BOARD & CEO MEETING								
264	Dallas, TX	Columbus, OH	ATTEND THE EPRI BOD MEETING								
265	Dallas, TX	Columbus, OH	COLORADO SPRINGS, CO-EDISON ELECTRIC INSTITUTE (EE								
266	Dallas, TX	Columbus, OH	SPEAK AT THE NATURAL GAS SUPPLY ASSOCIATION ANNUAL								
267	Dallas, TX	Lake Charles, LA	DINNER DISCUSSION WITH TRAMMELL CROW; MEETINGS WIT								
268	Dallas, TX	Mackay, Qld.	AUDIT PLANNING MEETINGS WITH AUDIT COMMITTEE MEMBE								
269	Denver, CO	Columbus, OH	CYBER MUTUAL ASSISTANCE TASK FORCE MEETING								
270	Denver, CO	Washington DC	HRC PREP MEETING								
271	Detroit, MI	Columbus, OH	ATTEND GSEP SUMMIT IN BEIJING, CHINA								
272	Detroit, MI	Columbus, OH	TO ATTEND THE EPRI BOD AND COMMITTEE MEETING								
273	Fayetteville, AR	Shreveport, LA	SWEPCO PLANT VISITS								
274	Fayetteville, AR	Tulsa, OK	CCR TRAINING	WEHLING, TERRY	MILLER, DAVID	ZYCH, GARY	PIZZINO, DANIEL				
275	Fayetteville, AR	Tulsa, OK	WEST PLANT BRO REVIEWS								
276	Fort Wayne, IN	Columbus, OH	ATTEND I&M IRC MEETING	LISTEBARGER, SHAN	SATTERWHITE, MATT						
277	Fort Wayne, IN	Columbus, OH	TECHNOLOGY ROAD SHOW AT (I&M)	DION, PHILIP	COLEMAN, MARK	OSBORNE, SCOTT	MAZZONE, JOHN				
278	Fort Wayne, IN	Columbus, OH	TO MEET WITH THE DOJ								
279	Fort Wayne, IN	Columbus, OH	TO MEET WITH THE DOJ								
280	Fort Wayne, IN	Columbus, OH	TO SPEAK TO THE ENGINEERING STUDENTS AT PURDUE POL								
281	Frankfort, KY	Columbus, OH	ATTEND IRC MEETINGS WITH APCO & KENTUCKY POWER	VAUGHAN, ALEX							
282	Frankfort, KY	Columbus, OH	MEET GOVERNOR EVIN AND SECRETARY OF ENERGY CHARLES								
283	Fulton, NY	Columbus, OH	AEP 2016 LEADERSHIP SUMMIT								
284	Fulton, NY	Columbus, OH	AEP 2016 LEADERSHIP SUMMIT								
285	Gainesville, FL	Columbus, OH	C200: OUTREACH @ THE UNIVERSITY OF FLORIDA (PANELI								
286	Gardner, KS	Chicago, IL	INVENERGY MEETING IN CHICAGO								
287	Grand Junction, CO	Denver, CO	HRC PREP MEETING								
288	Greenbrier, WV	Columbus, OH	ATTEND INAUGURATION OF JIM JUSTICE								
289	Greenbrier, WV	Columbus, OH	ATTEND NEIL BOARD MEETINGS								
290	Greensboro, GA	Augusta, GA	MEETING WITH MITSUBISHI								
291	Harlingen, TX	Laredo, TX	VISIT WITH FIELD EMPLOYEES IN TEXAS								
292	Houston, TX	Columbus, OH	CENTERPOINT OPERATING CENTER VISIT	SCHNEIDER, CAREY	CASABLANCA, CARLO	OFEI AMOH, KWEKU	WARE, RANDOLPH	RINALDI, DAVID	FORSHEY, MATT		
293	Houston, TX	Columbus, OH	TO GIVE PLENARY SPEECH AT IHS CERAWEEK 2016 ENERGY								
294	Huntington, WV	Columbus, OH	TO CONDUCT KENTUCK POWER ONSITE EMPLOYEE MEETINGS								
295	Huntington, WV	Columbus, OH	TO DO A COMPLIMENTS AND CONCERNS MEETING AT BIG SA								
296	Huntington, WV	Washington DC	TO CONDUCT KENTUCK POWER ONSITE EMPLOYEE MEETINGS								
297	Kansas City, MO	Columbus, OH	TECHNOLOGY VISIT WITH KCP&L	EVANS, MURRAY	SMYTH, ANTONIO	RYAN, RANDY	WEBER, BRIAN				
298	La Grange, TX	Austin, TX	QUANTA TRAINING FACILITY AND ETT BOARD MTG								
299	Lake Charles, LA	Columbus, OH	DINNER DISCUSSION WITH TRAMMELL CROW; MEETINGS WIT								
300	Laredo, TX	Columbus, OH	VISIT WITH FIELD EMPLOYEES IN TEXAS								
301	Lawrence, KS	Columbus, OH	TRAVEL TO ATTEND BUSINESS MEETINGS								
302	Lawton, OK	Columbus, OH	TO VISIT FT. STILL								
303	Lawton, OK	Roanoke, VA	50 YEAR SAFETY CELEBRATION FOR LAWTON SERVICE CENT	KNAPP, RYAN							

Exhibit RCS-8
Case No. 2017-00179

Allocated Flight Costs to Kentucky Power Company (includes Purpose and Passengers)

Note that the Total Cost is the pre-unallocated cost of the flight. Kentucky Powers is only billed for a portion of each of these flights.

Sum of Cost

	Departing Airport City	Arriving Airport City	Purpose	PASSENGER 7	PASSENGER 8	PASSENGER 9	PASSENGER 1	PASSENGER 11	PASSENGER 12	PASSENGER 13	PASSENGER 14
304	Lawton, OK	Tulsa, OK	PRESENT CHAIRMAN'S LIFE SAVING AWARD AND VISIT WIT								
305	Longview, TX	Columbus, OH	WEST PLANT BRO REVIEWS								
306	Los Angeles, CA	Columbus, OH	ATTEND THE EPRI SUMMER SEMINAR BOD MEETINGS								
307	Los Angeles, CA	Columbus, OH	PARTICIPATE IN A PANEL DISCUSSION AT THE EPRI 201								
308	Mackay, Qld.	Columbus, OH	AUDIT PLANNING MEETINGS WITH AUDIT COMMITTEE MEMBE								
309	Mackay, Qld.	West Palm Beach, FL	AUDIT PLANNING MEETINGS WITH AUDIT COMMITTEE MEMBE								
310	McAllen, TX	Corpus Christi, TX	FIELD VISIT: TULSA AND CORPUS CHRISTI	BEASCHLER, JOHN	ROBINSON, K SHAWN	AVANESSIAN, PAUL	GRAHAM, KAREN				
311	Naples, FL	Columbus, OH	TO ATTEND THE NAM BOARD OF DIRECTORS MEETING IN NA								
312	Nashville, TN	Columbus, OH	NUCLEAR ELECTRIC INSURANCE LIMITED (NEIL) BOARD ME								
313	Nashville, TN	Columbus, OH	TO ATTEND AEIC IN NASHVILLE, TN								
314	Newport News, VA	Columbus, OH	TO SPEAK AT THE MID-ATLANTIC CONFERENCE OF REGULAT								
315	Oklahoma City, OK	Columbus, OH	PSO MEETING								
316	Orange County, CA	Chicago/Prospect/Heights/Wheeling, IL	HRC PREP WITH RALPH CROSBY								
317	Orlando, FL	Columbus, OH	TO ATTEND/PARTICIPATE IN THE EEI CONVENTION PANEL								
318	Owensboro, KY	Columbus, OH	2 C MEETING AT ROCKPORT								
319	Owensboro, KY	Columbus, OH	ROCKPORT, IN 2C MEETING								
320	Owensboro, KY	Columbus, OH	ROCKPORT, IN 2C MEETING								
321	Paducah, KY	Columbus, OH	CCR COMPLIANCE TRAINING								
322	Paducah, KY	Columbus, OH	DHLC/SABINE QUARTERLY BUSINESS MEETING	CASKIE, JARED	GARRETT, JAMES	MILLER, SETH	RITTENHOUSE, LESL				
323	Paducah, KY	Shreveport, LA	CCR COMPLIANCE TRAINING								
324	Papeete, Tahiti	Bangor, ME	EEI INTERNATIONAL ELECTRICITY SUMMIT 2016 ON BEHAL								
325	Philadelphia, PA	Columbus, OH	PJM VISIT								
326	Philadelphia, PA	Columbus, OH	PJM VISIT	WHITE, EDWARD	FUSEK, DAVID	LEOPOLD, CHRISTOP	JAMES, ERIC	MURPHY, TIMOTHY	FELIKS, KENT	PRESTHUS, THOMAS	
327	Roanoke, VA	Columbus, OH	50 YEAR SAFETY CELEBRATION FOR LAWTON SERVICE CENT								
328	Roanoke, VA	Lawton, OK	50 YEAR SAFETY CELEBRATION FOR LAWTON SERVICE CENT	KNAPP, RYAN							
329	Rogers, AR	Seattle, WA	AEIC IN SEATTLE, WA								
330	San Angelo, TX	McAllen, TX	FIELD VISIT: TULSA AND CORPUS CHRISTI	BEASCHLER, JOHN	ROBINSON, K SHAWN	AVANESSIAN, PAUL	GRAHAM, KAREN				
331	San Diego, CA	Columbus, OH	SPEAK AT FORTUNE BRAINSTORM E EVENT								
332	San Francisco, CA	Wichita, KS	TO ATTEND THE INNOVARI BOD MEETINGTO ATTEND THE IN								
333	Santa Fe, NM	Columbus, OH	CURRENT ISSUES REGULATORY CONFERENCE (SPEAKING)								
334	Santa Fe, NM	Columbus, OH	TO PARTICIPATE IN INDUSTRIES LEADERS ROUNDTABLE DI								
335	Seattle, WA	Columbus, OH	AEIC IN SEATTLE, WA								
336	Seawell, Christ Church	Columbus, OH	ATTEND EIM BOARD MEETING								
337	Sheboygan Falls, WI	Columbus, OH	ATTEND INVESTOR MEETING								
338	Shreveport, LA	Atlanta, GA	PLANT VISIT, DHLC & SABINE MINES QTR MTG								
339	Shreveport, LA	Columbus, OH	ATTEND FUNERAL FOR ANDY HEINES, AEP TEXAS								
340	Shreveport, LA	Columbus, OH	CCR TRAINING	PIZZINO, DANIEL	DISHON, MARY						
341	Shreveport, LA	Columbus, OH	CCR TRAINING	WOOD, AL	SILK, JAMES						
342	Shreveport, LA	Columbus, OH	DOLET HILL BOARD MEETING								
343	Shreveport, LA	Columbus, OH	EMPLOYEE FIELD VISIT								
344	Shreveport, LA	Columbus, OH	MAINTENANCE								
345	Shreveport, LA	Columbus, OH	PLANT VISIT, DHLC & SABINE MINES QTR MTG								
346	Shreveport, LA	Columbus, OH	RSOW EMPLOYEE MEETING								
347	Shreveport, LA	Columbus, OH	SWEPCO PLANT VISITS								
348	Shreveport, LA	Columbus, OH	TO ATTEND THE LOUISIANA TECH UNIVERSITY DISTINGUIS								
349	Shreveport, LA	Columbus, OH	TO ATTEND THE SPRING 2016 WEST REC MEETING IN SHRE								
350	Shreveport, LA	Columbus, OH	TO MEET WITH BARKSDAE AFB AND SWEPCO								
351	Shreveport, LA	Corpus Christi, TX	ATTEND FUNERAL FOR ANDY HEINES, AEP TEXAS								
352	Shreveport, LA	Corpus Christi, TX	ATTEND IRC MEETINGS WITH WESTERN OPERATING COMPANI	ROBINSON, K SHAWN							
353	Shreveport, LA	Corpus Christi, TX	CALL CENTER TOUR								
354	Shreveport, LA	Fayetteville, AR	CCR TRAINING	WEHLING, TERRY	MILLER, DAVID						
355	Shreveport, LA	Fayetteville, AR	SWEPCO PLANT VISITS	FRANKLIN, PAUL							
356	Shreveport, LA	Houston, TX	TO GIVE PLENARY SPEECH AT IHS CERAWEEK 2016 ENERGY								
357	Shreveport, LA	Paducah, KY	CCR COMPLIANCE TRAINING								
358	Shreveport, LA	Paducah, KY	DHLC/SABINE QUARTERLY BUSINESS MEETING	CASKIE, JARED	GARRETT, JAMES	MILLER, SETH					
359	Shreveport, LA	Vernon, TX	CCR COMPLIANCE TRAINING								
360	Springfield, IL	Columbus, OH	MAINTENANCE RUN								
361	Springfield, IL	Columbus, OH	TAKE CREW TO GET AIRCRAFT FROM MAINTENACE								
362	Springfield, IL	Tulsa, OK	FIELD VISIT: TULSA AND CORPUS CHRISTI								
363	Sundsvall	Columbus, OH	ATTEND EEI FINANCIAL CONFERENCE								
364	Sundsvall	Columbus, OH	C200 ANNUAL CONFERENCE								
365	Sundsvall	Columbus, OH	TO ATTEND THE EEI (EDISON ELECTRIC INSTITUTE) FINA								
366	Tampa, FL	Columbus, OH	ATTEND EIM BOARD MEETING								
367	Terre Haute, IN	Columbus, OH	TO ATTEND THE VIEWING HOURS FOR MCCULLOUGH'S MOTHE	RIORDAN, TIM	LEE, DANIEL	THOMAS, TOBY	GAUDIO, RANDALL				
368	Teterboro, NJ	Atlanta, GA	INPO (INSTITUTE OF NUCLEAR POWER OPERATIONS) 2016								
369	Teterboro, NJ	Boston, MA	MTG W/SANJAY GUPTA IN NYC AND THEN ON TO BOSTON FO								
370	Teterboro, NJ	Columbus, OH	2016 WSJ WOMEN IN THE WORKPLACE DINNER								
371	Teterboro, NJ	Columbus, OH	ATTEND ANALYST DAY IN NEW YORK	ZEBULA, CHARLES	SEVER, OLLIE	FEINBERG, DAVID					
372	Teterboro, NJ	Columbus, OH	ATTEND BARCLAYS CEO ENERGY / POWER CONFERENCE								
373	Teterboro, NJ	Columbus, OH	ATTEND D&O INSURANCE MEETINGS IN NY								
374	Teterboro, NJ	Columbus, OH	ATTEND D&O INSURANCE MEETINGS IN NY								
375	Teterboro, NJ	Columbus, OH	ATTEND G100								
376	Teterboro, NJ	Columbus, OH	ATTEND G100 MEETING IN NY								
377	Teterboro, NJ	Columbus, OH	BANK VISIT								
378	Teterboro, NJ	Columbus, OH	BANKERS MEETINGS								
379	Teterboro, NJ	Columbus, OH	BARCLAYS								
380	Teterboro, NJ	Columbus, OH	EDISON ELECTRIC INSTITUTE (EEI)-CEO LEADERSHIP MEE								
381	Teterboro, NJ	Columbus, OH	G-100 | WOMEN'S LEADERSHIP ACCELERATION (SPEAKING)								
382	Teterboro, NJ	Columbus, OH	G100 SPRING SESSION								
383	Teterboro, NJ	Columbus, OH	GOLDMAN SACHS CONFERENCE								
384	Teterboro, NJ	Columbus, OH	MEETING WITH RANDY BECK - ERNST & YOUNG								
385	Teterboro, NJ	Columbus, OH	NATIONAL URBAN LEAGUE BOARD MEETING								
386	Teterboro, NJ	Columbus, OH	NATIONAL URBAN LEAGUE BOARD MTG								
387	Teterboro, NJ	Columbus, OH	NATIONAL URBAN LEAGUE BOARD MTG								
388	Teterboro, NJ	Columbus, OH	TO ATTEND THE COLUMBIA UNIVERSITY CENTER ON GLOBAL								
389	Teterboro, NJ	Columbus, OH	TO ATTEND THE DILENSCHNEIDER ROUNDTABLE DISCUSSION								
390	Teterboro, NJ	Columbus, OH	TO ATTEND THE G100 FALL 2016 MEETING								
391	Teterboro, NJ	Columbus, OH	TO PARTICIPATE IN A DILENSCHNEIDER MEETING								
392	Teterboro, NJ	Dallas, TX	NATIONAL URBAN LEAGUE BOARD MEETING								
393	Teterboro, NJ	Owensboro, KY	G-100 | WOMEN'S LEADERSHIP ACCELERATION (SPEAKING)								
394	Texarkana, AR	Fayetteville, AR	WEST PLANT BRO REVIEWS	MCMAHON, KEVIN							
395	Tulsa, OK	Abilene, TX	FIELD VISIT: TULSA AND CORPUS CHRISTI	BEASCHLER, JOHN	ROBINSON, K SHAWN	AVANESSIAN, PAUL	GRAHAM, KAREN				
396	Tulsa, OK	Columbus, OH	ATTEND IRC MEETINGS WITH WESTERN OPERATING COMPANI								
397	Tulsa, OK	Columbus, OH	EMPLOYEE VISITS	SUMMERS, TIMOTHY	MARLATT, HAROLD	FRANKLIN-THOMAS,					
398	Tulsa, OK	Columbus, OH	FIELD VISIT: TULSA AND CORPUS CHRISTI	BEASCHLER, JOHN	OFEI-AMOH, RANSFO						

Allocated Flight Costs to Kentucky Power Company (includes Purpose and Passengers)

Note that the Total Cost is the pre-unallocated cost of the flight. Kentucky Powers is only billed for a portion of each of these flights.

	A	B	C	J	K	L	M	N	O	P	Q
5	Sum of Cost										
6	**Departing Airport City**	**Arriving Airport City**	**Purpose**	**PASSENGER 7**	**PASSENGER 8**	**PASSENGER 9**	**PASSENGER 1**	**PASSENGER 11**	**PASSENGER 12**	**PASSENGER 13**	**PASSENGER 14**
399	Tulsa, OK	Columbus, OH	HITCHHIKERS								
400	Tulsa, OK	Columbus, OH	MEET WITH EMPLOYEES IN CORPUS CHRISTI & TULSA								
401	Tulsa, OK	Columbus, OH	PRESENT CHAIRMAN'S LIFE SAVING AWARD AND VISIT WIT								
402	Tulsa, OK	Columbus, OH	PSO INVESTOR TOUR								
403	Tulsa, OK	Columbus, OH	TECHNOLOGY ROAD TRIP AT PSO	DION, PHILIP	COLEMAN, MARK	OSBORNE, SCOTT					
404	Tulsa, OK	Columbus, OH	TO DO A 2 C MEETING AT NORTHEAST PLANT								
405	Tulsa, OK	Columbus, OH	TO VISIT RIVERSIDE PLANT AND ATTEND GARY KNIGHT'S								
406	Tulsa, OK	Shreveport, LA	CALL CENTER TOUR								
407	Tulsa, OK	Shreveport, LA	CCR TRAINING	WEHLING, TERRY	MILLER, DAVID	ZYCH, GARY	PIZZINO, DANIEL				
408	Tulsa, OK	Wichita Falls, TX	WEST PLANT BRO REVIEWS	GUTTNER, GYORGY							
409	Vernon, TX	Shreveport, LA	CCR COMPLIANCE TRAINING								
410	Walterboro, SC	Columbus, OH	PRE MEETING TO PREP FOR HRC MEETING WITH RALPH CRO								
411	Washington DC	Columbus, OH	2016 USEA ANNUAL MEMBERSHIP MEETING & PUBLIC POLIC								
412	Washington DC	Columbus, OH	ATTEND A CYBERSECURITY MEETING IN WASHINGTON, D.C.								
413	Washington DC	Columbus, OH	ATTEND AN ELECTRICITY SUBSECTOR COORDINATING COUNC								
414	Washington DC	Columbus, OH	ATTEND EEI AND LAMPAC MEETINGS								
415	Washington DC	Columbus, OH	ATTEND EEI AND LAMPAC MEETINGS								
416	Washington DC	Columbus, OH	ATTEND INFRASTRUCTURE MEETING IN WASHINGTON, D.C.								
417	Washington DC	Columbus, OH	CYBERSECURITY MEETING								
418	Washington DC	Columbus, OH	DINNER WITH SUSAN EISENHOWER								
419	Washington DC	Columbus, OH	GET INDOCTRINATED FOR TOP SECRET CLEARANCE								
420	Washington DC	Columbus, OH	HRC PREP MEETING								
421	Washington DC	Columbus, OH	HRC PREP MTG. WITH RALPH CROSBY								
422	Washington DC	Columbus, OH	PERSONNEL ISSUES								
423	Washington DC	Columbus, OH	RELIABILITY FIRST BOARD MEETING								
424	Washington DC	Columbus, OH	RELIABILITY FIRST BOARD MEETING								
425	Washington DC	Columbus, OH	SPEAK AT ELCON'S WORKSHOP								
426	Washington DC	Columbus, OH	THE COLUMBUS PARTNERSHIP D.C. FLY-IN, PUBLIC POLIC								
427	Washington DC	Columbus, OH	TO ATTEND A MEETING WITH PENTAGON OFFICIALS								
428	Washington DC	Columbus, OH	TO ATTEND A MEETING WITH SUSAN EISENHOWER AND THE								
429	Washington DC	Columbus, OH	TO ATTEND MEETING WITH EPA FOR NICK AKINS								
430	Washington DC	Columbus, OH	TO ATTEND THE BUSINESS ROUNDTABLE CEO QUARTERLY ME								
431	Washington DC	Columbus, OH	TO ATTEND THE BUSINESS ROUNDTABLE MEETING								
432	Washington DC	Columbus, OH	TO ATTEND THE ELECTRICITY SUBSECTOR COORDINATING C								
433	Washington DC	Columbus, OH	TO ATTEND THE EPRI BOD AND COMMITTEE MEETING								
434	Washington DC	Columbus, OH	TO ATTEND THE LAMPAC AND EEI								
435	Washington DC	Columbus, OH	TO ATTEND THE LAMPAC AND EEI								
436	Washington DC	Columbus, OH	TO ATTEND THE WALL STREET JOURNAL CEO COUNCIL MEET								
437	Washington DC	Columbus, OH	TO CONDUCT KENTUCK POWER ONSITE EMPLOYEE MEETINGS								
438	Washington DC	Columbus, OH	TO MEET WITH CERES AND INVESTORS IN BOSTON								
439	Washington DC	Columbus, OH	TO MEET WITH THE DOJ								
440	Washington DC	Columbus, OH	TO MEET WITH THE DOJ	GRAYEM, MARY							
441	Washington DC	Columbus, OH	TO PARTICIPATE IN THE ELECTRICITY SUBSECTOR CORODI								
442	Washington DC	Columbus, OH	WIRES 10TH ANNUAL MEETING								
443	Washington DC	Columbus, OH	WIRES BOARD MEETING								
444	Washington DC	Philadelphia, PA	PJM VISIT								
445	Washington DC	Teterboro, NJ	ATTEND D&O INSURANCE MEETINGS IN NY								
446	West Palm Beach, FL	Brunswick, GA	AUDIT PLANNING MEETINGS WITH AUDIT COMMITTEE MEMBE								
447	West Palm Beach, FL	Columbus, OH	EEI SPRING LEGAL CONFERENCE								
448	West Palm Beach, FL	Columbus, OH	TO ATTEND THE AEIC ANNUAL MEETING								
449	West Palm Beach, FL	Columbus, OH	TO ATTEND THE EEI BOARD & CHIEF EXECUTIVE MEETINGS								
450	West Palm Beach, FL	Columbus, OH	TO ATTEND THE EEI BOARD AND CHIEF EXECUTIVE MEETIN								
451	White Plains, NY	Columbus, OH	TRAVEL TO ATTEND BUSINESS MEETINGS	SUNDARARAJAN, RAJ							
452	Wichita Falls, TX	Longview, TX	WEST PLANT BRO REVIEWS	GUTTNER, GYORGY							
453	Wichita, KS	Columbus, OH	TO ATTEND THE INNOVARI BOD MEETINGTO ATTEND THE IN								
454	Wilmington, DE	Columbus, OH	ATTEND THE NUCLEAR ELECTRIC INSURANCE LIMITED (NEI								
455	Wilmington, DE	Columbus, OH	MAINTENANCE TEST FLIGHT								
456	Winchester, VA	Columbus, OH	FNG EXECUTIVE MEETING								
457	Wise, VA	Columbus, OH	TO DO A 2 C MEETING AT CLINCH RIVER								
458	**Grand Total**										

Allocated Flight Costs to Kentucky Power Company (includes Purpose and Passengers)

**Note that the Total Cost is the pre-unallocated cost of the flight. Kentucky Powers is only billed for a portion of each of these flights.

Row	Sum of Cost Departing Airport City	Arriving Airport City	Purpose	Billing Period Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Grand Total
7	Abilene, TX	San Angelo, TX	FIELD VISIT: TULSA AND CORPUS CHRISTI								$4,124					$4,124
8	Albuquerque, NM	Columbus, OH	ATTEND MEETING WITH PNM RESOURCES												$26,428	$26,428
9	Atlanta, GA	Charleston, WV	ATTEND A CUSTOMER AND TECHNOLOGY VISIT AT SOUTHERN								$12,371					$12,371
10	Atlanta, GA	Columbus, OH	ATTEND JUNIOR ACHIEVEMENT MEETING IN ATLANTA, GEOR												$9,788	$9,788
11	Atlanta, GA	Columbus, OH	ATTEND JUNIOR ACHIEVEMENT MEETING IN ATLANTA, GEOR												$9,788	$9,788
12	Atlanta, GA	Columbus, OH	INPO (INSTITUTE OF NUCLEAR POWER OPERATIONS) 2016									$7,560				$7,560
13	Atlanta, GA	Columbus, OH	TO ATTEND THE FNG MEETING IN ATLANTA, GA											$10,767		$10,767
14	Atlanta, GA	Teterboro, NJ	NERC SEMI-ANNUAL BOARD MEETING & ANALYST MEETING									$13,608				$13,608
15	Augusta, GA	Columbus, OH	MEETING WITH MITSUBISHI		$12,156											$12,156
16	Austin, TX	Columbus, OH	QUANTA TRAINING FACILITY AND ETT BOARD MTG							$30,241						$30,241
17	Austin, TX	Columbus, OH	TO ATTEND AEIC POWER GEN MEETING												$22,512	$22,512
18	Austin, TX	Dallas, TX	SPEAK AT THE NATURAL GAS SUPPLY ASSOCIATION ANNUAL	$6,078												$6,078
19	Bangor, ME	Columbus, OH	EEI INTERNATIONAL ELECTRICITY SUMMIT 2016 ON BEHAL								$27,492					$27,492
20	Battle Creek, MI	Columbus, OH	BRING BACK FROM MAINTENANCE					$6,078								$6,078
21	Battle Creek, MI	Columbus, OH	MAINTENANCE											$11,746		$11,746
22	Battle Creek, MI	Columbus, OH	MAINTENANCE RUN					$6,078								$6,078
23	Battle Creek, MI	Columbus, OH	PICK UP CREW FROM TAKING PLANE TO MAINTENANCE				$6,078									$6,078
24	Beckley, WV	Columbus, OH	CHAIRMAN'S LIFE SAVING AWARD & EMPLOYEE MEETINGS		$6,078											$6,078
25	Beckley, WV	Columbus, OH	LINEBERRY CEREMONY AND FIELD VISIT							$8,248						$8,248
26	Boston, MA	Columbus, OH	ATTEND BAML 2016 POWER & GAS LEADERS CONFERENCE							$23,368						$23,368
27	Boston, MA	Columbus, OH	MTG W/SANJAY GUPTA IN NYC AND THEN ON TO BOSTON FO		$18,234											$18,234
28	Boston, MA	Washington DC	TO MEET WITH CERES AND INVESTORS IN BOSTON	$11,143												$11,143
29	Brunswick, GA	Columbus, OH	AUDIT PLANNING MEETINGS WITH AUDIT COMMITTEE MEMBE									$11,340				$11,340
30	Charleston, SC	Columbus, OH	HRC PREP MEETING									$8,316				$8,316
31	Charleston, WV	Atlanta, GA	ATTEND A CUSTOMER AND TECHNOLOGY VISIT AT SOUTHERN								$12,371					$12,371
32	Charleston, WV	Columbus, OH	ATTEND A CUSTOMER AND TECHNOLOGY VISIT AT SOUTHERN								$6,873					$6,873
33	Charleston, WV	Columbus, OH	LINEBERRY CEREMONY AND FIELD VISIT							$5,498						$5,498
34	Charleston, WV	Frankfort, KY	ATTEND IRC MEETINGS WITH APCO & KENTUCKY POWER								$6,873					$6,873
35	Charleston, WV	Tulsa, OK	CALL CENTER TOUR												$19,576	$19,576
36	Charlotte, NC	Columbus, OH	AEP / DUKE ENERGY MEETING												$9,788	$9,788
37	Chicago, IL	Columbus, OH	INVENERGY MEETING									$5,292				$5,292
38	Chicago, IL	Columbus, OH	INVENERGY MEETING									$5,292				$5,292
39	Chicago, IL	Columbus, OH	INVENERGY MEETING								$10,997					$10,997
40	Chicago, IL	Columbus, OH	INVENERGY MEETING IN CHICAGO						$9,622							$9,622
41	Chicago, IL	Columbus, OH	MEET WITH DR. RICHARD SANDOR AND UNIVERSITY OF CHI		$8,104											$8,104
42	Chicago, IL	Columbus, OH	NERC BOARD MEETING			$7,091										$7,091
43	Chicago, IL	Columbus, OH	SIEMENS MIDWEST ENERGY FORUM (PANELIST)			$8,104										$8,104
44	Chicago, IL	Columbus, OH	TO ATTEND THE 2016 EEI ANNUAL CONVENTION IN CHICAG				$8,104									$8,104
45	Chicago, IL	Columbus, OH	TO ATTEND THE 2016 EEI ANNUAL CONVENTION IN CHICAG				$7,091									$7,091
46	Chicago, IL	Columbus, OH	TO ATTEND/PARTICIPATE IN THE EEI CONVENTION PANEL				$7,091									$7,091
47	Chicago, IL	Columbus, OH	TO MEET WITH INVENERGY						$10,997							$10,997
48	Chicago, IL	Columbus, OH	TO MEET WITH INVENERGY			$8,104										$8,104
49	Chicago, IL	Columbus, OH	TO PARTICIPATE IN PANEL DISCUSSION AT AMERICAN		$7,091											$7,091
50	Chicago, IL	Columbus, OH	TO SPEAK TO THE LEADERSHIP GROUP AT SARGENT & LUND							$10,997						$10,997
51	Chicago, IL	Columbus, OH	UTILITIES PERSPECTIVE CONFERENCE (SPEAKING)								$9,622					$9,622
52	Chicago, IL	Orlando, FL	TO ATTEND/PARTICIPATE IN THE EEI CONVENTION PANEL				$21,273									$21,273
53	Chicago/Prospect/Heights/Wheeling, IL	Columbus, OH	HRC PREP WITH RALPH CROSBY											$7,830		$7,830
54	Cincinnati, OH	Columbus, OH	ATTEND EEI AND LAMPAC MEETINGS	$4,052												$4,052
55	Cincinnati, OH	Shreveport, LA	MAINTENANCE RECOVERY		$19,247											$19,247
56	Colorado Springs, CO	Columbus, OH	ATTEND EIM BOARD MEETING						$32,990							$32,990
57	Colorado Springs, CO	Columbus, OH	EEI FALL BOARD & CEO MEETING							$32,990						$32,990
58	Colorado Springs, CO	Dallas, TX	COLORADO SPRINGS, CO-EDISON ELECTRIC INSTITUTE (EE							$20,619						$20,619
59	Columbia, MO	Columbus, OH	Reclass original accounting for VISIT HUBBELL POWER SYSTEMS DISTRIBUTION CENTER		($22,286)											($22,286)
60	Columbia, MO	Columbus, OH	VISIT HUBBELL POWER SYSTEMS DISTRIBUTION CENTER		$11,143											$11,143
61	Columbus, OH	Albuquerque, NM	ATTEND MEETING WITH PNM RESOURCES												$29,364	$29,364
62	Columbus, OH	Atlanta, GA	ATTEND JUNIOR ACHIEVEMENT MEETING IN ATLANTA, GEOR												$11,746	$11,746
63	Columbus, OH	Atlanta, GA	ATTEND JUNIOR ACHIEVEMENT MEETING IN ATLANTA, GEOR												$11,746	$11,746
64	Columbus, OH	Atlanta, GA	NERC SEMI-ANNUAL BOARD MEETING & ANALYST MEETING									$7,560				$7,560
65	Columbus, OH	Atlanta, GA	TO ATTEND THE FNG MEETING IN ATLANTA, GA											$11,746		$11,746
66	Columbus, OH	Austin, TX	SPEAK AT THE NATURAL GAS SUPPLY ASSOCIATION ANNUAL	$24,312												$24,312
67	Columbus, OH	Austin, TX	TO ATTEND AEIC POWER GEN MEETING												$25,449	$25,449
68	Columbus, OH	Battle Creek, MI	MAINTENANCE											$5,873		$5,873
69	Columbus, OH	Battle Creek, MI	MAINTENANCE RUN					$6,078								$6,078
70	Columbus, OH	Battle Creek, MI	PICK UP CREW FROM TAKING PLANE TO MAINTENANCE				$6,078									$6,078
71	Columbus, OH	Battle Creek, MI	TAKE TO MAINTENANCE				$5,065						$4,536			$9,601
72	Columbus, OH	Beckley, WV	CHAIRMAN'S LIFE SAVING AWARD & EMPLOYEE MEETINGS		$6,078											$6,078
73	Columbus, OH	Beckley, WV	LINEBERRY CEREMONY AND FIELD VISIT							$8,248						$8,248
74	Columbus, OH	Boston, MA	ATTEND BAML 2016 POWER & GAS LEADERS CONFERENCE							$20,619						$20,619
75	Columbus, OH	Boston, MA	TO MEET WITH CERES AND INVESTORS IN BOSTON	$15,195												$15,195
76	Columbus, OH	Charleston, SC	HRC PREP MEETING									$9,828				$9,828
77	Columbus, OH	Charleston, WV	ATTEND A CUSTOMER AND TECHNOLOGY VISIT AT SOUTHERN								$5,498					$5,498
78	Columbus, OH	Charleston, WV	ATTEND IRC MEETINGS WITH APCO & KENTUCKY POWER								$5,498					$5,498
79	Columbus, OH	Charleston, WV	CALL CENTER TOUR												$3,915	$3,915
80	Columbus, OH	Charleston, WV	LINEBERRY CEREMONY AND FIELD VISIT							$5,498						$5,498
81	Columbus, OH	Charlotte, NC	AEP / DUKE ENERGY MEETING												$8,809	$8,809
82	Columbus, OH	Chicago, IL	INVENERGY MEETING									$6,048				$6,048
83	Columbus, OH	Chicago, IL	INVENERGY MEETING								$10,997					$10,997
84	Columbus, OH	Chicago, IL	INVENERGY MEETING									$6,804				$6,804
85	Columbus, OH	Chicago, IL	INVENERGY MEETING IN CHICAGO						$10,997							$10,997
86	Columbus, OH	Chicago, IL	MEET WITH DR. RICHARD SANDOR AND UNIVERSITY OF CHI		$8,104											$8,104
87	Columbus, OH	Chicago, IL	NERC BOARD MEETING			$7,091										$7,091
88	Columbus, OH	Chicago, IL	SIEMENS MIDWEST ENERGY FORUM (PANELIST)			$9,117										$9,117
89	Columbus, OH	Chicago, IL	TO ATTEND THE 2016 EEI ANNUAL CONVENTION IN CHICAG				$18,234									$18,234
90	Columbus, OH	Chicago, IL	TO ATTEND THE 2016 EEI ANNUAL CONVENTION IN CHICAG				$8,104									$8,104
91	Columbus, OH	Chicago, IL	TO ATTEND/PARTICIPATE IN THE EEI CONVENTION PANEL				$8,104									$8,104
92	Columbus, OH	Chicago, IL	TO MEET WITH INVENERGY						$15,121							$15,121
93	Columbus, OH	Chicago, IL	TO MEET WITH INVENERGY			$8,104										$8,104
94	Columbus, OH	Chicago, IL	TO PARTICIPATE IN PANEL DISCUSSION AT AMERICAN		$8,104											$8,104
95	Columbus, OH	Chicago, IL	TO SPEAK TO THE LEADERSHIP GROUP AT SARGENT & LUND							$12,371						$12,371
96	Columbus, OH	Cincinnati, OH	ATTEND EEI AND LAMPAC MEETINGS	$4,052												$4,052
97	Columbus, OH	Cincinnati, OH	MAINTENANCE RECOVERY		$3,039											$3,039
98	Columbus, OH	Colorado Springs, CO	ATTEND EIM BOARD MEETING						$35,740							$35,740
99	Columbus, OH	Colorado Springs, CO	COLORADO SPRINGS, CO-EDISON ELECTRIC INSTITUTE (EE							$34,365						$34,365
100	Columbus, OH	Columbia, MO	Reclass original accounting for VISIT HUBBELL POWER SYSTEMS DISTRIBUTION CENTER		($28,364)											($28,364)
101	Columbus, OH	Columbia, MO	VISIT HUBBELL POWER SYSTEMS DISTRIBUTION CENTER		$14,182											$14,182
102	Columbus, OH	Columbus, OH (Rickenbacker)	TRAINING FLIGHT					$2,026								$2,026
103	Columbus, OH	Corpus Christi, TX	MEET WITH EMPLOYEES IN CORPUS CHRISTI & TULSA				$25,325									$25,325
104	Columbus, OH	Corpus Christi, TX	SPEAK AT AEP TEXAS LEADERSHIP RETREAT									$19,656				$19,656
105	Columbus, OH	Corpus Christi, TX	TRANSMISSION UPDATE MEETING WITH BRUCE EVANS	$31,403												$31,403

Allocated Flight Costs to Kentucky Power Company (includes Purpose and Passengers)

Note that the Total Cost is the pre-unallocated cost of the flight. Kentucky Powers is only billed for a portion of each of these flights.

Sum of Cost — Billing Period

Row	Departing Airport City	Arriving Airport City	Purpose	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Grand Total
106	Columbus, OH	Dallas, TX	ATTEND THE EPRI BOD MEETING									$14,364				$14,364
107	Columbus, OH	Dallas, TX	AUDIT PLANNING MEETINGS WITH AUDIT COMMITTEE MEMBE									$15,120				$15,120
108	Columbus, OH	Dallas, TX	COLORADO SPRINGS, CO-EDISON ELECTRIC INSTITUTE (EE							$27,492						$27,492
109	Columbus, OH	Dallas, TX	DINNER DISCUSSION WITH TRAMMELL CROW; MEETINGS WIT			$22,286										$22,286
110	Columbus, OH	Denver, CO	CYBER MUTUAL ASSISTANCE TASK FORCE MEETING		$27,351											$27,351
111	Columbus, OH	Detroit, MI	ATTEND GSEP SUMMIT IN BEIJING, CHINA				$6,078									$6,078
112	Columbus, OH	Detroit, MI	TO ATTEND THE EPRI BOD AND COMMITTEE MEETING		$7,091											$7,091
113	Columbus, OH	Fort Wayne, IN	ATTEND I&M IRC MEETING								$5,498					$5,498
114	Columbus, OH	Fort Wayne, IN	TECHNOLOGY ROAD SHOW AT (I&M)		$6,078											$6,078
115	Columbus, OH	Fort Wayne, IN	TO MEET WITH THE DOJ		$7,091						$5,498					$12,589
116	Columbus, OH	Fort Wayne, IN	TO MEET WITH THE DOJ		$4,052						$6,873					$10,925
117	Columbus, OH	Fort Wayne, IN	TO SPEAK TO THE ENGINEERING STUDENTS AT PURDUE POL										$3,780			$3,780
118	Columbus, OH	Frankfort, KY	MEET GOVERNOR EVIN AND SECRETARY OF ENERGY CHARLES	$6,078												$6,078
119	Columbus, OH	Fulton, NY	AEP 2016 LEADERSHIP SUMMIT								$13,746					$13,746
120	Columbus, OH	Fulton, NY	AEP 2016 LEADERSHIP SUMMIT								$13,746					$13,746
121	Columbus, OH	Grand Junction, CO	HRC PREP MEETING								$45,362					$45,362
122	Columbus, OH	Greenbrier, WV	ATTEND INAUGURATION OF JIM JUSTICE											$7,830		$7,830
123	Columbus, OH	Greenbrier, WV	ATTEND NEIL BOARD MEETINGS				$5,065									$5,065
124	Columbus, OH	Greensboro, GA	MEETING WITH MITSUBISHI		$11,143											$11,143
125	Columbus, OH	Harlingen, TX	VISIT WITH FIELD EMPLOYEES IN TEXAS								$41,238					$41,238
126	Columbus, OH	Houston, TX	CENTERPOINT OPERATING CENTER VISIT									$16,632				$16,632
127	Columbus, OH	Huntington, WV	TO CONDUCT KENTUCK POWER ONSITE EMPLOYEE MEETINGS												$2,936	$2,936
128	Columbus, OH	Huntington, WV	TO CONDUCT KENTUCK POWER ONSITE EMPLOYEE MEETINGS												$3,915	$3,915
129	Columbus, OH	Huntington, WV	TO DO A COMPLIMENTS AND CONCERNS MEETING AT BIG SA						$5,498							$5,498
130	Columbus, OH	Kansas City, MO	TECHNOLOGY VISIT WITH KCP&L						$20,619							$20,619
131	Columbus, OH	La Grange, TX	QUANTA TRAINING FACILITY AND ETT BOARD MTG							$31,616						$31,616
132	Columbus, OH	Lawrence, KS	TRAVEL TO ATTEND BUSINESS MEETINGS	$23,299												$23,299
133	Columbus, OH	Lawton, OK	PRESENT CHAIRMAN'S LIFE SAVING AWARD AND VISIT WIT							$28,867						$28,867
134	Columbus, OH	Lawton, OK	TO VISIT FT. STILL	$22,286												$22,286
135	Columbus, OH	Los Angeles, CA	ATTEND THE EPRI SUMMER SEMINAR BOD MEETINGS						$60,482							$60,482
136	Columbus, OH	Los Angeles, CA	PARTICIPATE IN A PANEL DISCUSSION AT THE EPRI 201						$56,359							$56,359
137	Columbus, OH	Mackay, Qld.	AUDIT PLANNING MEETINGS WITH AUDIT COMMITTEE MEMBE									$15,120				$15,120
138	Columbus, OH	Naples, FL	TO ATTEND THE NAM BOARD OF DIRECTORS MEETING IN NA	$23,299												$23,299
139	Columbus, OH	Nashville, TN	NUCLEAR ELECTRIC INSURANCE LIMITED (NEIL) BOARD ME	$9,117												$9,117
140	Columbus, OH	Nashville, TN	TO ATTEND AEIC IN NASHVILLE, TN			$10,130										$10,130
141	Columbus, OH	Newport News, VA	TO SPEAK AT THE MID-ATLANTIC CONFERENCE OF REGULAT				$10,130									$10,130
142	Columbus, OH	Oklahoma City, OK	PSO MEETING				$22,286									$22,286
143	Columbus, OH	Orange County, CA	HRC PREP WITH RALPH CROSBY											$46,004		$46,004
144	Columbus, OH	Owensboro, KY	2 C MEETING AT ROCKPORT		$7,091											$7,091
145	Columbus, OH	Owensboro, KY	ROCKPORT, IN 2C MEETING										$6,804			$6,804
146	Columbus, OH	Paducah, KY	CCR COMPLIANCE TRAINING							$12,371						$12,371
147	Columbus, OH	Papeete, Tahiti	EEI INTERNATIONAL ELECTRICITY SUMMIT 2016 ON BEHAL								$90,724					$90,724
148	Columbus, OH	Philadelphia, PA	PJM VISIT			$11,143										$11,143
149	Columbus, OH	Roanoke, VA	50 YEAR SAFETY CELEBRATION FOR LAWTON SERVICE CENT											$5,873		$5,873
150	Columbus, OH	San Diego, CA	SPEAK AT FORTUNE BRAINSTORM E EVENT			$45,585										$45,585
151	Columbus, OH	San Francisco, CA	G100 DINNER		$48,624											$48,624
152	Columbus, OH	San Francisco, CA	TO ATTEND THE INNOVARI BOD MEETINGTO ATTEND THE IN											$51,876		$51,876
153	Columbus, OH	Santa Fe, NM	CURRENT ISSUES REGULATORY CONFERENCE (SPEAKING)		$37,481											$37,481
154	Columbus, OH	Santa Fe, NM	TO PARTICIPATE IN INDUSTRIES LEADERS ROUNDTABLE DI		$28,364											$28,364
155	Columbus, OH	Seawell, Christ Church	ATTEND EIM BOARD MEETING											$46,004		$46,004
156	Columbus, OH	Sheboygan Falls, WI	ATTEND INVESTOR MEETING						$12,371							$12,371
157	Columbus, OH	Shreveport, LA	ATTEND FUNERAL FOR ANDY HEINES, AEP TEXAS						$26,117							$26,117
158	Columbus, OH	Shreveport, LA	ATTEND IRC MEETINGS WITH WESTERN OPERATING COMPANI								$26,117					$26,117
159	Columbus, OH	Shreveport, LA	CCR TRAINING									$14,364				$14,364
160	Columbus, OH	Shreveport, LA	CCR TRAINING								$27,492					$27,492
161	Columbus, OH	Shreveport, LA	DHLC/SABINE QUARTERLY BUSINESS MEETING									$12,852				$12,852
162	Columbus, OH	Shreveport, LA	DOLET HILL BOARD MEETING					$17,221								$17,221
163	Columbus, OH	Shreveport, LA	EMPLOYEE FIELD VISIT									$13,608				$13,608
164	Columbus, OH	Shreveport, LA	PLANT VISIT, DHLC & SABINE MINES QTR MTG			$18,234										$18,234
165	Columbus, OH	Shreveport, LA	PLANT VISIT, DHLC & SABINE MINES QTR MTG		$20,260											$20,260
166	Columbus, OH	Shreveport, LA	RSOW EMPLOYEE MEETING				$19,247									$19,247
167	Columbus, OH	Shreveport, LA	SWEPCO PLANT VISITS			$19,247										$19,247
168	Columbus, OH	Shreveport, LA	TO ATTEND THE LOUISIANA TECH UNIVERSITY DISTINGUIS												$19,576	$19,576
169	Columbus, OH	Shreveport, LA	TO ATTEND THE SPRING 2016 WEST REC MEETING IN SHRE		$20,260											$20,260
170	Columbus, OH	Shreveport, LA	TO GIVE PLENARY SPEECH AT IHS CERAWEEK 2016 ENERGY	$18,234												$18,234
171	Columbus, OH	Shreveport, LA	TO MEET WITH BARKSDAE AFB AND SWEPCO									$14,364				$14,364
172	Columbus, OH	Springfield, IL	MAINTENANCE RUN								$12,371					$12,371
173	Columbus, OH	Springfield, IL	TAKE CREW TO GET AIRCRAFT FROM MAINTENACE								$12,371					$12,371
174	Columbus, OH	Springfield, IL	TAKE TO NAINTENANCE								$10,997					$10,997
175	Columbus, OH	Sundsvall	ATTEND EEI FINANCIAL CONFERENCE									$28,728				$28,728
176	Columbus, OH	Sundsvall	C200 ANNUAL CONFERENCE								$50,860					$50,860
177	Columbus, OH	Sundsvall	TO ATTEND THE EEI (EDISON ELECTRIC INSTITUTE) FINA									$25,704				$25,704
178	Columbus, OH	Tampa, FL	ATTEND EIM BOARD MEETING			$18,234						$14,364				$32,598
179	Columbus, OH	Terre Haute, IN	TO ATTEND THE VIEWING HOURS FOR MCCULLOUGH'S MOTHE										$5,292			$5,292
180	Columbus, OH	Teterboro, NJ	2016 WSJ WOMEN IN THE WORKPLACE DINNER								$15,121					$15,121
181	Columbus, OH	Teterboro, NJ	2016 WSJ WOMEN IN THE WORKPLACE DINNER								$15,121					$15,121
182	Columbus, OH	Teterboro, NJ	ATTEND ANALYST DAY IN NEW YORK									$8,316				$8,316
183	Columbus, OH	Teterboro, NJ	ATTEND ANALYST DAY IN NEW YORK									$8,316				$8,316
184	Columbus, OH	Teterboro, NJ	ATTEND BARCLAYS CEO ENERGY / POWER CONFERENCE							$16,495						$16,495
185	Columbus, OH	Teterboro, NJ	ATTEND D&O INSURANCE MEETINGS IN NY	$12,156												$12,156
186	Columbus, OH	Teterboro, NJ	ATTEND G100									$9,072				$9,072
187	Columbus, OH	Teterboro, NJ	ATTEND G100 MEETING IN NY			$12,156										$12,156
188	Columbus, OH	Teterboro, NJ	ATTEND G100 MEETING IN NY		$12,156											$12,156
189	Columbus, OH	Teterboro, NJ	BANK VISIT						$16,495							$16,495
190	Columbus, OH	Teterboro, NJ	BANKERS MEETINGS					$11,143								$11,143
191	Columbus, OH	Teterboro, NJ	BARCLAYS						$16,495							$16,495
192	Columbus, OH	Teterboro, NJ	EDISON ELECTRIC INSTITUTE (EEI)-CEO LEADERSHIP MEE		$11,143											$11,143
193	Columbus, OH	Teterboro, NJ	G-100 | WOMEN'S LEADERSHIP ACCELERATION (SPEAKING)										$8,316			$8,316
194	Columbus, OH	Teterboro, NJ	G100 SPRING SESSION		$11,143											$11,143
195	Columbus, OH	Teterboro, NJ	GOLDMAN SACHS CONFERENCE						$16,495							$16,495
196	Columbus, OH	Teterboro, NJ	MEETING WITH RANDY BECK - ERNST & YOUNG						$15,121							$15,121
197	Columbus, OH	Teterboro, NJ	MTG W/SANJAY GUPTA IN NYC AND THEN ON TO BOSTON FO		$11,143											$11,143
198	Columbus, OH	Teterboro, NJ	NATIONAL URBAN LEAGUE BOARD MEETING									$9,072				$9,072
199	Columbus, OH	Teterboro, NJ	NATIONAL URBAN LEAGUE BOARD MEETING									$8,316				$8,316
200	Columbus, OH	Teterboro, NJ	NATIONAL URBAN LEAGUE BOARD MTG		$11,143											$11,143
201	Columbus, OH	Teterboro, NJ	TO ATTEND THE COLUMBIA UNIVERSITY CENTER ON GLOBAL								$15,121					$15,121
202	Columbus, OH	Teterboro, NJ	TO ATTEND THE DILENSCHNEIDER ROUNDTABLE DISCUSSION					$12,156								$12,156
203	Columbus, OH	Teterboro, NJ	TO ATTEND THE G100 FALL 2016 MEETING									$8,316				$8,316
204	Columbus, OH	Teterboro, NJ	TO PARTICIPATE IN A DILENSCHNEIDER MEETING		$11,143											$11,143

Allocated Flight Costs to Kentucky Power Company (includes Purpose and Passengers)

Note that the Total Cost is the pre-unallocated cost of the flight. Kentucky Powers is only billed for a portion of each of these flights.

	Sum of Cost			Billing Period												
	Departing Airport City	Arriving Airport City	Purpose	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Grand Total
205	Columbus, OH	Texarkana, AR	WEST PLANT BRO REVIEWS								$27,492					$27,492
206	Columbus, OH	Tulsa, OK	EMPLOYEE VISITS					$18,234								$18,234
207	Columbus, OH	Tulsa, OK	FIELD VISIT: TULSA AND CORPUS CHRISTI								$26,117					$26,117
208	Columbus, OH	Tulsa, OK	PSO INVESTOR TOUR					$16,208								$16,208
209	Columbus, OH	Tulsa, OK	TECHNOLOGY ROAD TRIP AT PSO	$17,221												$17,221
210	Columbus, OH	Tulsa, OK	TO DO A 2 C MEETING AT NORTHEAST PLANT					$18,234								$18,234
211	Columbus, OH	Tulsa, OK	TO VISIT RIVERSIDE PLANT AND ATTEND GARY KNIGHT'S							$24,743						$24,743
212	Columbus, OH	Walterboro, SC	PRE MEETING TO PREP FOR HRC MEETING WITH RALPH CRO												$10,767	$10,767
213	Columbus, OH	Washington DC	2016 USEA ANNUAL MEMBERSHIP MEETING & PUBLIC POLIC			$9,117										$9,117
214	Columbus, OH	Washington DC	ATTEND A CYBERSECURITY MEETING IN WASHINGTON, D.C.											$8,809		$8,809
215	Columbus, OH	Washington DC	ATTEND AN ELECTRICITY SUBSECTOR COORDINATING COUNC										$7,560			$7,560
216	Columbus, OH	Washington DC	ATTEND EEI AND LAMPAC MEETINGS	$7,091												$7,091
217	Columbus, OH	Washington DC	ATTEND EEI AND LAMPAC MEETINGS	$9,117												$9,117
218	Columbus, OH	Washington DC	ATTEND INFRASTRUCTURE MEETING IN WASHINGTON, D.C.												$7,830	$7,830
219	Columbus, OH	Washington DC	CYBERSECURITY MEETING												$8,809	$8,809
220	Columbus, OH	Washington DC	DC OFFICE VISIT			$8,104										$8,104
221	Columbus, OH	Washington DC	DINNER WITH SUSAN EISENHOWER										$6,048			$6,048
222	Columbus, OH	Washington DC	GET INDOCTRINATED FOR TOP SECRET CLEARANCE												$7,830	$7,830
223	Columbus, OH	Washington DC	HRC PREP MTG. WITH RALPH CROSBY						$12,371							$12,371
224	Columbus, OH	Washington DC	PERSONNEL ISSUES	$9,117												$9,117
225	Columbus, OH	Washington DC	RELIABILITY FIRST BOARD MEETING										$6,048			$6,048
226	Columbus, OH	Washington DC	RELIABILITY FIRST BOARD MEETING										$6,048			$6,048
227	Columbus, OH	Washington DC	SPEAK AT ELCON'S WORKSHOP								$12,371					$12,371
228	Columbus, OH	Washington DC	THE COLUMBUS PARTNERSHIP D.C. FLY-IN, PUBLIC POLIC	$8,104												$8,104
229	Columbus, OH	Washington DC	TO ATTEND A MEETING WITH PENTAGON OFFICIALS												$7,830	$7,830
230	Columbus, OH	Washington DC	TO ATTEND A MEETING WITH SUSAN EISENHOWER AND THE							$12,371						$12,371
231	Columbus, OH	Washington DC	TO ATTEND MEETING WITH EPA FOR NICK AKINS							$10,997						$10,997
232	Columbus, OH	Washington DC	TO ATTEND THE BUSINESS ROUNDTABLE CEO QUARTERLY ME										$6,804			$6,804
233	Columbus, OH	Washington DC	TO ATTEND THE BUSINESS ROUNDTABLE MEETING				$9,117									$9,117
234	Columbus, OH	Washington DC	TO ATTEND THE ELECTRICITY SUBSECTOR COORDINATING C			$9,117										$9,117
235	Columbus, OH	Washington DC	TO ATTEND THE EPRI BOD AND COMMITTEE MEETING		$10,130											$10,130
236	Columbus, OH	Washington DC	TO ATTEND THE LAMPAC AND EEI	$9,117												$9,117
237	Columbus, OH	Washington DC	TO ATTEND THE LAMPAC AND EEI	$11,143												$11,143
238	Columbus, OH	Washington DC	TO ATTEND THE WALL STREET JOURNAL CEO COUNCIL MEET									$6,804				$6,804
239	Columbus, OH	Washington DC	TO CONDUCT KENTUCK POWER ONSITE EMPLOYEE MEETINGS												$7,830	$7,830
240	Columbus, OH	Washington DC	TO MEET WITH THE DOJ								$12,371					$12,371
241	Columbus, OH	Washington DC	TO MEET WITH THE DOJ		$9,117											$9,117
242	Columbus, OH	Washington DC	TO PARTICIPATE IN THE ELECTRICITY SUBSECTOR CORODI			$9,117										$9,117
243	Columbus, OH	Washington DC	WIRES 10TH ANNUAL MEETING									$6,804				$6,804
244	Columbus, OH	Washington DC	WIRES BOARD MEETING												$7,830	$7,830
245	Columbus, OH	West Palm Beach, FL	EEI SPRING LEGAL CONFERENCE			$21,273										$21,273
246	Columbus, OH	West Palm Beach, FL	TO ATTEND THE AEIC ANNUAL MEETING								$30,241					$30,241
247	Columbus, OH	West Palm Beach, FL	TO ATTEND THE EEI BOARD & CHIEF EXECUTIVE MEETINGS											$18,597		$18,597
248	Columbus, OH	West Palm Beach, FL	TO ATTEND THE EEI BOARD AND CHIEF EXECUTIVE MEETIN											$21,534		$21,534
249	Columbus, OH	White Plains, NY	TRAVEL TO ATTEND BUSINESS MEETINGS	$13,169												$13,169
250	Columbus, OH	Wilmington, DE	ATTEND THE NUCLEAR ELECTRIC INSURANCE LIMITED (NEI										$6,048			$6,048
251	Columbus, OH	Wilmington, DE	MAINTENANCE TEST FLIGHT									$6,804				$6,804
252	Columbus, OH	Winchester, VA	FNG EXECUTIVE MEETING				$6,078									$6,078
253	Columbus, OH	Wise, VA	TO DO A 2 C MEETING AT CLINCH RIVER						$8,248							$8,248
254	Columbus, OH (Rickenbacker)	Columbus, OH	TRAINING FLIGHT					$2,026								$2,026
255	Columbus, OH (Rickenbacker)	Columbus, OH (Rickenbacker)	TRAINING FLIGHT					$4,052								$4,052
256	Corpus Christi, TX	Columbus, OH	CALL CENTER TOUR												$24,470	$24,470
257	Corpus Christi, TX	Columbus, OH	SPEAK AT AEP TEXAS LEADERSHIP RETREAT									$19,656				$19,656
258	Corpus Christi, TX	Columbus, OH	TRANSMISSION UPDATE MEETING WITH BRUCE EVANS	$24,312												$24,312
259	Corpus Christi, TX	Shreveport, LA	ATTEND FUNERAL FOR ANDY HEINES, AEP TEXAS						$13,746							$13,746
260	Corpus Christi, TX	Tulsa, OK	ATTEND IRC MEETINGS WITH WESTERN OPERATING COMPANI								$16,495					$16,495
261	Corpus Christi, TX	Tulsa, OK	FIELD VISIT: TULSA AND CORPUS CHRISTI								$17,870					$17,870
262	Corpus Christi, TX	Tulsa, OK	MEET WITH EMPLOYEES IN CORPUS CHRISTI & TULSA				$14,182									$14,182
263	Dallas, TX	Colorado Springs, CO	EEI FALL BOARD & CEO MEETING							$19,244						$19,244
264	Dallas, TX	Columbus, OH	ATTEND THE EPRI BOD MEETING									$13,608				$13,608
265	Dallas, TX	Columbus, OH	COLORADO SPRINGS, CO-EDISON ELECTRIC INSTITUTE (EE							$27,492						$27,492
266	Dallas, TX	Columbus, OH	SPEAK AT THE NATURAL GAS SUPPLY ASSOCIATION ANNUAL	$19,247												$19,247
267	Dallas, TX	Lake Charles, LA	DINNER DISCUSSION WITH TRAMMELL CROW; MEETINGS WIT			$7,091										$7,091
268	Dallas, TX	Mackay, Qld.	AUDIT PLANNING MEETINGS WITH AUDIT COMMITTEE MEMBE									$16,632				$16,632
269	Denver, CO	Columbus, OH	CYBER MUTUAL ASSISTANCE TASK FORCE MEETING		$25,325											$25,325
270	Denver, CO	Washington DC	HRC PREP MEETING								$41,238					$41,238
271	Detroit, MI	Columbus, OH	ATTEND GSEP SUMMIT IN BEIJING, CHINA				$5,065									$5,065
272	Detroit, MI	Columbus, OH	TO ATTEND THE EPRI BOD AND COMMITTEE MEETING		$5,065											$5,065
273	Fayetteville, AR	Shreveport, LA	SWEPCO PLANT VISITS			$7,091										$7,091
274	Fayetteville, AR	Tulsa, OK	CCR TRAINING									$2,268				$2,268
275	Fayetteville, AR	Tulsa, OK	WEST PLANT BRO REVIEWS								$4,124					$4,124
276	Fort Wayne, IN	Columbus, OH	ATTEND I&M IRC MEETING								$5,498					$5,498
277	Fort Wayne, IN	Columbus, OH	TECHNOLOGY ROAD SHOW AT (I&M)		$5,065											$5,065
278	Fort Wayne, IN	Columbus, OH	TO MEET WITH THE DOJ		$5,065						$5,498					$10,563
279	Fort Wayne, IN	Columbus, OH	TO MEET WITH THE DOJ		$4,052						$5,498					$9,550
280	Fort Wayne, IN	Columbus, OH	TO SPEAK TO THE ENGINEERING STUDENTS AT PURDUE POL										$3,024			$3,024
281	Frankfort, KY	Columbus, OH	ATTEND IRC MEETINGS WITH APCO & KENTUCKY POWER								$6,873					$6,873
282	Frankfort, KY	Columbus, OH	MEET GOVERNOR EVIN AND SECRETARY OF ENERGY CHARLES	$6,078												$6,078
283	Fulton, NY	Columbus, OH	AEP 2016 LEADERSHIP SUMMIT								$13,746					$13,746
284	Fulton, NY	Columbus, OH	AEP 2016 LEADERSHIP SUMMIT								$15,121					$15,121
285	Gainesville, FL	Columbus, OH	C200: OUTREACH @ THE UNIVERSITY OF FLORIDA (PANELI	$17,221												$17,221
286	Gardner, KS	Chicago, IL	INVENERGY MEETING IN CHICAGO						$15,121							$15,121
287	Grand Junction, CO	Denver, CO	HRC PREP MEETING								$8,248					$8,248
288	Greenbrier, WV	Columbus, OH	ATTEND INAUGURATION OF JIM JUSTICE											$5,873		$5,873
289	Greenbrier, WV	Columbus, OH	ATTEND NEIL BOARD MEETINGS				$6,078									$6,078
290	Greensboro, GA	Augusta, GA	MEETING WITH MITSUBISHI		$3,039											$3,039
291	Harlingen, TX	Laredo, TX	VISIT WITH FIELD EMPLOYEES IN TEXAS								$6,873					$6,873
292	Houston, TX	Columbus, OH	CENTERPOINT OPERATING CENTER VISIT									$15,120				$15,120
293	Houston, TX	Columbus, OH	TO GIVE PLENARY SPEECH AT IHS CERAWEEK 2016 ENERGY	$20,260												$20,260
294	Huntington, WV	Columbus, OH	TO CONDUCT KENTUCK POWER ONSITE EMPLOYEE MEETINGS												$4,894	$4,894
295	Huntington, WV	Columbus, OH	TO DO A COMPLIMENTS AND CONCERNS MEETING AT BIG SA						$4,124							$4,124
296	Huntington, WV	Washington DC	TO CONDUCT KENTUCK POWER ONSITE EMPLOYEE MEETINGS												$6,852	$6,852
297	Kansas City, MO	Columbus, OH	TECHNOLOGY VISIT WITH KCP&L						$19,244							$19,244
298	La Grange, TX	Austin, TX	QUANTA TRAINING FACILITY AND ETT BOARD MTG							$2,749						$2,749
299	Lake Charles, LA	Columbus, OH	DINNER DISCUSSION WITH TRAMMELL CROW; MEETINGS WIT			$18,234										$18,234
300	Laredo, TX	Columbus, OH	VISIT WITH FIELD EMPLOYEES IN TEXAS								$34,365					$34,365
301	Lawrence, KS	Columbus, OH	TRAVEL TO ATTEND BUSINESS MEETINGS	$14,182												$14,182
302	Lawton, OK	Columbus, OH	TO VISIT FT. STILL	$20,260												$20,260
303	Lawton, OK	Roanoke, VA	50 YEAR SAFETY CELEBRATION FOR LAWTON SERVICE CENT											$19,576		$19,576

	A	B	C	R	S	T	U	V	W	X	Y	Z	AA	AB	AC	AD
1	Allocated Flight Costs to Kentucky Power Company (includes Purpose and Passengers)															
2	**Note that the Total Cost is the pre-unallocated cost of the flight. Kentucky Powers is only billed for a portion of each of these flights.															
3																
4																
5	Sum of Cost			Billing Period												
6	Departing Airport City	Arriving Airport City	Purpose	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Grand Total
304	Lawton, OK	Tulsa, OK	PRESENT CHAIRMAN'S LIFE SAVING AWARD AND VISIT WIT							$6,873						$6,873
305	Longview, TX	Columbus, OH	WEST PLANT BRO REVIEWS								$28,867					$28,867
306	Los Angeles, CA	Columbus, OH	ATTEND THE EPRI SUMMER SEMINAR BOD MEETINGS						$57,733							$57,733
307	Los Angeles, CA	Columbus, OH	PARTICIPATE IN A PANEL DISCUSSION AT THE EPRI 201						$53,609							$53,609
308	Mackay, Qld.	Columbus, OH	AUDIT PLANNING MEETINGS WITH AUDIT COMMITTEE MEMBE									$16,632				$16,632
309	Mackay, Qld.	West Palm Beach, FL	AUDIT PLANNING MEETINGS WITH AUDIT COMMITTEE MEMBE									$3,024				$3,024
310	McAllen, TX	Corpus Christi, TX	FIELD VISIT: TULSA AND CORPUS CHRISTI								$5,498					$5,498
311	Naples, FL	Columbus, OH	TO ATTEND THE NAM BOARD OF DIRECTORS MEETING IN NA	$21,273												$21,273
312	Nashville, TN	Columbus, OH	NUCLEAR ELECTRIC INSURANCE LIMITED (NEIL) BOARD ME	$8,104												$8,104
313	Nashville, TN	Columbus, OH	TO ATTEND AEIC IN NASHVILLE, TN			$9,117										$9,117
314	Newport News, VA	Columbus, OH	TO SPEAK AT THE MID-ATLANTIC CONFERENCE OF REGULAT				$10,130									$10,130
315	Oklahoma City, OK	Columbus, OH	PSO MEETING				$18,234									$18,234
316	Orange County, CA	Chicago/Prospect/Heights/Wheeling, IL	HRC PREP WITH RALPH CROSBY											$35,237		$35,237
317	Orlando, FL	Columbus, OH	TO ATTEND/PARTICIPATE IN THE EEI CONVENTION PANEL				$17,221									$17,221
318	Owensboro, KY	Columbus, OH	2 C MEETING AT ROCKPORT		$8,104											$8,104
319	Owensboro, KY	Columbus, OH	ROCKPORT, IN 2C MEETING										$5,292			$5,292
320	Owensboro, KY	Columbus, OH	ROCKPORT, IN 2C MEETING										$6,048			$6,048
321	Paducah, KY	Columbus, OH	CCR COMPLIANCE TRAINING							$12,371						$12,371
322	Paducah, KY	Columbus, OH	DHLC/SABINE QUARTERLY BUSINESS MEETING									$6,804				$6,804
323	Paducah, KY	Shreveport, LA	CCR COMPLIANCE TRAINING							$13,746						$13,746
324	Papeete, Tahiti	Bangor, ME	EEI INTERNATIONAL ELECTRICITY SUMMIT 2016 ON BEHAL								$93,473					$93,473
325	Philadelphia, PA	Columbus, OH	PJM VISIT			$11,143										$11,143
326	Philadelphia, PA	Columbus, OH	PJM VISIT			$10,130										$10,130
327	Roanoke, VA	Columbus, OH	50 YEAR SAFETY CELEBRATION FOR LAWTON SERVICE CENT											$6,852		$6,852
328	Roanoke, VA	Lawton, OK	50 YEAR SAFETY CELEBRATION FOR LAWTON SERVICE CENT											$27,406		$27,406
329	Rogers, AR	Seattle, WA	AEIC IN SEATTLE, WA							$50,860						$50,860
330	San Angelo, TX	McAllen, TX	FIELD VISIT: TULSA AND CORPUS CHRISTI								$13,746					$13,746
331	San Diego, CA	Columbus, OH	SPEAK AT FORTUNE BRAINSTORM E EVENT			$38,494										$38,494
332	San Francisco, CA	Wichita, KS	TO ATTEND THE INNOVARI BOD MEETINGTO ATTEND THE IN											$22,512		$22,512
333	Santa Fe, NM	Columbus, OH	CURRENT ISSUES REGULATORY CONFERENCE (SPEAKING)		$26,338											$26,338
334	Santa Fe, NM	Columbus, OH	TO PARTICIPATE IN INDUSTRIES LEADERS ROUNDTABLE DI		$24,312											$24,312
335	Seattle, WA	Columbus, OH	AEIC IN SEATTLE, WA							$54,984						$54,984
336	Seawell, Christ Church	Columbus, OH	ATTEND EIM BOARD MEETING											$50,898		$50,898
337	Sheboygan Falls, WI	Columbus, OH	ATTEND INVESTOR MEETING						$13,746							$13,746
338	Shreveport, LA	Atlanta, GA	PLANT VISIT, DHLC & SABINE MINES QTR MTG		$14,182											$14,182
339	Shreveport, LA	Columbus, OH	ATTEND FUNERAL FOR ANDY HEINES, AEP TEXAS						$26,117							$26,117
340	Shreveport, LA	Columbus, OH	CCR TRAINING									$12,852				$12,852
341	Shreveport, LA	Columbus, OH	CCR TRAINING								$24,743					$24,743
342	Shreveport, LA	Columbus, OH	DOLET HILL BOARD MEETING					$18,234								$18,234
343	Shreveport, LA	Columbus, OH	EMPLOYEE FIELD VISIT									$12,852				$12,852
344	Shreveport, LA	Columbus, OH	MAINTENANCE		$16,208											$16,208
345	Shreveport, LA	Columbus, OH	PLANT VISIT, DHLC & SABINE MINES QTR MTG			$18,234										$18,234
346	Shreveport, LA	Columbus, OH	RSOW EMPLOYEE MEETING				$16,208									$16,208
347	Shreveport, LA	Columbus, OH	SWEPCO PLANT VISITS			$16,208										$16,208
348	Shreveport, LA	Columbus, OH	TO ATTEND THE LOUISIANA TECH UNIVERSITY DISTINGUIS												$15,661	$15,661
349	Shreveport, LA	Columbus, OH	TO ATTEND THE SPRING 2016 WEST REC MEETING IN SHRE		$17,221											$17,221
350	Shreveport, LA	Columbus, OH	TO MEET WITH BARKSDAE AFB AND SWEPCO									$14,364				$14,364
351	Shreveport, LA	Corpus Christi, TX	ATTEND FUNERAL FOR ANDY HEINES, AEP TEXAS						$12,371							$12,371
352	Shreveport, LA	Corpus Christi, TX	ATTEND IRC MEETINGS WITH WESTERN OPERATING COMPANI								$13,746					$13,746
353	Shreveport, LA	Corpus Christi, TX	CALL CENTER TOUR												$10,767	$10,767
354	Shreveport, LA	Fayetteville, AR	CCR TRAINING									$5,292				$5,292
355	Shreveport, LA	Fayetteville, AR	SWEPCO PLANT VISITS			$7,091										$7,091
356	Shreveport, LA	Houston, TX	TO GIVE PLENARY SPEECH AT IHS CERAWEEK 2016 ENERGY	$6,078												$6,078
357	Shreveport, LA	Paducah, KY	CCR COMPLIANCE TRAINING							$13,746						$13,746
358	Shreveport, LA	Paducah, KY	DHLC/SABINE QUARTERLY BUSINESS MEETING									$8,316				$8,316
359	Shreveport, LA	Vernon, TX	CCR COMPLIANCE TRAINING							$12,371						$12,371
360	Springfield, IL	Columbus, OH	MAINTENANCE RUN								$15,121					$15,121
361	Springfield, IL	Columbus, OH	TAKE CREW TO GET AIRCRAFT FROM MAINTENACE								$10,997					$10,997
362	Springfield, IL	Tulsa, OK	FIELD VISIT: TULSA AND CORPUS CHRISTI								$13,746					$13,746
363	Sundsvall	Columbus, OH	ATTEND EEI FINANCIAL CONFERENCE									$28,728				$28,728
364	Sundsvall	Columbus, OH	C200 ANNUAL CONFERENCE								$46,736					$46,736
365	Sundsvall	Columbus, OH	TO ATTEND THE EEI (EDISON ELECTRIC INSTITUTE) FINA									$27,216				$27,216
366	Tampa, FL	Columbus, OH	ATTEND EIM BOARD MEETING			$18,234						$14,364				$32,598
367	Terre Haute, IN	Columbus, OH	TO ATTEND THE VIEWING HOURS FOR MCCULLOUGH'S MOTHE										$4,536			$4,536
368	Teterboro, NJ	Atlanta, GA	INPO (INSTITUTE OF NUCLEAR POWER OPERATIONS) 2016									$13,608				$13,608
369	Teterboro, NJ	Boston, MA	MTG W/SANJAY GUPTA IN NYC AND THEN ON TO BOSTON FO		$6,078											$6,078
370	Teterboro, NJ	Columbus, OH	2016 WSJ WOMEN IN THE WORKPLACE DINNER								$17,870					$17,870
371	Teterboro, NJ	Columbus, OH	ATTEND ANALYST DAY IN NEW YORK									$9,072				$9,072
372	Teterboro, NJ	Columbus, OH	ATTEND BARCLAYS CEO ENERGY / POWER CONFERENCE							$16,495						$16,495
373	Teterboro, NJ	Columbus, OH	ATTEND D&O INSURANCE MEETINGS IN NY	$12,156												$12,156
374	Teterboro, NJ	Columbus, OH	ATTEND D&O INSURANCE MEETINGS IN NY	$12,156												$12,156
375	Teterboro, NJ	Columbus, OH	ATTEND G100									$8,316				$8,316
376	Teterboro, NJ	Columbus, OH	ATTEND G100 MEETING IN NY			$12,156										$12,156
377	Teterboro, NJ	Columbus, OH	BANK VISIT						$17,870							$17,870
378	Teterboro, NJ	Columbus, OH	BANKERS MEETINGS					$12,156								$12,156
379	Teterboro, NJ	Columbus, OH	BARCLAYS						$15,121							$15,121
380	Teterboro, NJ	Columbus, OH	EDISON ELECTRIC INSTITUTE (EEI)-CEO LEADERSHIP MEE		$12,156											$12,156
381	Teterboro, NJ	Columbus, OH	G-100 | WOMEN'S LEADERSHIP ACCELERATION (SPEAKING)										$9,828			$9,828
382	Teterboro, NJ	Columbus, OH	G100 SPRING SESSION		$13,169											$13,169
383	Teterboro, NJ	Columbus, OH	GOLDMAN SACHS CONFERENCE						$16,495							$16,495
384	Teterboro, NJ	Columbus, OH	MEETING WITH RANDY BECK - ERNST & YOUNG						$15,121							$15,121
385	Teterboro, NJ	Columbus, OH	NATIONAL URBAN LEAGUE BOARD MEETING									$9,072				$9,072
386	Teterboro, NJ	Columbus, OH	NATIONAL URBAN LEAGUE BOARD MTG		$13,169											$13,169
387	Teterboro, NJ	Columbus, OH	NATIONAL URBAN LEAGUE BOARD MTG		$13,169											$13,169
388	Teterboro, NJ	Columbus, OH	TO ATTEND THE COLUMBIA UNIVERSITY CENTER ON GLOBAL								$17,870					$17,870
389	Teterboro, NJ	Columbus, OH	TO ATTEND THE DILENSCHNEIDER ROUNDTABLE DISCUSSION					$12,156								$12,156
390	Teterboro, NJ	Columbus, OH	TO ATTEND THE G100 FALL 2016 MEETING									$9,072				$9,072
391	Teterboro, NJ	Columbus, OH	TO PARTICIPATE IN A DILENSCHNEIDER MEETING		$12,156											$12,156
392	Teterboro, NJ	Dallas, TX	NATIONAL URBAN LEAGUE BOARD MEETING									$23,436				$23,436
393	Teterboro, NJ	Owensboro, KY	G-100 | WOMEN'S LEADERSHIP ACCELERATION (SPEAKING)										$16,632			$16,632
394	Texarkana, AR	Fayetteville, AR	WEST PLANT BRO REVIEWS								$6,873					$6,873
395	Tulsa, OK	Abilene, TX	FIELD VISIT: TULSA AND CORPUS CHRISTI								$10,997					$10,997
396	Tulsa, OK	Columbus, OH	ATTEND IRC MEETINGS WITH WESTERN OPERATING COMPANI								$21,994					$21,994
397	Tulsa, OK	Columbus, OH	EMPLOYEE VISITS					$16,208								$16,208
398	Tulsa, OK	Columbus, OH	FIELD VISIT: TULSA AND CORPUS CHRISTI								$21,994					$21,994

Allocated Flight Costs to Kentucky Power Company (includes Purpose and Passengers)

**Note that the Total Cost is the pre-unallocated cost of the flight. Kentucky Powers is only billed for a portion of each of these flights.

Sum of Cost — Billing Period

Row	Departing Airport City	Arriving Airport City	Purpose	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Grand Total
399	Tulsa, OK	Columbus, OH	HITCHHIKERS								$21,994					$21,994
400	Tulsa, OK	Columbus, OH	MEET WITH EMPLOYEES IN CORPUS CHRISTI & TULSA				$17,221									$17,221
401	Tulsa, OK	Columbus, OH	PRESENT CHAIRMAN'S LIFE SAVING AWARD AND VISIT WIT							$21,994						$21,994
402	Tulsa, OK	Columbus, OH	PSO INVESTOR TOUR					$16,208								$16,208
403	Tulsa, OK	Columbus, OH	TECHNOLOGY ROAD TRIP AT PSO	$16,208												$16,208
404	Tulsa, OK	Columbus, OH	TO DO A 2 C MEETING AT NORTHEAST PLANT					$17,221								$17,221
405	Tulsa, OK	Columbus, OH	TO VISIT RIVERSIDE PLANT AND ATTEND GARY KNIGHT'S							$23,368						$23,368
406	Tulsa, OK	Shreveport, LA	CALL CENTER TOUR												$6,852	$6,852
407	Tulsa, OK	Shreveport, LA	CCR TRAINING									$5,292				$5,292
408	Tulsa, OK	Wichita Falls, TX	WEST PLANT BRO REVIEWS								$8,248					$8,248
409	Vernon, TX	Shreveport, LA	CCR COMPLIANCE TRAINING							$12,371						$12,371
410	Walterboro, SC	Columbus, OH	PRE MEETING TO PREP FOR HRC MEETING WITH RALPH CRO												$12,724	$12,724
411	Washington DC	Columbus, OH	2016 USEA ANNUAL MEMBERSHIP MEETING & PUBLIC POLIC			$8,104										$8,104
412	Washington DC	Columbus, OH	ATTEND A CYBERSECURITY MEETING IN WASHINGTON, D.C.											$8,809		$8,809
413	Washington DC	Columbus, OH	ATTEND AN ELECTRICITY SUBSECTOR COORDINATING COUNC										$6,804			$6,804
414	Washington DC	Columbus, OH	ATTEND EEI AND LAMPAC MEETINGS	$9,117												$9,117
415	Washington DC	Columbus, OH	ATTEND EEI AND LAMPAC MEETINGS	$10,130												$10,130
416	Washington DC	Columbus, OH	ATTEND INFRASTRUCTURE MEETING IN WASHINGTON, D.C.												$8,809	$8,809
417	Washington DC	Columbus, OH	CYBERSECURITY MEETING												$8,809	$8,809
418	Washington DC	Columbus, OH	DINNER WITH SUSAN EISENHOWER										$6,804			$6,804
419	Washington DC	Columbus, OH	GET INDOCTRINATED FOR TOP SECRET CLEARANCE												$8,809	$8,809
420	Washington DC	Columbus, OH	HRC PREP MEETING								$10,997					$10,997
421	Washington DC	Columbus, OH	HRC PREP MTG. WITH RALPH CROSBY						$10,997							$10,997
422	Washington DC	Columbus, OH	PERSONNEL ISSUES	$9,117												$9,117
423	Washington DC	Columbus, OH	RELIABILITY FIRST BOARD MEETING										$6,804			$6,804
424	Washington DC	Columbus, OH	RELIABILITY FIRST BOARD MEETING										$7,560			$7,560
425	Washington DC	Columbus, OH	SPEAK AT ELCON'S WORKSHOP								$10,997					$10,997
426	Washington DC	Columbus, OH	THE COLUMBUS PARTNERSHIP D.C. FLY-IN, PUBLIC POLIC	$9,117												$9,117
427	Washington DC	Columbus, OH	TO ATTEND A MEETING WITH PENTAGON OFFICIALS												$10,767	$10,767
428	Washington DC	Columbus, OH	TO ATTEND A MEETING WITH SUSAN EISENHOWER AND THE							$10,997						$10,997
429	Washington DC	Columbus, OH	TO ATTEND MEETING WITH EPA FOR NICK AKINS							$10,997						$10,997
430	Washington DC	Columbus, OH	TO ATTEND THE BUSINESS ROUNDTABLE CEO QUARTERLY ME										$7,560			$7,560
431	Washington DC	Columbus, OH	TO ATTEND THE BUSINESS ROUNDTABLE MEETING				$10,130									$10,130
432	Washington DC	Columbus, OH	TO ATTEND THE ELECTRICITY SUBSECTOR COORDINATING C			$9,117										$9,117
433	Washington DC	Columbus, OH	TO ATTEND THE EPRI BOD AND COMMITTEE MEETING		$11,143											$11,143
434	Washington DC	Columbus, OH	TO ATTEND THE LAMPAC AND EEI	$9,117												$9,117
435	Washington DC	Columbus, OH	TO ATTEND THE LAMPAC AND EEI	$12,156												$12,156
436	Washington DC	Columbus, OH	TO ATTEND THE WALL STREET JOURNAL CEO COUNCIL MEET									$6,048				$6,048
437	Washington DC	Columbus, OH	TO CONDUCT KENTUCK POWER ONSITE EMPLOYEE MEETINGS												$7,830	$7,830
438	Washington DC	Columbus, OH	TO MEET WITH CERES AND INVESTORS IN BOSTON	$7,091												$7,091
439	Washington DC	Columbus, OH	TO MEET WITH THE DOJ								$12,371					$12,371
440	Washington DC	Columbus, OH	TO MEET WITH THE DOJ		$9,117											$9,117
441	Washington DC	Columbus, OH	TO PARTICIPATE IN THE ELECTRICITY SUBSECTOR CORODI			$9,117										$9,117
442	Washington DC	Columbus, OH	WIRES 10TH ANNUAL MEETING									$6,048				$6,048
443	Washington DC	Columbus, OH	WIRES BOARD MEETING												$8,809	$8,809
444	Washington DC	Philadelphia, PA	PJM VISIT			$6,078										$6,078
445	Washington DC	Teterboro, NJ	ATTEND D&O INSURANCE MEETINGS IN NY	$8,104												$8,104
446	West Palm Beach, FL	Brunswick, GA	AUDIT PLANNING MEETINGS WITH AUDIT COMMITTEE MEMBE									$7,560				$7,560
447	West Palm Beach, FL	Columbus, OH	EEI SPRING LEGAL CONFERENCE			$20,260										$20,260
448	West Palm Beach, FL	Columbus, OH	TO ATTEND THE AEIC ANNUAL MEETING								$30,241					$30,241
449	West Palm Beach, FL	Columbus, OH	TO ATTEND THE EEI BOARD & CHIEF EXECUTIVE MEETINGS											$21,534		$21,534
450	West Palm Beach, FL	Columbus, OH	TO ATTEND THE EEI BOARD AND CHIEF EXECUTIVE MEETIN											$21,534		$21,534
451	White Plains, NY	Columbus, OH	TRAVEL TO ATTEND BUSINESS MEETINGS	$12,156												$12,156
452	Wichita Falls, TX	Longview, TX	WEST PLANT BRO REVIEWS								$9,622					$9,622
453	Wichita, KS	Columbus, OH	TO ATTEND THE INNOVARI BOD MEETINGTO ATTEND THE IN											$15,661		$15,661
454	Wilmington, DE	Columbus, OH	ATTEND THE NUCLEAR ELECTRIC INSURANCE LIMITED (NEI										$8,316			$8,316
455	Wilmington, DE	Columbus, OH	MAINTENANCE TEST FLIGHT									$7,560				$7,560
456	Winchester, VA	Columbus, OH	FNG EXECUTIVE MEETING				$8,104									$8,104
457	Wise, VA	Columbus, OH	TO DO A 2 C MEETING AT CLINCH RIVER						$8,248							$8,248
458	**Grand Total**			**$578,423**	**$627,047**	**$487,253**	**$321,121**	**$211,717**	**$681,802**	**$688,675**	**$1,279,753**	**$681,156**	**$156,492**	**$490,379**	**$410,117**	**$6,613,934**

EXHIBIT RCS-9

Kentucky Power Company
KPSC Case No. 2017-00179 General Rate Adjustment
Attorney General's First Set of Data Requests
Dated August 14, 2017

DATA REQUEST

AG_1_251 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. a. Did KPCo incur any costs for employee relocation when it moved its offices from Frankfort, KY to Ashland, KY? If so, provide the number of employees, and the total sums.

RESPONSE

Please refer to KPCO_R_AG_1_251_Attachment1.xlsx for relocation expense requested.

a. Please refer to the Company's response to KIUC 1-46 for relocation costs for employees moving from Frankfort to Ashland.

Witness: Curt D. Cooper

KPCO_R_AG_1_251_Attachment1.xlsx

AG-251

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. a. Did KPCo incur any costs for employee relocation when it moved its offices from Frankfort, KY to Ashland, KY? If so, provide the number of employees, and the total sums.

Response AG-251

Year Relocation Expenses	Amount	Acct #	Number of Employees
2014	$ 56,481.15	9210001	4
2015	$ 69,880.15	9210001	2
2015	$ 75,895.00	5060000	7
2016	$ 323,041.51	9210001	7
3/1/2016-2/28/2017	$ 318,072.58	9210001	8

EXHIBIT RCS-10

Kentucky Power Company
KPSC Case No. 2017-00179 General Rate Adjustment
Attorney General's First Set of Data Requests
Dated August 14, 2017

DATA REQUEST

AG_1_151 For 2015, 2016 and 2017 (to date), 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:
a. describe the property sold;
b. state whether, when and in what manner it had been included in rate base;
c. show the details of how the gain or loss was calculated;
d. indicate when the sale occurred;
e. explain how and whether the Company is amortizing such gain or loss; and
f. show how such amortization was computed.

RESPONSE

a.-f. In December 2016, Kentucky Power Company (KPCO) sold 739 acres of land in Lewis County, Kentucky to a third party for $2,219,031. The land sold by KPCO was part of a larger tract that was purchased in 1982 and recorded in Account 105, Electric Plant Held For Future Use. KPCO had originally purchased the land with the intention of constructing an electric generating facility on the site. KPCO never constructed a generating facility at the site and as a result, the land was never placed in-service.

The original cost of the 739 acres sold was $1,102,777 and after selling expenses of $119,585, KPCO realized a gain of $996,669 (selling price of $2,219,031 minus the original cost of $1,102,777 minus the selling expenses of $119,585). The gain was recorded in account 411.6, Gains from Disposition of Utility Plant. The gain is not being amortized.

Witness: Tyler H. Ross

Kentucky Power Company
KPSC Case No. 2017-00179 General Rate Adjustment
Attorney General's Second Set of Supplemental Data Requests
Dated September 18, 2017

DATA REQUEST

AG_D_WP_7 [redacted]

RESPONSE

a. Please refer to attachment KPCO_CR_AG_D_WP_7_Attachment1.xls for the requested information.

b. Please refer to the company's response to AG 1-151. The Company took advantage of a market condition to sell a portion of land purchased originally for a future plant site to realize a gain.

c. Please refer to the company's response to AG 1-151.

Kentucky Power Company
KPSC Case No. 2017-00179 General Rate Adjustment
Attorney General's Second Set of Supplemental Data Requests
Dated September 18, 2017

d. Please refer to the company's response to AG 1-151.

e. The Carrs Site has not been in rate base since 1984.

f. Please refer to the company's response to AG 1-151.

g. Please refer to the company's response to AG 1-151.

h. Please refer to the company's response to AG 1-151.

i. Yes.

j. Property tax expense of $8,434 related to the Carrs Site was included in the test year and recorded to Account 4081005. There were no maintenance expenses in the test year related to the Carrs Site.

k. Yes.

l. Yes, the entry consisted of the original cost of the land (approximately $1.1 million), cost of the sale (approximately $120 thousand), and gain on the sale (approximately $997 thousand) in accordance with Kentucky Power's accounting practice described in response to question AG-D-WP-8.

m. Yes. Please see response to l. above

n. Yes, please refer to attachment KPCO_CR_AG_D_WP_7_Attachment2.pdf, KPCO_CR_AG_D_WP_7_Attachment3.pdf, KPCO_CR_AG_D_WP_7_Attachment4.pdf for the requested information.

Witness: Tyler H. Ross

KPCO_CR_AG_D_WP_7_Attachment1.xls

AG-D-WP-7

Various	Cost of Sale for Carrs land	Dr	Cr
1080005 - Retir Work in Progress		119,584.68	
	2320001 - Accounts Payable		119,584.68

BI02356008 and BI02409592	Carrs land proceeds	Dr	Cr
1420102 - Accounts Receivable - Cust		2,219,031.00	
	1080005 - Retir Work in Progress		2,219,031.00

OAJ0050865	Carrs land Retirement	Dr	Cr
1080001 - Accumulated Provision for Depreciation		1,102,777.21	
	1050001 - Plant Held for Future Use		1,102,777.21

OAAGAIN	Gain on sale of Carrs land	Dr	Cr
1080005 - Retir Work in Progress		996,669.11	
	4116000 - Gain from Disposition		996,669.11

OAJ2676384	Closure of Carrs land sale work order	Dr	Cr
1080005 - Retir Work in Progress		1,102,777.21	
	1080001 - Accumulated Provision for Depreciation		1,102,777.21

AMERICAN ELECTRIC POWER

Report ID: GLC7501

AEP Financials

JOURNAL ENTRY DETAIL REPORT

Run Date 3/30/2017

Run Time 2:09:49 PM

Unit:	117	**Ledger Group:**	ACTUALS	**Foreign Currency:**	USD
Journal ID:	OAAGAIN	**Source:**	ONL	**Rate Type:**	CRRNT
Date:	12/31/2016	**Reversal:**	N	**Effective Date:**	12/31/2016
Journal status	P	**Reversal Date:**		**Exchange Rate:**	1.00
Description:	Record ESTIMATED gain on sale of 779+/- acres on Stouts Bottom, In proximity to Carr's Hill Road & Ky Highway 8 to Fred L. and Tammy S. Hostetler; Lewis County, Kentucky; W0027544			Trans Ref Num:	REC

Line #	Unit	Account	Department	State/Jurisdict	Product	Affiliate	Project Bu	Stat	Project	Statistics Amt	Work Order	Rate Type	Rate	Cost Comp	Foreign Amount	ABM Activity	Sub-Cat	Base Amount
117						**Total Lines:**	**2**			**Total Base Debits:**			**1,001,860.36**		**Total Base Credits:**			**1,001,860.36**
1	117	1080005	10863				SHSVC		SSN100004		W002754402	CRRNT	1.00000000	971	1,001,860.36 USD	974		1,001,860.36 USD
Description:	Record ACTUAL Gain					Reference:					Open Item Key:							
2	117	4116000	10863	KY			SHSVC		SSNANDA		G0000117	CRRNT	1.00000000	090	-1,001,860.36 USD	974		-1,001,860.36 USD
Description:	Gain From Disposition of Plant					Reference:					Open Item Key:							

KPSC Case No. 2017-00179
AG's Review of Deloitte Audit Workpapers
Dated: September 18, 2017
Item No. AG-D-WP-7
Attachment 2
Page 1 of 3

Exhibit RCS-10 Public
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End of Report

Sale of
Calculation of Gain/Loss on Sale

W0027544 - Sale of Carrs Site: 8500 - 739+/- Acres to Triple D Farm:

		Land	Building	Total
Work Order #				
Original Cost		$1,102,454.98	$0.00	$1,102,454.98
Proceeds		2,216,811.50	0.00	2,216,811.50
Cost of Sale		112,496.16	0.00	112,496.16
Gain/Loss	**	1,001,860.36		

**** Credit amount is Loss - Credit to work order use 971 CC and Debit to 4212000 use CC 09(**
**** Debit amount is Gain - Debit to work order use 971 CC and Credit to 4211000 use CC 09(**

It the GL account on the work order is 105000X - Plant Held for Future Use - Use the accounts below

**** Credit amount is Loss - Credit to work order use 971 CC and Debit to 4117000 use CC 09(**
**** Debit amount is Gain - Debit to work order use 971 CC and Credit to 4116000 use CC 09(**

Calculation on Sale with structures - only calculate the gain/loss on land (structure has depreciated)
***If 121 or 124 property check with Manager before calculating, may have a barn, lease, or other scenario*
***to consider before calculating gain/loss*

= input cell

Please do not save file over template. File should be saved in this format

H:\internal\Land Sales\BU NBR sp WO NBR sp NAME.xls
Where; BU NBR - three digit numeric BU then a space
Actual work order number then a space
Name should identify the land or building sold.
Example - 150 W000597402 Hancock.xls

Asset		Price per Acre	Acres Sold	Original Cost
	16064	$ 1,491.82	739.000	$ 1,102,454.98

Cost Per Acre per Cindy Buckbee - Land Management

Kentucky Power - Gen

Work Order Summary Overview Report

Work Order :	W0027544	**Description :**	Sale of 550+/- acres in Lewis County, Kentucky at Auction
Work Order Type :	KEPCo Gen - Steam Land/ROW	**Status :**	open
Funding Project :	X00000116	**In Service Date :**	
Major Location :	Misc Generation Facil-KY, KEP	**Asset Location :**	Carrs Site : KEP : 8500
		Close Date :	

Department	Labor	Materials	Outside Services	All Other	Overheads	AFUDC	Credits/Salvage	Total
Retirements								
11710863	$0.00	$0.00	$59,457.06	$0.00	$0.00	$0.00	($100,000.00)	($40,542.94)
11799900	$0.00	$0.00	$0.00	$53,039.10	$0.00	$0.00	$0.00	$53,039.10
Exp Type Total :	$0.00	$0.00	$59,457.06	$53,039.10	$0.00	$0.00	($100,000.00)	$12,496.16
WO Total :	$0.00	$0.00	$59,457.06	$53,039.10	$0.00	$0.00	($100,000.00)	$12,496.16
Report Total :	$0.00	$0.00	$59,457.06	$53,039.10	$0.00	$0.00	($100,000.00)	$12,496.16

COST OF SALE

$ 112,496.16

PROCEEDS - INCLUDE AMOUNT FROM CLOSING STATEMENT

KPSC Case No. 2017-00179
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Dated: September 18, 2017
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AMERICAN ELECTRIC POWER

Report ID: GLC7501

AEP Financials

JOURNAL ENTRY DETAIL REPORT

Page No. 1
Run Date 3/30/2017
Run Time 2:12:07 PM

Unit:	117	Ledger Group:	ACTUALS	Foreign Currency:	USD
Journal ID:	OAAGAIN	Source:	ONL	Rate Type:	CRRNT
Date:	3/30/2017	Reversal:	N	Effective Date:	3/30/2017
Journal status	V	Reversal Date:		Exchange Rate:	1.00
Description:	Reverse ESTIMATED gain on sale of 779+/- acres on Stouts Bottom, In proximity to Carr's Hill Road & Ky Highway 8 to Fred L. and Tammy S. Hostetler; Lewis County, Kentucky; W0027544			Trans Ref Num:	REC

COPY

Line #	Unit	Account	Department	State/Jurisdict	Product	Affiliate	Project Bu	Stat / Project	Statistics Amt / Work Order	Rate Type	Rate / Cost Comp	Foreign Amount / ABM Activity		Sub-Cat	Base Amount	
117						Total Lines:	2		Total Base Debits:		1,001,860.36	Total Base Credits:		1,001,860.36		
1	117	1080005	10863				SHSVC			CRRNT	1.00000000	-1,001,860.36	USD		-1,001,860.36	USD
								SSN100004	W002754402		971	974				
	Description:	Record ACTUAL Gain				Reference:			Open Item Key:							
2	117	4116000	10863	KY			SHSVC			CRRNT	1.00000000	1,001,860.36	USD		1,001,860.36	USD
								SSNANDA	G0000117		090	974				
	Description:	Gain From Disposition of Plant				Reference:			Open Item Key:							

End of Report

KPSC Case No. 2017-00179
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AMERICAN ELECTRIC POWER

Report ID: GLC7501

AEP Financials

JOURNAL ENTRY DETAIL REPORT

Page No. 1
Run Date 4/5/2017
Run Time 10:19:17 AM

Unit:	117	**Ledger Group:**	ACTUALS	**Foreign Currency:**	USD
Journal ID:	OAAGAIN	**Source:**	ONL	**Rate Type:**	CRRNT
Date:	3/31/2017	**Reversal:**	N	**Effective Date:**	3/31/2017
Journal status	V	**Reversal Date:**		**Exchange Rate:**	1.00
Description:	Record ACTUAL gain on sale of 739.216 acres on Stouts Bottom, In proximity to Carr's Hill Road & Ky Highway 8 to Fred L. and Tammy S. Hostetler; Lewis County, Kentucky; W0027544			Trans Ref Num:	REC

Line #	Unit	Account	Department	State/Jurisdict	Product	Affiliate	Project Bu	Stat	Statistics Amt / Project	Rate Type / Work Order	Rate / Cost Comp	Foreign Amount / ABM Activity		Sub-Cat	Base Amount	
117					**Total Lines:**	**2**			**Total Base Debits:**		**996,669.11**	**Total Base Credits:**		**996,669.11**		
1	117	1080005	10863				SHSVC			CRRNT	1.00000000	996,669.11	USD		996,669.11	USD
									SSN100004	W002754402	971	974				
Description:	Record ACTUAL Gain					Reference:				Open Item Key:						
2	117	4116000	10863	KY			SHSVC			CRRNT	1.00000000	-996,669.11	USD		-996,669.11	USD
									SSNANDA	G0000117	090	974				
Description:	Gain From Disposition of Plant					Reference:				Open Item Key:						

COPY

KPSC Case No. 2017-00179
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Page 1 of 6

Exhibit RCS-10 Public
Case No. 2017-00179
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End of Report

Sale of
Calculation of Gain/Loss on Sale

W0027544 - Sale of Carrs Site: 8500 - 739+/- Acres to Triple D Farms

		Land	Building	Total
Work Order #				
Original Cost		$1,102,777.21	$0.00	$1,102,777.21
Proceeds		2,219,031.00	0.00	2,219,031.00
Cost of Sale		119,584.68	0.00	119,584.68
Gain/Loss	**	996,669.11		

** **Credit amount is Loss - Credit to work order use 971 CC and Debit to 4212000 use CC 090**
** **Debit amount is Gain - Debit to work order use 971 CC and Credit to 4211000 use CC 090**

It the GL account on the work order is 105000X - Plant Held for Future Use - Use the accounts below.

** **Credit amount is Loss - Credit to work order use 971 CC and Debit to 4117000 use CC 090**
** **Debit amount is Gain - Debit to work order use 971 CC and Credit to 4116000 use CC 090**

Calculation on Sale with structures - only calculate the gain/loss on land (structure has depreciated)
***If 121 or 124 property check with Manager before calculating, may have a barn, lease, or other scenario*
***to consider before calculating gain/loss*

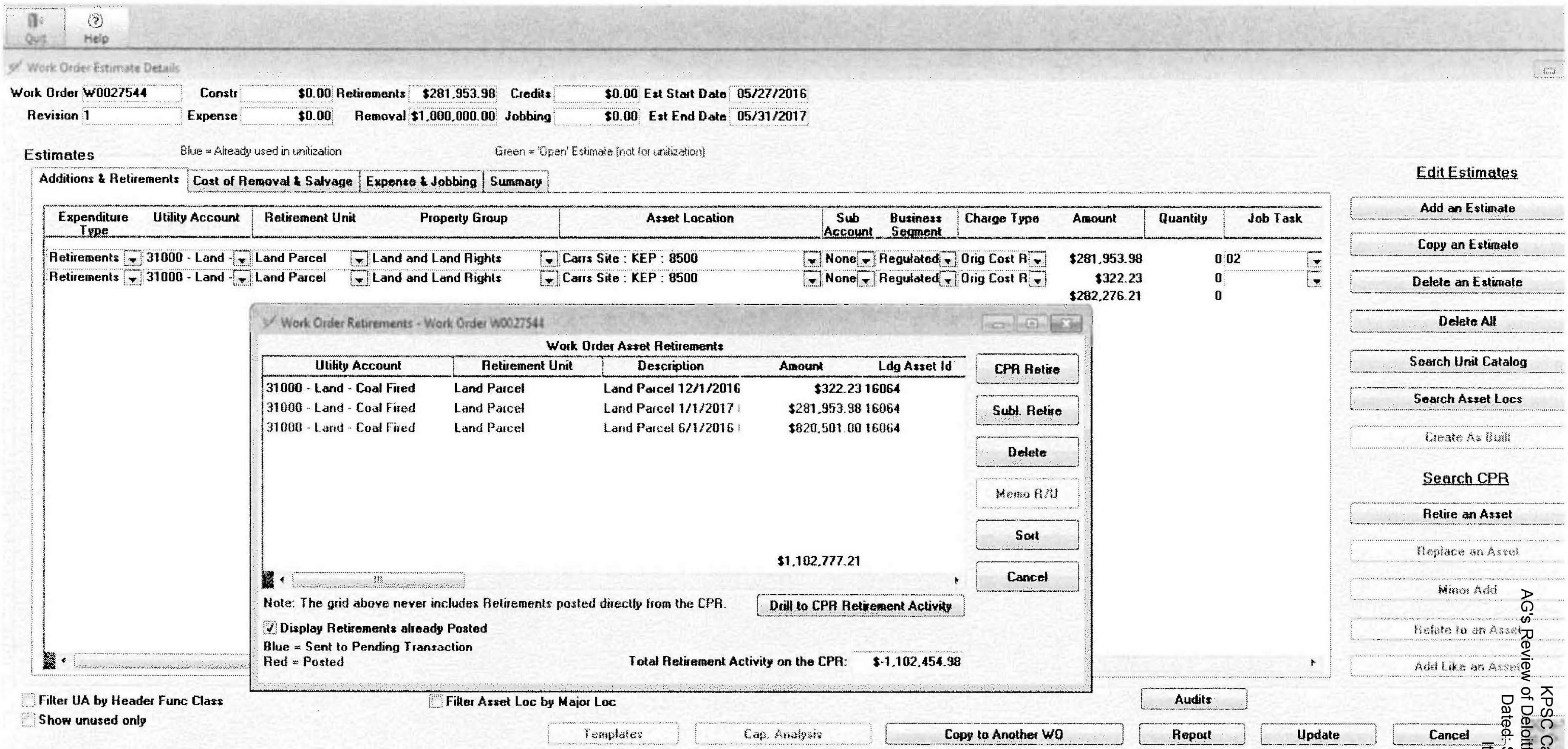
= input cell

Please do not save file over template. File should be saved in this format:

H:\internal\Land Sales\BU NBR sp WO NBR sp NAME.xls
Where; BU NBR - three digit numeric BU then a space
Actual work order number then a space
Name should identify the land or building sold.
Example - 150 W000597402 Hancock.xls

Asset		Price per Acre	Acres Sold	Original Cost
	16064	$ 1,491.82	739.216	$ 1,102,777.21

Cost Per Acre per Cindy Buckbee - Land Management



Wednesday, Apr 05, 2017 10:13 AM

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Completion Report
Land and Land Rights

AEP: America's Energy Partne

Company: **Kentucky Power - G - 117** Location: **Real Estate Asset Mgmt** Work Order: **W002754402**

Land Works # **17932** Asset ID: **8500** Account Number: **105**

DESCRIPTION:

Sale of 746+/- acres at Carrs Plant Site, Carrs, Kentucky

Parcel No.	Document No.	Grantee	Acres	Closing Date	Purchase/Sale Price
46-00-00-005.00	Bk254 Pg43	Fred L. and Tammy S. Hostetler	25.964	12/30/16	$2,219,031.00
46-00-00-005.00			17.456		
46-00-00-005.00			61.503		
46-00-00-006.00			23.330		
46-00-00-006.00			64.532		
46-00-00-006.00			39.869		
46-00-00-004.00			73.410		
46-00-00-004.00			12.591		
46-00-00-008.00			19.363		
46-00-00-008.00			38.728		
46-00-00-008.00			15.153		
56-00-00-001.00			62.453		
56-00-00-001.00			40.379		
56-00-00-005.00			36.526		
56-00-00-005.00			91.938		
56-00-00-005.00			16.859		
56-00-00-003.00			40.817		
56-00-00-002.00			58.345		
		Total	739.216		

Prepared By: *Angela D. Miller* Date: *January 13, 2017*

Kentucky Power - Gen

Work Order Summary Overview Report

Work Order : W0027544 Description : Sale of 739+/- acres in Lewis County, Kentucky at Auction

Work Order Type : KEPCo Gen - Steam Land/ROW Status : completed

Funding Project : X00000116 In Service Date : 12/30/2016

Major Location : Misc Generation Facil-KY, KEP Asset Location : Carrs Site : KEP : 8500 Close Date :

Department	Labor	Materials	Outside Services	All Other	Overheads	AFUDC	Credits/Salvage	Total
Retirements								
11710863	$0.00	$0.00	$61,676.56	$0.00	$0.00	$0.00	($1,217,170.64)	($1,155,494.08)
11799900	$0.00	$0.00	$0.00	$57,908.12	$0.00	$0.00	$0.00	$57,908.12
Exp Type Total :	$0.00	$0.00	$61,676.56	$57,908.12	$0.00	$0.00	($1,217,170.64)	($1,097,585.96)
WO Total :	$0.00	$0.00	$61,676.56	$57,908.12	$0.00	$0.00	($1,217,170.64)	($1,097,585.96)
Report Total :	$0.00	$0.00	$61,676.56	$57,908.12	$0.00	$0.00	($1,217,170.64)	($1,097,585.96)

OMB Approval No. 2502-0265

A. Settlement Statement (HUD-1)

B. Type of Loan

1. ☐ FHA 2. ☐ RHS 3. ☐ Conv. Unins. 4. ☐ VA 5. ☐ Conv. Ins.	6. File Number: TDF 16-001	7. Loan Number:	8. Mortgage Insurance Case Number:

C. Note: This form is furnished to give you a statement of actual settlement costs. Amounts paid to and by the settlement agent are shown. Items marked "(p.o.c.)" were paid outside the closing; they are shown here for informational purposes and are not included in the totals.

D. Name & Address of Buyer: Fred L. Hostetler and Tammy S. Hostetler, 6015 Taylor Blair Road, London, OH 43140	E. Name & Address of Seller: Kentucky Power Company, 1 Riverside Plaza, Columbus, OH 43215	F. Name & Address of Lender: N/A
G. Property Location: 739 Acres, more or less, on Stouts Bottom, in proximity to Carr's Hill Road & Ky Highway 8, in Lewis County, Kentucky	H. Settlement Agent: Harry D. Caillcotte, PLLC, Attorney at Law	I. Settlement Date: 12/30/2016
	Place of Settlement: Chicago Title (Central & Southern Ohio Office) 150 E. Wilson Bridge Road, Worthington, OH 43085	

J. Summary of Buyer's Transaction

100. Gross Amount Due from Buyer	
101. Contract sales price	$2,219,031.00
102. Personal property	$ -
103. Settlement charges to buyer (line 1400)	$ 32,008.00
104.	$ -
105.	$ -
Adjustment for items paid by seller in advance	
106. City/town taxes MM/DD/YY to MM/DD/YY	$ -
107. County taxes MM/DD/YY to MM/DD/YY	$ -
108. Assessments MM/DD/YY to MM/DD/YY	$ -
109.	$ -
110.	$ -
111.	$ -
112.	$ -
120. Gross Amount Due from Buyer	$ 2,251,039.00
200. Amount Paid by or in Behalf of Buyer	
201. Deposit or earnest money	$ 100,000.00
202. Principal amount of new loan(s)	$ -
203. Existing loan(s) taken subject to	$ -
204.	$ -
205.	$ -
206.	$ -
207.	$ -
208.	$ -
209.	$ -
Adjustments for items unpaid by seller	
210. City/town taxes MM/DD/YY to MM/DD/YY	$ -
211. County taxes MM/DD/YY to MM/DD/YY	$ -
212. Assessments MM/DD/YY to MM/DD/YY	$ -
213.	$ -
214.	$ -
215.	$ -
216.	$ -
217.	$ -
218.	$ -
219.	$ -
220. Total Paid by/for Buyer	$ 100,000.00
300. Cash at Settlement from/to Buyer	
301. Gross amount due from Buyer (line 120)	$ 2,251,039.00
302. Less amounts paid by/for Buyer (line 220)	$ (100,000.00)
303. Cash ☑ From ☐ To Buyer	$2,151,039.00

Buyer Initials F.H. TH

K. Summary of Seller's Transaction

400. Gross Amount Due to Seller	
401. Contract sales price	$2,219,031.00
402. Personal property	$ -
403.	$ -
404.	$ -
405.	$ -
Adjustment for items paid by seller in advance	
406. City/town taxes MM/DD/YY to MM/DD/YY	$ -
407. County taxes MM/DD/YY to MM/DD/YY	$ -
408. Assessments MM/DD/YY to MM/DD/YY	$ -
409.	$ -
410.	$ -
411.	$ -
412.	$ -
420. Gross Amount Due to Seller	$ 2,219,031.00
500. Reductions in Amount Due to Seller	
501. Excess deposit (see instructions)	$ 100,000.00
502. Settlement charges to seller (line 1400)	$ -
503. Existing loan(s) taken subject to	$ -
504. Payoff of first mortgage loan	$ -
505. Payoff of second mortgage loan	$ -
506. Transfer Tax (Deed Tax) to Lewis County Clerk	$ 2,219.50
507.	$ -
508.	$ -
509.	$ -
Adjustments for items unpaid by seller	
510. City/town taxes MM/DD/YY to MM/DD/YY	$ -
511. County taxes MM/DD/YY to MM/DD/YY	$ -
512. Assessments MM/DD/YY to MM/DD/YY	$ -
513.	$ -
514.	$ -
515.	$ -
516.	$ -
517.	$ -
518.	$ -
519.	$ -
520. Total Reduction Amount Due to Seller	$ 102,219.50
600. Cash at Settlement to/from Seller	
601. Gross amount due to seller (line 420)	$ 2,219,031.00
602. Less reductions in amount due seller (line 520)	$ (102,219.50)
603. Cash ☑ To ☐ From Seller	$2,116,811.50

Seller Initials PTI

The Public Reporting Burden for this collection of information is estimated at 35 minutes per response for collecting, reviewing, and reporting the data. This agency may not collect this information, and you are not required to complete this form, unless it displays a currently valid OMB control number. No confidentiality is assured; this disclosure is mandatory. This is designed to provide the parties to a RESPA covered transaction with information during the settlement process.

EXHIBIT RCS-11

Kentucky Power Company
KPSC Case No. 2017-00179 General Rate Adjustment
Attorney General's Second Set of Data Requests
Dated September 8, 2017

DATA REQUEST

AG_2_087 [redacted]

[redacted]

[redacted]

RESPONSE

a. The Company includes the cash surrender value of life insurance policies on former executives of Kentucky Power in Account 1240007.

b. (1) For changes in the balances of Account 1240007, the Company recorded $27,323.17 in total company expense to Account 9260036 during the year ended December 31, 2016.

b. (2) Total Company expense in Account 9260036 related to balance changes in Account 1240007 are included in the Company's test year.

Witness: Tyler H. Ross
Mark A. Pyle

EXHIBIT RCS-12

Kentucky Power Company
KPSC Case No. 2017-00179 General Rate Adjustment
Attorney General's Second Set of Supplemental Data Requests
Dated September 18, 2017

DATA REQUEST

AG_D_WP_9 [redacted]

RESPONSE

Yes. Following the Kentucky Public Service Commission's and the Federal Energy Regulatory Commission's approvals of Kentucky Power's acquisition of an undivided 50% interest in Mitchell Plant, Kentucky Power assumed the liabilities for 50% of Mitchell Plant AROs as of the date of the transfer, December 31, 2013.

Four ponds are located at the combined Mitchell and Kammer Plants. These ponds are identified on the map included as KPCO_R_AG_D_WP_09_Attachment 1.pdf. Kentucky Power assumed 50% of Mitchell Plant's ARO liabilities related to pond closures for the following ponds:

1. The Mitchell Bottom Ash Pond – The Mitchell Bottom Ash pond was used exclusively to store bottom ash from the Mitchell Plant. No Kammer Plant bottom ash was stored in the pond. Kentucky Power's liability is limited to its ownership percentage of the Mitchell Plant.

2. The Conner Run Impoundment – The Conner Run Impoundment was a fly ash pond that accepted fly ash from both Mitchell and Kammer Plants. Kentucky Power's share of the ARO is limited to the Mitchell Plant's use of the impoundment. Kentucky Power has no liability for fly ash deposited by the Kammer Plant. The remaining liability lies with AEP Generation Resources Inc. and third party Murray Energy.

3. The Wastewater Pond - The Mitchell Plant Wastewater Pond serves as a wastewater settling basin that historically served both the Kammer and Mitchell Plants. The facility is not an ash disposal pond. The facility is periodically dredged and has no separately identifiable waste from the Kammer Plant, which was retired

in 2015. Fifty percent of the ARO liabilities with respect to the facility were assumed by Kentucky Power.

The Kammer Bottom Ash Pond was used exclusively by the Kammer Plant and Kentucky Power assumed no ARO liabilities associated with the Kammer Bottom Ash Pond.

Please refer to the Company's response to AG 1-236 and KPCO_R_AG_1_236_Attachment1.xls for ARO liability balances. The ponds described above correspond to the values in KPCO_R_AG_1_236_Attachment1.xls as follows:

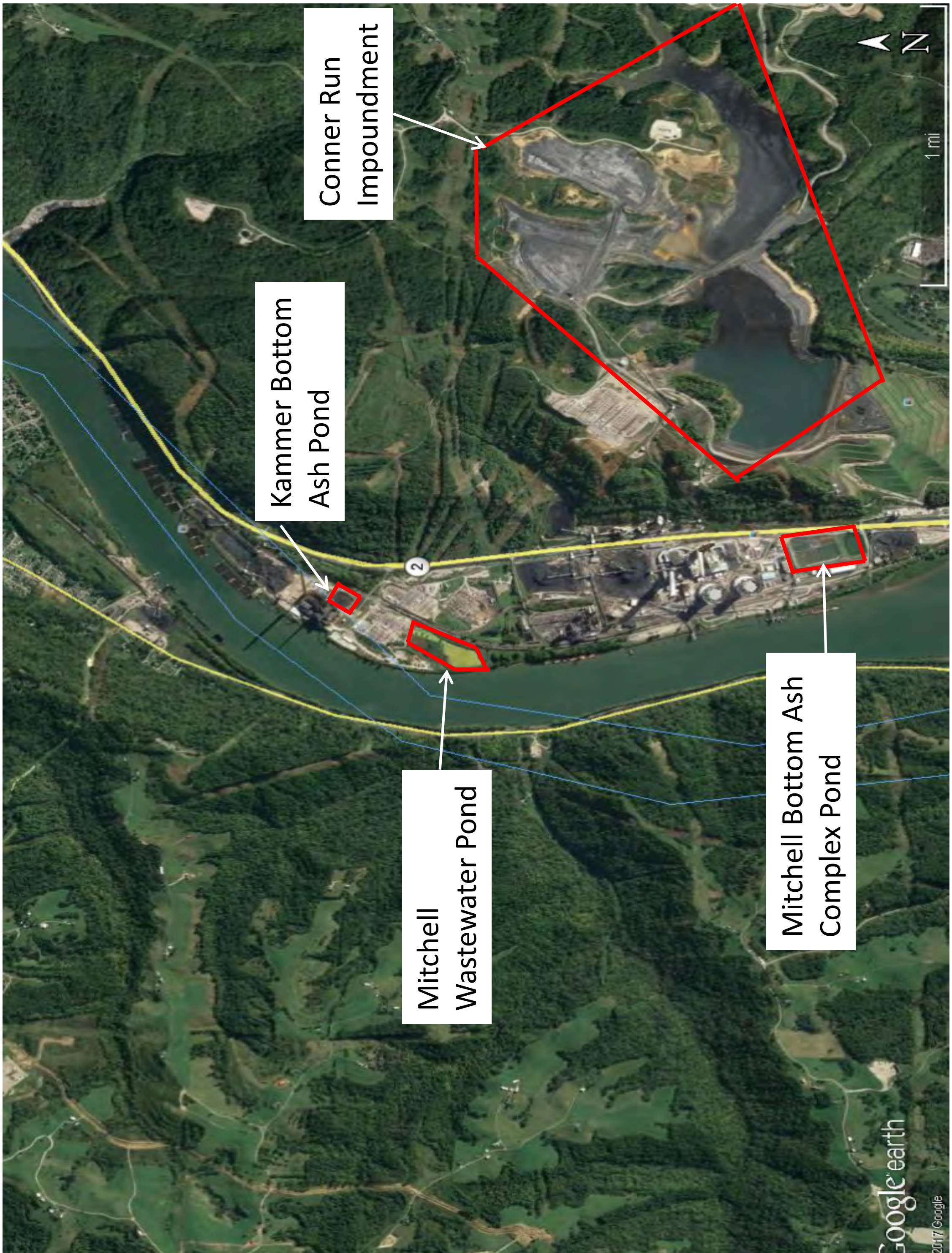
<u>Mitchell Bottom Ash Pond</u> – ASH#1 Mitchell Ash Pond – KPCo

<u>Conner Run Impoundment</u> – ASH#1 Connor Run – KPCo Mitchell

<u>Wastewater Pond</u> – ASH#3 Mitchell Ash Pond – KPCo

Witness: Debra L. Osborne
Tyler H. Ross

KPSC Case No. 2017-00179
AG's Review of Deloitte Audit Workpapers
Dated: September 18, 2017
Item No. AG-D-WP-9
Attachment 1
Page 1 of 1



Kentucky Power Company
KPSC Case No. 2017-00179 General Rate Adjustment
Attorney General's Second Set of Supplemental Data Requests
Dated September 18, 2017

DATA REQUEST

AG_D_WP_10 [redacted]

RESPONSE

a. Please refer to the Company's response to AG D-WP-9.

b. Please refer to the Company's responses to AG D-WP-9 and AG 1-236.

c. Please refer to KPCO_CR_AG_D_WP_10_Attachment1.pdf for the location of the ponds. Please refer to KPCO_CR_AG_D_WP_10_Attachment2.pdf for the July 2015 joint use agreement between Kentucky Power and Consolidated Coal Company for Conner Run Impoundment.

Please refer to KPCO_CR_AG_D_WP_10_Attachment3.pdf for estimated historical ash volumes from Kammer and Mitchell Plants. This is an estimate of the relative contributions to the Conner Run Impoundment from Kammer, Mitchell, and McElroy (also referred to as Consolidation Coal Company), as of the end of 2015, when all contributions from the AEP facilities ceased. At that time, the estimated contribution percentages were approximately: 8% Kammer Plant, 51% Mitchell Plant and 41% McElroy/CCC (currently Murray Energy).The current owner continues to dispose of fine coal refuse in the Conner Run Impoundment, so the relative percentage of material in the impoundment from Kammer and Mitchell will continue to decline over time as more fine coal refuse is placed in the impoundment.

Kentucky Power's obligation for Conner Run Impoundment is dependent on the timing of the closure of the impoundment and decreases each year until June 1, 2027 when the maximum contribution for AEP's obligation would be $5 million. The $5 million total AEP obligation would be shared as follows:

Kammer Plant - 13.5% (8% Kammer/59% Total Kammer/Mitchell) = $675,000

Mitchell Plant - 86.5% - Kentucky Power's 50% share = $2,162,500

Mitchell Plant - 86.5% - AEP Generation Resource's 50% share = $2,162,500

d. Prior to December 31, 2013, Ohio Power Company owned 100% of Kammer Plant. On December 31, 2013, OPCo transferred its 100% ownership of Kammer Plant to AEP Generation Resources, Inc. In May 2015, Kammer Plant was retired.

Please refer to the first tab of KPCO_CR_AG_D_WP_10_Attachment4.xlsx for tons of coal burned at the Kammer Plant 2007-2015.

e. Prior to December 31, 2013, Ohio Power Company owned 100% of Mitchell Plant. On December 31, 2013, OPCo transferred its 100% ownership of Mitchell Plant to AEP Generation Resources, Inc. On December 31, 2013, AEP Generation Resources transferred 50% of its ownership interest in Mitchell Plant to Kentucky Power. On January 31, 2015, AEP Generation Resources transferred its remaining 50% ownership interest in Mitchell Plant to Wheeling Power Company.

Please refer to the second tab of KPCO_CR_AG_D_WP_10_Attachment4.xlsx for tons of coal burned at the Mitchell Plant 2007-2016.

f. No. Please refer to the Company's response to AG D-WP-10 subsection c. for estimated ash volumes.

g. No.

h. Mitchell Plant was owned by Ohio Power Company from 1971 through December 31, 2013 (approximately 42 years).

i. The accounting model for AROs was the same during the years when a 50% interest in Mitchell Plant was owned by AEP Generation Resources Inc. (AGR) as when it was owned by Wheeling Power Company.

j. Please refer to KPCO_R_KPSC_1_54_Attachment2.xls for the requested information.

Witness: Debra L. Osborne
Tyler H. Ross

CONNER RUN IMPOUNDMENT
TRANSITION AND JOINT USE OPERATING AGREEMENT

DATED July 2, 2015

This Conner Run Impoundment Transition and Joint Use Operating Agreement ("Agreement") is made and entered into as of July 2, 2015 (the "Effective Date"), by and between Kentucky Power Company/dba AEP ("AEP"), a Kentucky corporation qualified as a foreign corporation in West Virginia with its principal place of business at 1 Riverside Plaza, Columbus, Ohio 43215, as the current operator of the Kammer and Mitchell Plants formerly owned and operated by Ohio Power Company ("OPCo"), and Consolidation Coal Company, a Delaware corporation qualified as a foreign corporation in West Virginia with its principal place of business at 46226 National Road, St. Clairsville, Ohio 43950 ("CCC"), ("AEP" and "CCC" being collectively referred to herein as the "Parties").

On and after the Effective Date of this Agreement, the Parties agree that the operations, transition of responsibilities, and cost sharing for mutually beneficial activities at the Conner Run Dam and Impoundment (the "Conner Run Dam" refers to the dam structure, and the "Conner Run Impoundment" refers to the basin upstream of the Dam, and the "Conner Run Dam and Impoundment" refers to both the Conner Run Dam and the Conner Run Impoundment, located upon those certain tracts of land in Franklin District, Marshall County, West Virginia, more particularly described in the maps, boundary surveys and deeds included in Attachment A hereto) shall be governed exclusively by the terms of this Agreement.

WITNESSETH:

WHEREAS, OPCo and CCC were parties to that certain agreement dated December 1, 2003, entitled "Conner Run Fly Ash Impoundment 2003 Joint Use Operating Agreement" (the "2003 Agreement") which provided for the construction, operation, expansion and related activities at the Conner Run Dam and Impoundment; and

WHEREAS, AEP has assumed the rights and obligations of OPCo under the 2003 Agreement through acquisition of certain assets from OPCo and its operation of the Kammer and Mitchell electric generating plants; and

WHEREAS, AEP has completed a conversion project at the Mitchell Plant to provide for dry fly ash and other coal combustion residual management in a new facility that it has constructed for that purpose on separate lands to the southeast of the Conner Run Impoundment, and commenced disposal of dry fly ash in that facility in 2014; and

WHEREAS, AEP intends to complete the construction of a treatment system to handle the cooling tower blowdown previously used to convey wet fly ash from the Mitchell Plant to the Conner Run Impoundment and retire the electric generating units at the Kammer Plant during calendar year 2015; and

WHEREAS, CCC reserved the right to deposit fine coal refuse in the Conner Run Impoundment in the deeds that conveyed the property underlying the Conner Run Dam and Impoundment to OPCo, and CCC's operations at the Marshall County Mine and the Conner Run Dam and Impoundment are anticipated to continue beyond 2015; and

WHEREAS, since 2009, AEP and its affiliates have invested over fourteen million dollars in the construction of the Conner Run Dam and other appurtenances, and continues to provide operation and technical oversight for the Conner Run Dam and Impoundment that will benefit CCC in the ongoing operation of the Marshall County Mine and other assets; and

WHEREAS, the Parties now desire to provide for transition of the ownership and management of the Conner Run Dam and Impoundment from AEP to CCC, to allocate responsibility for certain construction activities, to provide for a method to accommodate future operations of the Conner Run Dam and Impoundment until such time as applicable regulatory permits are either transferred from AEP to CCC or until new permits are obtained by CCC, and to provide for a method to accommodate future operations within the properties in and around the Conner Run Dam and Impoundment for the mutual benefit of AEP and CCC.

NOW THEREFORE, for and in consideration of the mutual promises contained herein, and other good and valuable consideration, receipt of which is hereby acknowledged, AEP and CCC agree as follows:

I. Construction Activities

A. Detail Plan Development. GeoEnvironmental Associates shall be retained to prepare a set of detailed plans for completion of Stages 9F through 9H of the Conner Run Dam and Impoundment, including arrangements to manage the elevation of the operating pool at the Conner Run Impoundment during the sealing of the current outlet, and installation of additional rock drains and other features necessary for completion of the Conner Run Dam to elevation 1050' and future operation of the Conner Run Impoundment. The detailed plans shall be sufficient to respond to the items identified in the correspondence from the Mine Safety and Health Administration (MSHA) on May 30, 2014, and any additional communication from MSHA or the West Virginia Department of Environmental Protection Dam Safety Section (WVDSS). CCC and AEP shall review and provide comments on the detailed plans within ten (10) business days of receipt from GeoEnvironmental Associates. The Parties shall share the costs of the plan preparation equally.

B. Purchase and Installation of Pumping System and Construction of Open Channel Spillway. CCC shall be solely responsible for the costs of designing, procuring, installing operating, maintaining, and monitoring the pumping system, including procuring the pumps and all related appurtenances, and all costs of installation, testing, calibrating, operating and monitoring. Placement of the pumping system and related appurtenances shall be in locations mutually acceptable to AEP and CCC. CCC shall also be solely responsible for the costs of construction of the open channel spillway which is necessary to reduce the "as submitted" proposed pumping system capacity requirements while still satisfying the applicable regulatory requirements. Sealing of the current outlet shall not commence until the pumping system has been installed, tested, and accepted by AEP. During the testing, calibrating, operating, and monitoring of the pump system discharge control system, CCC shall provide access to AEP so that AEP may be present to witness such testing, calibrating, operating, and monitoring, as AEP desires to assure that the system has no adverse impact on the quality of the discharge from the Conner Run Impoundment and that AEP can continue to comply with the terms of the current NPDES permit, and to assure that the normal pool operating level does not increase by more than four (4) feet in any three (3) month period and otherwise complies with any other conditions of the approvals issued by MSHA or other regulatory authorities with jurisdiction over the Conner Run Dam and Impoundment. During the transition period prior to transfer of the environmental permits for the Conner Run Impoundment to CCC, CCC shall indemnify, reimburse, and hold AEP harmless for all costs and expenses incurred by AEP as a result of any safety or environmental claims related to the design, construction, operation, or failure of the pumping system, any related appurtenances and the open channel spillway, except and to the extent such claims are caused by AEP's actions.

C. Completion of the Main Dam and Saddle Dam and CCC's Costs. The costs of completion of construction of the main Conner Run Dam and the saddle dam to the final approved elevation of 1050' shall be at CCC's sole expense. CCC shall continue to supply coarse coal refuse as a construction material for various purposes, including completing the work on the main Conner Run Dam and east hillside, providing underlayment for the construction of the floating road through the Conner Run Impoundment, and for other construction purposes consistent with the approved plans. CCC shall be solely responsible for the costs of placing the coarse coal refuse on the dams or in the Conner Run Impoundment. CCC shall also be solely responsible for the costs associated with placing, relocating, and maintaining its coal slurry lines and treated AMD lines to and through the Conner Run Impoundment, procurement and construction costs for the rock drain outlet piping and other appurtenances through the main Conner Run Dam, and the costs of maintaining its access roads to the Conner Run Impoundment and its coarse refuse disposal areas.

D. Shared Construction Costs. The Parties agree that given the short time period remaining before the Kammer and Mitchell Plants cease sluicing fly ash to the Conner Run Impoundment, no further construction to provide additional capacity in the Conner Run Impoundment is required to accommodate AEP's operations. However, CCC desires to continue using the Conner Run Impoundment to serve the Marshall County Mine and coal preparation plant, and certain activities necessary to support long-term operations will be less costly and more easily implemented in the near term. Accordingly, the Parties agree that, contingent upon receipt of required approvals from MSHA and WVDSS, responsibility for the costs of completing the construction of the following activities included in the plans for Stages 9F through 9H, as submitted by AEP on February 4, 2014, and any supplemental plans and responses to requests for information submitted by mutual agreement of the Parties pursuant to paragraph A of this section, shall be shared based on the ratio of the amount of material each Party (and their predecessors) placed in the Conner Run Impoundment during the annual period from June 1, 2012 through May 31, 2013, which AEP has estimated, and CCC has agreed, to be 30% AEP and 70% CCC. Those activities include:

1. Abandonment of the existing spillway and sealing of the existing drainage shaft and outlet piping.

2. Pushout placement of the minimal connector fill (estimated to be less than 100,000 cubic yards of coarse coal refuse) required for soil facing, and placement of select soil facing around the existing drainage shaft.

3. Construction of an access road to the existing monitoring wells and continued placement of the previously approved east hillside embankment materials to the extent that other activities in the area allow, including turning the select soil core just short of horizontal and extending it to the natural hillside, after which point it will be extended up the natural hillside. East hillside embankment placement construction cost sharing will cease when the soil core placement is completed to the natural hillside, and shall thereafter be solely at CCC's expense.

Costs to be shared for this work will include all material (including, without limitation, the cost of excavating, hauling and placing suitable materials, except any coarse coal refuse, which shall be delivered and unloaded at CCC's sole expense), all equipment, all direct outside contract labor, and all outside supervision associated with these activities. If shared construction costs addressed in this paragraph are incurred after the end of calendar year 2014, the basis for cost sharing during 2015 will be adjusted based on the amount of fly ash and coal refuse solids placed in the Conner Run Impoundment during the annual period from June 1, 2013 through May 31, 2014, as estimated by AEP with direct input from CCC and as mutually agreed by the Parties. AEP will not be responsible for any costs associated with work performed under this paragraph that are incurred on and after the date on which fly ash discharges to the Conner Run Impoundment from the Kammer and Mitchell Plants cease.

E. Construction Management and AEP's Costs. AEP shall manage the construction activities approved by MSHA and WVDSS for stages 9F through 9H, to the extent such activities are completed before the date the existing AEP permits for the Conner Run Dam and Impoundment are transferred to CCC, which shall be no later than the date on which fly ash discharges to the Conner Run Impoundment from the Kammer and Mitchell Plants cease. AEP shall make arrangements for all outside services associated with such work, and shall review all contracts and change orders in excess of $100,000 with CCC prior to approving such orders or awarding such contracts. CCC shall promptly review and approve such contracts, which approval shall not be unreasonably withheld. If CCC does not disapprove a contract or change order within 10 business days of receipt, CCC shall be deemed to have approved the contract or change order, and AEP shall be deemed to have the authority to proceed. AEP shall be solely responsible for all costs of installing and maintaining the paved portions of its ash haul road around the Conner Run Dam and Impoundment (except for the maintenance cost of any crossing or the cost of additional improvements at any crossing necessary to accommodate larger vehicles used by CCC, where CCC shall be solely responsible for such maintenance and/or improvement costs), all costs of installing and maintaining its 4" diameter leachate line, and for any costs incurred in the removal, relocation, or maintenance of its fly ash lines. Any contracts or change orders initiated by CCC after transfer of the existing AEP permits for the Conner Run Dam and Impoundment shall be at CCC's sole expense, except where otherwise agreed by the Parties in writing.

II. Transition of Impoundment Operations and Permits

A. Permitting and Regulatory Approvals. To the extent not already initiated, AEP and CCC shall immediately initiate and diligently pursue the process of obtaining any necessary utility commission regulatory approvals, if required, and transferring responsibility for the NPDES, MSHA, and WVDSS permits and Orders from AEP to CCC, and CCC shall immediately initiate and diligently pursue any necessary modification of CCC's existing permits and/or the application for new permits necessary for the Marshall County Mine, so that CCC will be authorized to operate, and have full operational responsibility for, the Conner Run Dam and

Impoundment as soon as possible. AEP shall cooperate in good faith and provide operational or other information in its possession reasonably necessary to facilitate the transfer of AEP's existing permits, including executing documents reasonably necessary to complete the transfer of responsibility to CCC. The Parties anticipate that the transfers will be completed no later than July 1, 2015. In the event that permit transfers cannot be completed by July 1, 2015, CCC agrees to pursue reasonable and prudent measures to secure operational authority and responsibility for the Conner Run Dam and Impoundment, including, but not limited to, the issuance of administrative orders or other temporary operating authority, in order to act as operator and continue to use the Conner Run Dam and Impoundment for its fine coal refuse disposal operations on and after that date. CCC assumes responsibility for all costs and expenses arising from or associated with CCC's ongoing and continued operations at the Conner Run Dam and Impoundment on and after the date AEP's existing permits are transferred to or assumed by CCC, or July 1, 2015, whichever is earlier. If any utility commission regulatory approval is required but not yet obtained, or transfer of AEP's existing permits or authorizations for CCC to act as operator cannot be obtained by July 1, 2015, then AEP shall maintain its existing permits for the Conner Run Dam and Impoundment until such transfers or authorizations are obtained and CCC shall continue its use of the Conner Run Dam and Impoundment, subject to the provisions of Section VII.B.

B. Real Estate and Personal Property. The Parties have consulted and determined that exchanges of real property interests, including real estate, fixtures, and other appurtenances, should be made in order to better align ownership of the underlying parcels with ongoing operations at, in, and around the Conner Run Impoundment. Attachment B hereto contains a general depiction of the current interests in real property, and Attachment C contains a general depiction of the interests that will be held by CCC and AEP (and any applicable affiliates) after the exchange, including reserved rights for AEP's haul roads and transmission facilities with such adjustments as agreed by the Parties in writing, which reserved rights shall be confirmed by survey following execution of this Agreement. The Parties have determined that all personal property and appurtenances (i.e. any improvements and other materials and equipment) necessary for the day-to-day operation of the Conner Run Dam and Impoundment as a fine coal refuse disposal facility shall be transferred from AEP to CCC. The Parties shall make such other transfers of personal property as may be necessary for the day-to-day operation of the Conner Run Dam and Impoundment. This property does not include the pump station, piping, and improvements related solely to AEP's fly ash sluicing operations, which shall be retained by AEP. CCC and AEP will cooperate in good faith and work diligently to accomplish these property transfers on or about the date on which any required utility commission approvals are obtained and/or responsibility is transferred to CCC for the existing AEP permits, or as necessary to facilitate such permit transfers, including execution and recordation of the appropriate legal instruments. As operations at the Conner Run Dam and Impoundment and the separate operations of AEP and CCC in the area continue to evolve, the Parties agree to continue to evaluate their changing needs and, to the extent that it is mutually advantageous, to negotiate further exchanges of interests and grants of access as they mutually determine are appropriate and necessary.

C. Quarterly Invoicing. Prior to the transfer of the permits and real estate necessary to transition the operational responsibility for the Conner Run Dam and Impoundment to CCC, AEP will continue to prepare and issue invoices in arrears on a quarterly basis reflecting the relative share of construction costs and operating and maintenance expenses incurred for all work performed during the prior quarter. Invoices shall be submitted no later than the last business day of the calendar month following the end of each calendar quarter for all invoices received by the end of the prior quarter. All invoices shall be due and payable no later than the last business day of the next month following issuance of the invoice. AEP shall issue a final invoice no later than the end of the next calendar month following the transfer of the permits and real estate necessary to transition operational responsibility for the Conner Run Dam and Impoundment to CCC, which shall be no later than the date on which the Kammer and Mitchell Plants cease sluicing fly ash to the Conner Run Impoundment. Thereafter, CCC shall be solely responsible for ongoing construction costs and operating and maintenance expenses at the Conner Run Dam and Impoundment, except as otherwise provided herein. If any additional construction or operational costs are to be incurred by one Party and shared by the Parties thereafter, the details of any such agreement shall be set forth in a written agreement signed by the Managerial Representatives identified in Paragraph V.D. prior to incurring any shared costs.

III. Authorized Influents

A. The Parties agree that the currently authorized influents to the Conner Run Impoundment from AEP's operations are limited to the following:

1. Fly Ash Lines – three (3) fourteen-inch (14") diameter lines, from AEP's pumping station to the Conner Run Impoundment to convey fly ash and cooling tower blowdown from the Kammer and Mitchell Plants; and

2. Pump Station Sump Drains – two (2) fourteen-inch (14") diameter lines that drain by gravity from AEP's pump station sumps to the Conner Run Impoundment.

B. The Parties agree that, until such time as the existing AEP permits are transferred or assumed by CCC,, the currently authorized influents to the Conner Run Impoundment from CCC's operations are limited to the following:

1. Fine Coal Slurry Line – no limit as to the number of lines, but the Parties shall mutually agree as to the type, location, and/or chemical constituency of influent to the Conner Run Impoundment; and

2. Treated AMD Lines – no limit as to the number of lines, but the Parties shall mutually agree as to the type, location and/or chemical constituency of influent from the AMD treatment plant treating wastewater from the former Ireland Mine and the underdrains from the coarse coal refuse disposal areas near the Conner Run Impoundment that have been placed beneath the 765 kV switchyard access road and lead to the water tank near the construction office.

3. Freshwater Lines – AEP agrees that, when AEP no longer discharges blowdown water into the Conner Run Impoundment, CCC shall, at CCC's sole discretion, be permitted to introduce freshwater into the Conner Run Impoundment to maintain an adequate amount of water in the Conner Run Impoundment necessary for CCC's ongoing operations at CCC's preparation plant(s) and CCC's operations at the Conner Run Impoundment, to the extent such introduction is consistent with the permits and approvals issued for the Conner Run Dam and Impoundment.

C. Surface Water Runoff. The Conner Run Impoundment also receives sheet flow from the Conner Run watershed and the upstream face of the Conner Run Dam and collected surface waters from the drainage area that are approved to be managed in the Conner Run Impoundment.

D. While the NPDES, MSHA and WVDSS permits for the Conner Run Impoundment are held by AEP, no other influents are permitted to be introduced to the Conner Run Impoundment without the written consent of the Parties. On and after the date that transfer of the permits and real estate necessary to transition the operational responsibility for the Conner Run Impoundment to CCC occurs, CCC shall no longer require AEP's consent to alter the authorized influents to the Conner Run Impoundment, but shall provide notice to AEP of the introduction of new authorized influents, along with a representative sample of the new authorized influent, an analysis of the composition and constituents of each new authorized influent, and an estimate of the annual volume of such new authorized influent introduced to the Conner Run Impoundment.

IV. Operational Expenses

A. Shared Costs Prior to Transfer. During the period prior to the date that the permits for the Conner Run Impoundment are transferred to CCC, and no later than the date on which fly ash discharges to the Conner Run Impoundment from the Kammer and Mitchell Plants cease, the following costs shall continue to be shared between AEP and CCC based on the amount of material placed in the Conner Run Impoundment during the prior year:

1. The cost to build and maintain jointly used floating roads or bridges to access the Parties' respective operations; and
2. Incidental materials and activities necessary for the normal and efficient operation of the Conner Run Impoundment.

AEP shall itemize such costs in each invoice and apply the applicable percentage for each Party, which the Parties agree shall be 30% AEP and 70% CCC in 2014.

B. Shared Costs After Transfer. On or after the date that the permits for the Conner Run Impoundment are transferred to CCC, but no later than the date on which fly ash discharges to the Conner Run Impoundment from the Kammer and Mitchell Plants cease, the costs referenced in paragraph IV.A. 2. shall cease to be shared costs. The costs referenced in paragraph IV.A. 1. shall be shared equitably, based on the cubic yards of material transported over any jointly used road or bridge, or on another mutually agreeable basis, which shall be determined by the Managerial Representatives and reduced to writing prior to undertaking any construction or maintenance activities, in accordance with Section V. of this Agreement.

C. Excluded Costs. The following expenses have historically been billed and paid separately by the Parties, and/or are not considered to be related to the normal joint operation of the Conner Run Impoundment, and shall be excluded from shared costs allocated in accordance with the provisions of this paragraph IV.

1. AEP shall be solely responsible for paying all costs and expenses associated with the following activities:

a. AEP's removal of cenospheres from the Conner Run Impoundment;

b. AEP's costs of transporting fly ash, gypsum, or other coal combustion products to the Conner Run Impoundment, installation, maintenance, relocation and removal of ash lines or conveyors, and trucking of any fly ash or other coal combustion materials to or for use at the Conner Run Impoundment; and

c. AEP's fifty percent (50%) share of the cost for engineering services (i) provided by Civil & Environmental Consultants, GeoSyntec, and Geo/Environmental Associates under the existing contracts for professional services and (ii) provided by other consultants, as mutually agreed upon by the Parties, for professional services.

2. CCC shall be solely responsible for paying all costs and expenses associated with the following activities:

a. CCC's costs related to its fine and coarse coal refuse disposal operations;

b. CCC's costs for placement of coarse coal refuse at the Conner Run Dam and Impoundment, on the main dam and saddle dam, to support the floating road through the Conner Run Impoundment, on the east hillside, and for other construction purposes;

c. CCC's costs for installation, maintenance, relocation and removal of its fine coal refuse and water lines or conveyors, and trucking of any coal refuse or other mining materials to or for use at the Conner Run Impoundment; and

d. CCC's fifty percent (50%) share of the cost for engineering services (i) provided by Civil & Environmental Consultants, GeoSyntec, and Geo/Environmental Associates under the existing contracts for professional services and (ii) provided by other consultants, as mutually agreed upon by the Parties, for professional services.

V. Operations and Management

A. Coordination of Operations; Rights of Exclusive Use; Avoidance of Interference or Interruption. The Parties will harmonize their operations in the Conner Run Impoundment to the maximum extent practicable through the exchange of interests in real property and the allocation of permits and operational responsibilities. AEP will retain an easement with exclusive rights to use the existing paved haul road constructed to provide access to its newly permitted dry ash disposal facility ("AEP's Haul Road"), and CCC will establish and maintain exclusive rights to use separate means of access to its existing and future mining and disposal operations ("CCC's Haul Roads"), with the exceptions of the floating road that both Parties use to cross the Conner Run Impoundment and other select crossings. Where any haul road or portion of a haul road is used jointly by the Parties, the Parties shall mutually agree as to the safety policies and procedures with respect to such haul road or portion of a haul road. The Parties will use their best efforts to avoid any interference with or interruption in the use of each other's Haul Roads, and will coordinate construction and other activities so as to assure unimpeded access and use of the easements and retained rights of the other Party for such Haul Roads. Each Party will be responsible for security for its own operations.

B. Maintenance, Relocation, and Repair of Crossings and Jointly Used Roads and Bridges. CCC shall, at CCC's sole expense, deliver material to be used as the base for the floating road through the Conner Run Impoundment and compact the material consistent with CCC's existing practices for coarse coal refuse. The Parties will share equally the cost of the design, construction and maintenance of the floating road, overlay, drainage provisions, or surfacing necessary to maintain compliance with any operational limitations that affect their hauling operations, and the costs of relocating the floating road to accommodate their mutual operations. The terms for sharing costs for any other jointly used roads, bridges, or crossings shall be agreed to and reduced to writing and signed by the Managerial Representative of each Party prior to incurring any shared costs, which agreement shall not be unreasonably withheld. During any repair, relocation, or maintenance of the floating road, access for routine haulage shall be maintained and there shall be no interruption of normal operations.

The Parties agree that relocation of AEP's Haul Road in such a manner as to allow AEP to build and maintain a road ("AEP's New Haul Road") that generally follows the leachate lines for the newly constructed dry ash disposal area, and that would eliminate the need for a floating road through the Conner Run Impoundment is desirable, and should be pursued with the applicable permitting authorities. The Parties agree to convey any easements or other rights as necessary to establish AEP's New Haul Road without cost. The Parties agree to share equally the cost of preparing and submitting any plans necessary to accomplish this relocation at their earliest convenience, and to cooperate in the preparation and submission of required plans to accomplish this goal. Upon approval of such plans, AEP shall be responsible for the costs of constructing a new road that generally follows the leachate lines for the dry fly ash disposal area, with CCC contributing coarse coal refuse as a construction material and delivering such material to the required location at CCC's expense. AEP shall be responsible for placing the coarse coal refuse to AEP's required specifications.

C. Operational Representatives. AEP and CCC shall each designate an Operational Representative and an Alternate who shall serve as initial points of contact for ongoing operations at the Conner Run Impoundment. Initially, the Operational Representatives and their Alternates shall be:

AEP Operational Representative:	Timothy W. Howdyshell	
Address	1 Riverside Plaza	
	22nd Floor, Columbus, OH 43215	
Telephone:	(614) 716-2297	
E-mail:	thowdyshell@aep.com	
AEP Alternate:	Thomas P. Cooper	Dennis C. Henderson
Address	1 Riverside Plaza	Mitchell Plant
	17th Floor	8999 Energy Rd.
	Columbus, OH 43215	Moundsville, WV 26041
Telephone:	(614) 716-2039	(304) 843-6031
E-mail:	tpcooper@aep.com	dchenderson@aep.com
CCC Operational Representative:	Fred Blumling	
Address	46226 National Road	
	St. Clairsville, Ohio 43950	
Telephone:	(740) 310-7040	
E-mail:	fblumling@coalsource.com	
CCC Alternate:	Charles Kapp	
Address	46226 National Road	
	St. Clairsville, Ohio 43950	
Telephone:	(740) 391-3932	
E-mail:	ckapp@coalsource.com	

The Operational Representatives and their Alternates shall be the initial points of contact for any issues arising during construction and/or operation of the Conner Run Impoundment, transitioning of permits and real estate, and continued use of easements, rights of way, and other authorizations during future operations. Additional contacts within each organization shall be made as necessary to address any issues that arise. The Parties may change the Operational Representative and Alternate(s) by providing written notice to the other Party.

D. Managerial Representatives. AEP and CCC shall each designate a Managerial Representative to administer this Agreement, discuss the need for any adjustments or modifications in the obligations or responsibilities set forth in this Agreement, and address any issues that cannot be resolved by mutual agreement of the Operational Representatives. The Managerial Representatives shall meet at least quarterly with the Operational Representatives to review: (1) the operation of the Conner Run Impoundment; (2) the use of rights of way and access to the impoundment, CCC's disposal areas, AEP's transmission assets, and the Mitchell landfill and any issues arising in connection therewith; and (3) any regulatory actions affecting those operations, until the Conner Run Impoundment is closed and all related regulatory responsibilities have been fulfilled. The Operational Representatives of each Party shall supply information as may be reasonably requested by the Managerial Representatives to participate in and make reasonable decisions regarding operation of the Conner Run Impoundment and the impact of the Conner Run Impoundment on related or near-by activities. Decisions of the Managerial Representatives shall be by mutual consent, which shall not be unreasonably withheld.

AEP Managerial Representative:	Daniel L. Moyer
Address	Mitchell Plant 8999 Energy Rd. Moundsville, WV 26041
Telephone:	(304) 843-6001
E-mail:	dlmoyer@aep.com
CCC Managerial Representative:	Jim Turner
Address	46226 National Road St. Clairsville, Ohio 43950
Telephone:	(740) 338-3287
E-mail:	jturner@coalsource.com

The Parties may change their Managerial Representative(s) by providing written notice to the other Party.

VI. Closure, Remediation, or Assessment Costs

A. Closure of the Impoundment. CCC's operation of the Conner Run Dam and Impoundment is expected to continue for a substantial period of time following the transfer of ownership and operational responsibility from AEP. Continued placement of coal refuse and other mining materials on and within the Conner Run Dam and Impoundment will result in gradual dewatering of the Impoundment, provide cover for the fly ash, and form a suitable base and grades that promote proper storm water drainage for the eventual placement of a soil cover and reclamation of the Impoundment. In consideration of AEP's transfer of the Conner Run Dam and Impoundment, its current value, and the value of its future use to CCC's ongoing mining operations, CCC agrees to assume full responsibility for closure, remediation, assessment, and reclamation of the Conner Run Dam and Impoundment, except as set forth below. If a Final Closure/Reclamation obligation arises as a result of the discontinuation of CCC's mining operations at the Marshall County Mine within the time periods set forth below, the Parties agree that AEP's obligation to fund a portion of those costs will be satisfied as set forth in the following schedule:

If Final Closure of the Conner Run Impoundment commences on or after the Effective Date and by the date set forth below:	AEP will contribute the following percentage of the actual costs of closure:	Up to a maximum amount of:
June 1, 2017	50 %	$ 31,500,000
June 1, 2018	48 %	$ 27,882,500
June 1, 2019	45 %	$ 24,480,000
June 1, 2020	43 %	$ 21,292,000
June 1, 2021	40 %	$ 18,320,000
June 1, 2022	38 %	$ 15,562,000
June 1, 2023	35 %	$ 13,020,000
June 1, 2024	33 %	$ 10,692,500
June 1, 2025	30 %	$ 8,580,000
June 1, 2026	28 %	$ 6,682,500
At any time after June 1, 2027	25 %	$ 5,000,000

On June 1, 2016, and on June 1 of each year thereafter, CCC shall provide AEP with its most current estimate of the costs of Final Closure/Reclamation for the Conner Run Dam and Impoundment. CCC shall also provide to AEP notice of the date on which commencement of

Final Closure/Reclamation activities at the Conner Run Dam and Impoundment will occur, and a copy of any plans submitted to a state or federal regulatory agency for the Final Closure/Reclamation within five (5) business days of the submission of such plans. For purposes of this paragraph "Final Closure/Reclamation" means the ultimate cessation of use of the Conner Run Dam and Impoundment and the reclamation, contouring, placement of final cover, and other activities associated with the final closure of the Conner Run Dam and Impoundment, and does not include any reconfiguration or interim reclamation activities prior to the cessation of use of the Conner Run Dam and Impoundment.

VII. Environmental Permits, Employee Safety and Health, and Liability

A. Transfer of AEP's Existing Conner Run Impoundment Environmental Permits. AEP currently maintains the following permits for the Conner Run Dam and Impoundment:

1. SW/NPDES Permit No. WV0116939
2. WVDEP Dam Safety ID No. 05102
3. MSHA Impoundment ID No. 1211-WV03-09072-01

As soon as possible, AEP and CCC will initiate the process to transfer responsibility for these existing permits, to modify CCC's existing mining permits to include responsibility for the construction and operation of the Conner Run Dam, the Conner Run Impoundment, and the discharges from the Conner Run Impoundment reflected in SW/NPDES Permit No. WV0116939, and/or to apply for new permits necessary for CCC's continued use of the Conner Run Dam and Impoundment within the scope of the current WVDEP Dam Safety approvals and MSHA application. Applications for transfers, modifications of the necessary permits, and/or for new permits shall be submitted as soon as practicable. Prior to the transfer of AEP's existing permits or obtaining the necessary authorization for CCC to continue current operations at the Conner Run Dam and Impoundment pursuant to such existing permits, AEP shall be responsible for compliance with the permits listed above, and the costs or expenses related to any testing, sampling, remediation, payment of fines or penalties, or costs or expenses of litigation related to these permits.

B. Compliance Responsibilities. On and after the date that AEP's existing permits are transferred to CCC, or the date CCC obtains any authorization required for CCC's continued use of the Conner Run Dam and Impoundment, and no later than the date that AEP ceases to dispose of fly ash from the Kammer and Mitchell Plants in the Conner Run Impoundment, CCC shall assume responsibility for complying with the terms and conditions of these permits or any permit or other authorizations issued to replace or in lieu of these permits, including responsibility for all operations, management, and costs related thereto. In the event that permit transfers cannot be completed by July 1, 2015, CCC agrees to pursue all reasonable and prudent measures to secure operational authority and responsibility for the Conner Run Dam and Impoundment, including, but not limited to, the issuance of administrative orders or other temporary operating authority, in order to act as operator and continue to use the Conner Run Dam and Impoundment for its fine coal refuse disposal operations on and after that date. CCC assumes responsibility for all costs and expenses arising from or associated with CCC's operations at the Conner Run Dam and Impoundment on and after the date AEP's existing permits are transferred to or assumed by CCC, or July 1, 2015, which is earlier, including all costs of compliance with AEP's existing permits, if still in effect. If transfer of AEP's existing permits or authorizations for CCC to act as operator cannot be obtained by July 1, 2015, CCC agrees that AEP should be compensated for the period of time after July 1, 2015, that it maintains its existing permits for the Conner Run Dam and Impoundment and the Parties will negotiate and reduce to writing an agreement providing for such compensation at a reasonable rate.

C. Indemnification for Breach of Laws, Regulations or Permits. Each Party will comply with all applicable laws, regulations and permits issued by a governmental authority, including, but not limited to, environmental laws, rules, regulations and permits in their operations at the Conner Run Dam and Impoundment. Except as provided in Paragraph VII.B., above, if any federal, state or local governmental authority or agency brings any claim or action alleging, or otherwise asserts, that a Party has breached any applicable law, rule, regulation or permit, such Party shall indemnify and save the other Party harmless from any costs, expenses, fines or penalties arising out of such claim, action or other assertion, unless both Parties are in breach of or have failed to comply with, or are alleged to have failed to comply with, any applicable law, rule, regulation or permit, in which case each Party shall conduct its own defense of such claim or action and shall pay its own costs of defense and any costs, expenses, fines and penalties awarded based on such claim or action.

Notwithstanding the foregoing or any other provisions in this Agreement, AEP shall be solely responsible for all costs, fines, penalties, assessments, damages, and other fees and expenses arising out of or related to Case No. 5:15-cv-103 before the United States District Court for the Northern District of West Virginia and all associated Consent Decrees, judgments, and settlements, and AEP agrees to now and hereafter release, indemnify, and hold harmless CCC from all such costs, fines, penalties, assessments, damages, and other fees and expenses. AEP represents and covenants that, as of the date of the Agreement, AEP has not received notice of, nor does AEP have knowledge of any allegations that could give rise to, any action, complaint, penalty, assessment, or any other claim related to a breach of any laws, regulations, or permits at the Conner Run Dam and Impoundment.

D. Indemnification for Damages and Joint Defense. (1) In the event that a claim is asserted or an action is filed against both Parties alleging that personal injuries, including disease or death, and/or third party property damages have occurred as a result of the negligent acts or omissions of the Parties, or arising from an alleged release from or failure of the Conner Run Dam or Impoundment, the Parties will promptly determine if it is appropriate for them to be represented by the same counsel and equally share the costs of such defense. If the Parties decide to use joint counsel, then they shall both cooperate fully with such counsel, and shall share equally in the costs of defense, including attorneys' and expert fees and all other reasonable costs of defense, except that each Party shall bear the costs and expenses of its own employees, agents and contractors, including in-house counsel, while participating in the defense. Each Party shall cooperate in creating a funded escrow account or paying a retainer to counsel that allows prompt processing of costs and expenses. If the Parties decide that their interests preclude the use of joint counsel, each Party will engage counsel of its own choosing at its own expense. If the Parties decide to retain separate counsel, they may still elect to enter into a Joint Defense Agreement that may allow them to cooperate in their defense and share certain costs of defense.

Whether the Parties elect a joint defense or separate counsel, the costs of defense shall be as stated in this section and shall not be reallocated or subject to recovery by one Party from the other Party, regardless of the outcome of the claim or action, except as provided in Subsection VII.D(2) below.

Each Party shall pay any final judgment or award entered against it, or settlement that it reaches, without contribution from the other Party unless, due to joint and several liability, one Party must pay the final judgment entered against the other Party, in which case, such paying Party may bring an action for indemnification against the other Party for the amount of such judgment paid, plus applicable interest and court costs.

(2) In the event that a claim is asserted or an action is filed against one Party (the "Claiming Party") alleging that personal injuries, including disease or death, and/or third party property damages have occurred as a result of negligent acts or omissions in the operation or use of the Conner Run Dam or Impoundment, or arising from an alleged release from or failure of the Conner Run Dam or Impoundment, and the Claiming Party reasonably believes that responsibility for defending such action and satisfying any resulting judgment should be borne solely or partially by the other Party (the "Responding Party"), then the Claiming Party shall send a written Indemnification Notice to the Responding Party and the Parties will promptly meet (i) to determine in good faith whether it is appropriate for them to coordinate a response to the claim or action, including taking any action consistent with Subsection VII.D(1), above, (ii) to determine if the Responding Party shall indemnify, defend, and hold harmless the Claiming Party from any claims arising out of or related to the Responding Party's use, at any time, of the Impoundment, and (iii) to determine by agreement what proportional responsibility each Party will have for any final settlement, judgment or award resolving such claim or action. If the parties cannot reach an agreement on all three (3) of the items in the preceding sentence, then the Claiming Party shall retain the right to assert any and all claims against the Responding Party for damages caused, in whole or in part, by the Responding Party to any person or persons, including but not limited to disease or death, and/or third party property damages that have occurred as a result of the Responding Party's past or future negligent acts or omissions in the operation or use of the Conner Run Dam or Impoundment, or arising from an alleged release from or failure of the Conner Run Dam or Impoundment.

All meetings, communications, conversations, and settlement documents exchanged between the Parties pursuant to, or resulting from the communications set forth in, this Subsection VII.D(2), shall be inadmissible to prove the liability of a Party pursuant to Rule 408 of the West Virginia and Federal Rules of Evidence, as applicable.

(3) In the event that one Party is determined through a final judgment, following all available appeals, to be 100% liable for any damages owing to the plaintiff(s) in an action, and the other Party is determined to have no liability for any damages owing to the plaintiff(s) in an action, then the Party that is 100% liable shall pay to the other Party all of the other Party's reasonable costs and expenses, including attorney's and expert fees, spent defending such action.

E. Coarse Coal Refuse Disposal Sites. CCC shall retain all responsibility for the treatment of any run-off from the coarse coal refuse disposal areas in the Conner Run watershed.

VIII. Water Quality and Groundwater Data

A. Baseline Influent Data. In accordance with the Protocol attached to the 2003 Agreement, AEP has collected and maintained information on influent characteristics for the fly ash and fine coal refuse influents to the Conner Run Impoundment. These influent analyses show that the materials contributed by both Parties contain concentrations of many of the same constituents, including many trace metals, boron, calcium, chloride, sodium and sulfates, in varying amounts. AEP has made copies of these historic data available to CCC.

B. Future Influent Data. AEP will continue to sample the influents to the Conner Run Impoundment as required by the terms of its current SW/NPDES permit, and will make any additional data collected available to CCC at the time operational responsibility for the Conner Run Impoundment and the permits referenced in Section VII are transferred to CCC or replaced by similar permits. Thereafter, CCC shall collect similar data for the influents to the Conner Run Impoundment, if and as required by the governing permits for the impoundment, and if no such data is required to be collected by those permits, CCC shall on an annual basis collect a representative sample of the influents from its operations, and provide the results of its analysis of those influents, and the results of any analysis required by Section III.D for any new influents, to AEP's Operational and Managerial Representatives as provided in Section V.

C. Groundwater Quality and Protection Issues. AEP has performed groundwater monitoring and sampling in accordance with Paragraph 16 (a) of the 2003 Agreement and the costs of that program have been shared in accordance with Paragraph 16 (b) of the 2003 Agreement. To date, no assessment or remediation has been required. Prior to the transfer of operational responsibility for the Conner Run Dam and Impoundment to CCC, AEP shall provide to CCC copies of all annual reports and other ground water monitoring information that AEP has submitted to the WV DEP as required by the SW/NPDES permit. At thirty (30) days prior to a meeting of the Managerial Representatives, or upon AEP's reasonable request, CCC shall provide AEP with copies of all annual reports and other ground water monitoring information collected by CCC and submitted in accordance with the SW/NPDES permit, its mining permits, or any orders or other requirements imposed by any applicable regulatory authority.

IX. Force Majeure

A. Force Majeure Not a Breach. Neither Party shall be in breach of this Agreement to the extent that any delay or default in performance is due to a Force Majeure Event. No delay in performance resulting from a Force Majeure Event shall result in any liability on the part of either Party.

B. Notice. The delaying or affected Party shall immediately notify the other Party of the beginning of the delaying or other Force Majeure Event. The notice shall contain a detailed account of the delay, including the cause of the delay, an estimate of the duration of the delay, an estimate of the delay's impact to the schedule, and the plan to mitigate the effects of the delay.

C. Extension to Perform. As agreed by the Parties, to the extent necessary to address any delay associated with a Force Majeure Event, the delaying Party shall be granted an extension of time to perform its obligations under this Agreement.

D. Definition. A "Force Majeure Event" means any cause that is beyond the reasonable control and without the fault or negligence of the delaying Party, including, but not limited to, Acts of God, insurrections, riots, wars and warlike operations, terrorism, civil disturbances, explosions, governmental or military acts, epidemics, labor strikes, fires, floods, earthquakes, severe weather, import quotas, accidents, tampering, acts of the public enemy, embargoes, blockades, the inability to obtain required materials, qualified labor, or transportation, and the like.

X. Dispute Resolution

A. Informal Disputes. The Parties will make every reasonable effort to resolve disputes arising under this Agreement through negotiation. If a dispute arises between the Parties, the Operational Representatives will first strive to resolve the dispute. If the Operational Representatives cannot resolve the dispute within fifteen (15) business days from the time that one Party gives notice of the dispute to the other Party, then the Managerial Representatives shall meet to attempt to resolve the dispute. If the Managerial Representatives are unable to resolve a dispute within fifteen (15) business days following elevation of the dispute to their level, then each Party shall appoint a senior executive who shall attempt to resolve the dispute.

B. Notice of Dispute. Either Party asserting a dispute that is not resolved through the informal dispute resolution process at the Operational or Managerial Representative levels shall deliver a written notice to the other Party describing the dispute and proposing a resolution. For a period of ten (10) business days following receipt of the notice of dispute, the senior executives of the Parties shall attempt in good faith to resolve the dispute through negotiations. If such negotiations result in an agreement in principle to settle the dispute, they shall cause a written settlement agreement to be prepared, signed and dated, whereupon the dispute shall be deemed settled and not subject to further dispute resolution.

C. Unresolved Dispute; Waiver of Jury Trial. If the senior executives of the Parties are unable to settle the dispute within the time allotted, the dispute may be submitted, by mutual agreement of the Parties, to mediation to occur at a mutually agreeable location with a mutually selected mediator. The Parties reserve all rights to adjudicate any dispute not submitted to mediation or resolved through mediation, in any court of competent jurisdiction located in the States of Ohio or West Virginia; *provided, however,* that each Party waives the right to a trial by jury in any such action.

D. Exception for Injunctive Relief. Notwithstanding the dispute resolution process set forth above, either Party may request injunctions, seizure orders, writs of attachment, restraining orders, and other extraordinary remedies, from any court of competent jurisdiction located in the county of the defendant's principal place of business in the case of any imminent threat of irreparable injury, without the posting of a bond or proof of monetary damages. Each Party shall allow, to the maximum extent practicable, uninterrupted access to and the right to ongoing operation of each Party's respective facilities with minimum disruption.

XI. General Provisions

A. This Agreement shall commence on the Effective Date and, unless earlier terminated due to a Party's default, shall terminate on the date that both Parties' operations in the Conner Run Impoundment cease, or the date that AEP's closure obligations under Section VI are satisfied, whichever is earlier.

B. Each Party shall be solely responsible for the supervision, direction and control of its employees and subcontractors, and for the payment of all compensation, benefits and employment taxes with respect to its employees. Neither Party shall act as the agent for the other Party, or create any binding obligations for the other Party.

C. Neither Party may assign any of its rights or obligations under this Agreement, by operation of law or otherwise, without the prior express written consent of the other Party; *provided however,* that either Party may assign this Agreement without such consent, with 60 days prior written notice, if such assignment is to an affiliate, or in connection with a merger, acquisition, corporate reorganization, sale of all or substantially all of the relevant assets, or other change of control. Any attempted assignment in violation of this Section shall be null and void.

Subject to the foregoing, this Agreement shall bind and inure to the benefit of the Parties, their respective successors and permitted assigns.

D. The unenforceability of any provision of this Agreement shall not impair the enforceability of any other part of this Agreement. If any provision is deemed to be invalid or unenforceable, in whole or in part, this Agreement, as necessary, shall be deemed amended to delete or modify the invalid or unenforceable provision to render it valid, enforceable and, insofar as possible, consistent with the original intent of the Parties.

E. Any notice with respect to this Agreement shall be in writing and shall be effective on the date received (unless such notice specifies a later date), and shall be sent by courier or overnight service that confirms delivery in writing, or by certified mail, return receipt requested, or by e-mail, addressed to a Party at the address of its Operational Representative.

F. Neither Party may issue a press release or otherwise make a public announcement about this Agreement, or the subject matter thereof, without the other Party's prior written consent. This provision shall not affect or prohibit a Party's recording of a memorandum of this Agreement or related documents in a County Recorder's Office or the filing of notices or required information pertaining to this Agreement with any governmental agency or office.

G. Each Party agrees that it will not, without the prior written consent of the other Party, disclose to any third party or use for its own benefit any Confidential Information of the other Party. "Confidential Information" shall mean all information concerning or related to the terms and conditions of this Agreement, business, operations, financial condition or prospects of each Party, regardless of the form in which such information appears and whether or not such information has been reduced to a tangible form; provided, that the Confidential Information shall not include (i) information which is or becomes generally known to the public through no act or omission by a Party, (ii) information which is known by or in the possession of the non-disclosing Party at the time of its disclosure, (iii) information which has been or hereafter is lawfully obtained by a Party from a source other than the other Party, so long as, in the case of information obtained from a third party, such third party was or is not, directly or indirectly, subject to an obligation of confidentiality owed to the other Party at the time such Confidential Information was or is disclosed to the other Party, and (iv) information which is released from confidential treatment by mutual written consent of the Parties or which is specifically identified as not confidential by the non-disclosing Party. This provision shall not affect or prohibit a Party's recording of a memorandum of this Agreement or related documents in a County Recorder's Office or the filing of notices, applications, or other required information pertaining to this Agreement with any governmental agency or office.

H. This Agreement shall be governed by the laws of the State of Ohio, irrespective of its choice of laws principles.

I. This Agreement may be executed in counterparts, each of which shall be deemed an original, but which shall constitute one and the same instrument.

J. Each Party represents and warrants that the individual executing this Agreement on behalf of such Party is duly authorized to execute the Agreement and to bind such Party hereto. Each Party further represents and warrants that this Agreement is a valid and binding obligation of such Party and enforceable against such Party in accordance with its terms.

K. This Agreement constitutes the final, complete and exclusive contract between the Parties with respect to the subject matter hereof, and supersede any prior or contemporaneous proposal or representations with regard thereto.

L. Except for costs and expense as allocated herein, each Party shall bear its own costs and pay its own expenses incident to this Agreement.

M. Each Party will comply with all applicable laws with respect to its performance under this Agreement.

N. The headings in this Agreement will not be employed in the interpretation hereof. Both Parties have participated equally in the negotiation and drafting of this Agreement. This Agreement will not be interpreted more favorably for one Party than the other Party.

IN WITNESS WHEREOF, the Parties have executed this Agreement effective as of the Effective Date above.

KENTUCKY POWER COMPANY	CONSOLIDATION COAL COMPANY
By:	By:
Title: Vice President	Title: Vice President

ATTACHMENT A

OHIO POWER COMPANY
MITCHELL PLANT LANDS
LOCATED EAST OF STATE ROUTE 2
FRANKLIN DISTRICT, MARSHALL COUNTY, WEST VIRGINIA
476.56 - ACRE PARTITION BOUNDARY SURVEY

EXHIBIT A-1

ALL THAT CERTAIN tract of land, hereinafter referred to as Area "A", situated in Franklin District, Marshall County, West Virginia, being more particularly bounded and described as follows:

BEGINNING at a Mag-Nail, set, in the centerline of West Virginia State Route 2 at Centerline Station 136 + 30.0 as computed from the Highway Right-of-Way Plans for Federal Project Number F 184 (13) Dated 1956 Revised 2/13/1957;

Thence, leaving said centerline and continuing along a reference line South 57° 34' 23" East, a distance of 4,856.30 feet to a point. Said point is a common corner between the lands of Ohio Power Company, as recorded at the Office of the Clerk of Marshall County in Deed Book 440 at page 300, and the lands of Consolidation Coal Company, as recorded at said clerk's office in Deed Book 315 at page 417. Said point is also the **True Point of Beginning** of the herein described tract of land;

Thence, continuing with the common bounds of the lands of Ohio Power Company, as recorded in said Deed Book 440 at page 300, and the lands of Consolidation Coal Company, as recorded in said Deed Book 315 at page 417, along the following ninety-five (95) courses and distances:

1) North 64° 27' 46" East, a distance of 125.00 feet to a point;

2) South 82° 18' 14" East, a distance of 190.00 feet to a point;

3) North 07° 34' 46" East, a distance of 70.00 feet to a point;

4) North 31° 47' 46" East, a distance of 122.00 feet to a point;

5) North 51° 07' 47" East, a distance of 130.00 feet to a point;

6) North 06° 07' 46" East, a distance of 70.00 feet to a point;

7) North 33° 14' 13" West, a distance of 165.00 feet to a point;

8) North 04° 32' 13" West, a distance of 190.00 feet to a point;

9) North 52° 47' 46" East, a distance of 40.00 feet to a point;

10) North 09° 25' 46" East, a distance of 135.00 feet to a point;

11) North 32° 03' 46" East, a distance of 85.00 feet to a point;

12) North 84° 32' 47" East, a distance of 120.00 feet to a point;

13) South 71° 57' 13" East, a distance of 240.00 feet to a point;

14) North 26° 34' 48" East, a distance of 145.00 feet to a point;

15) North 52° 59' 00" East, a distance of 185.86 feet to a point;

16) South 73° 34' 13" East, a distance of 1740.66 feet to a point;

17) South 45° 32' 16" West, a distance of 68.81 feet to a point;

18) South 06° 33' 54" East, a distance of 81.32 feet to a point;

19) South 27° 21' 35" West, a distance of 72.90 feet to a point;

20) South 22° 25' 43" West, a distance of 128.72 feet to a point;

21) South 22° 08' 43" West, a distance of 78.98 feet to a point;

22) South 31° 37' 57" West, a distance of 142.37 feet to a point;

23) South 32°03' 27" West, a distance of 227.57 feet to a point;

24) South 04° 37' 45" West, a distance of 146.04 feet to a point;

25) South 10° 37' 31" West, a distance of 98.49 feet to a point;

26) South 08° 43' 30" West, a distance of 124.80 feet to a point;

27) South 07° 03' 25" West, a distance of 179.31 feet to a point;

28) South 02° 44' 44" East, a distance of 261.71 feet to a point;

29) South 06° 36' 50" East, a distance of 178.28 feet to a point;

30) South 08° 47' 11" West, a distance of 141.68 feet to a point;

31) South 05° 26' 33" East, a distance of 268.38 feet to a point;

32) South 08° 36' 37" East, a distance of 310.79 feet to a point;

33) South 04° 59' 33" East, a distance of 181.12 feet to a point;

34) North 48° 16' 30" East, a distance of 101.94 feet to a point;

35) North 40° 10' 31" East, a distance of 206.60 feet to a point;

36) North 34° 08' 34" East, a distance of 175.03 feet to a point;

37) North 33° 06' 37" East, a distance of 138.41 feet to a point;

38) South 07° 47' 26" West, a distance of 247.70 feet to a point;

39) South 02° 33' 35" West, a distance of 98.67 feet to a point;

40) South 09° 13' 22" East, a distance of 133.43 feet to a point;

41) South 00° 50' 13" East, a distance of 137.70 feet to a point;

42) South 07° 41' 55" West, a distance of 209.40 feet to a point;

43) South 02° 18' 05" West, a distance of 188.70 feet to a point;

44) South 10° 51' 56" East, a distance of 64.55 feet to a point;

45) South 45° 07' 23" East, a distance of 161.99 feet to a point;

46) South 78° 54' 02" East, a distance of 81.43 feet to a point;

47) North 64° 26' 11" East, a distance of 249.29 feet to a point;

48) North 50° 35' 11" East, a distance of 59.99 feet to a point;

49) South 09° 18' 53" East, a distance of 66.33 feet to a point;

50) South 29° 21' 33" East, a distance of 114.16 feet to a point;

51) South 56° 54' 09" East, a distance of 80.18 feet to a point;

52) South 73° 53' 42" East, a distance of 162.77 feet to a point;

53) North 84° 04' 47" East, a distance of 221.99 feet to a point;

54) North 85° 49' 32" East, a distance of 215.27 feet to a point;

55) North 68° 12' 27" East, a distance of 117.41 feet to a point;

56) North 57° 58' 27" East, a distance of 218.09 feet to a point;

57) North 27° 08' 24" East, a distance of 85.20 feet to a point;

58) North 75° 23' 44" East, a distance of 160.87 feet to a point;

59) North 72° 45' 27" East, a distance of 222.13 feet to a point;

60) North 68° 54' 41" East, a distance of 86.44 feet to a point;

61) North 56° 59' 42" East, a distance of 217.67 feet to a point;

62) North 23° 52' 43" East, a distance of 85.99 feet to a point;

63) North 07° 31' 12" East, a distance of 97.17 feet to a point;

64) North 35° 10' 50" East, a distance of 153.69 feet to a point;

65) North 47° 38' 59" East, a distance of 118.77 feet to a point;

66) North 06° 42' 45" East, a distance of 161.19 feet to a point;

67) North 12° 02' 08" West, a distance of 175.21 feet to a point;

68) North 19° 17' 12" West, a distance of 139.83 feet to a point;

69) North 47° 47' 40" West, a distance of 49.51 feet to a point;

70) North 17° 45' 15" West, a distance of 244.59 feet to a point;

71) North 45° 23' 39" West, a distance of 95.01 feet to a point;

72) South 84° 36' 05" East, a distance of 90.80 feet to a point;

73) North 63° 22' 44" East, a distance of 77.54 feet to a point;

74) North 40° 55' 18" East, a distance of 47.31 feet to a point;

75) North 36° 24' 17" East, a distance of 68.80 feet to a point;

76) North 23° 49' 28" East, a distance of 44.62 feet to a point;

77) North 08° 46' 56" East, a distance of 115.18 feet to a point;

78) North 27° 14' 25" East, a distance of 138.91 feet to a point;

79) South 04° 59' 12" West, a distance of 160.33 feet to a point;

80) South 11° 47' 44" West, a distance of 207.79 feet to a point;

81) South 12° 45' 00" West, a distance of 102.75 feet to a point;

82) South 21° 46' 51" East, a distance of 34.60 feet to a point;

83) South 32° 52' 49" East, a distance of 293.04 feet to a point;

84) South 33° 05' 46" East, a distance of 222.05 feet to a point;

85) South 61° 36' 08" East, a distance of 153.25 feet to a point;

86) North 81° 23' 09" East, a distance of 206.69 feet to a point;

87) North 76° 26' 57" East, a distance of 104.57 feet to a point;

88) North 65° 42' 39 " East, a distance of 58.73 feet to a point;

89) North 56° 20' 04" East, a distance of 41.61 feet to a point;

90) North 58° 20' 05" East, a distance of 146.03 feet to a point;

91) North 66° 03' 02" East, a distance of 161.84 feet to a point;

92) North 86° 22' 06" East, a distance of 56.90 feet to a point;

93) North 78° 28' 02" East, a distance of 42.78 feet to a point;

94) North 51° 02' 08" East, a distance of 180.20 feet to a point;

95) South 87° 59' 55" East, a distance of 194.17 feet to a point at the common corner between aforesaid Ohio Power Company, aforesaid Consolidation

Coal Company and a tract of land conveyed to McElroy Coal Company by deed as recorded at aforesaid clerk's office in Deed Book 628 at page 369;

Thence, leaving the lands of Consolidation Coal Company and continuing with the common bounds between the lands of Ohio Power Company, as recorded at said clerk's office in Deed Book Volume 440, Page 300, and the lands of McElroy Coal Company, along the following two (2) courses and distances:

1) South 70° 23' 02" West, a distance of 536.00 feet to a point;

2) South 51° 57' 47" West, a distance of 1365.79 feet to a point situated at the common corner between McElroy Coal Company and a parcel of land conveyed to Ohio Power Company by deed recorded at aforesaid clerk's office in Deed Book 403 at page 103, said parcel is designated as First Tract in Deed Book 398 at page 167 as recorded at said clerk's office;

Thence, leaving the lands of McElroy Coal Company and continuing with the common bounds between said First Tract and the lands of Ohio Power Company, as recorded at said clerk's office in Deed Book 440 at page 300, South 54° 13' 02" West, a distance of 460.00 feet to a point. Said point is situated at the common corner between said Ohio Power Company, said First Tract and another parcel of land conveyed to Ohio Power Company by deed recorded at said clerk's office in Deed Book 403 at page 103, said parcel is designated as Second Tract in Deed Book 398 at page 167 as recorded at said clerk's office;

Thence, leaving said First Tract and continuing with the common bounds between said Ohio Power Company and said Second Tract along the next ten (10) courses and distances:

1) South 47° 46' 19" West, a distance of 360.00 feet to a point;

2) South 68° 39' 35" West, a distance of 1058.01 feet to a point;

3) North 65° 13' 41" West, a distance of 614.00 feet to a point;

4) North 80° 03' 42" West, a distance of 285.00 feet to a point;

5) North 44° 13' 42" West, a distance of 522.00 feet to a point;

6) North 73° 13' 41" West, a distance of 380.00 feet to a point;

7) South 66° 46' 18" West, a distance of 185.00 feet to a point;

8) South 05° 43' 41" East, a distance of 395.00 feet to a point;

9) South 63° 53' 41" East, a distance of 272.00 feet to a point;

10) South 15° 06' 19" West, a distance of 112.00 feet to a point situated at the common corner of said Ohio Power Company and the lands of Consolidation Coal Company, as recorded at aforesaid clerk's office in Deed Book 315 at page 417;

Thence, leaving said Second Tract and continuing with the common bounds between the said lands of Ohio Power Company, as recorded at said clerk's office in Deed Book 440 at page 300, the lands of said Consolidation Coal Company, as recorded at said clerk's office in Deed Book 315 at page 417, and another parcel of land conveyed to Consolidation Coal Company by deed recorded at said clerk's office in Deed Book 649 at page 233, along the following twenty-five (25) courses and distances:

1) North 67° 10' 27" West, a distance of 164.84 feet to a point;

2) North 77° 47' 45" West, a distance of 28.99 feet to a point;

3) South 51° 20' 28" West, a distance of 161.06 feet to a point;

4) South 59° 18' 39" West, a distance of 184.09 feet to a point;

5) South 43° 30' 14" West, a distance of 220.69 feet to a point;

6) South 58° 02' 38" West, a distance of 155.15 feet to a point;

7) South 54° 06' 02" West, a distance of 157.89 feet to a point;

8) South 32° 14' 27" West, a distance of 163.06 feet to a point;

9) South 68° 19' 24" West, a distance of 190.61 feet to a point;

10) South 68° 26' 54" West, a distance of 60.64 feet to a point;

11) South 84° 36' 16" West, a distance of 120.74 feet to a point;

12) North 71° 03' 50" West, a distance of 133.34 feet to a point;

13) North 68° 35' 21" West, a distance of 102.10 feet to a point;

14) North 80° 47' 59" West, a distance of 158.35 feet to a point;

15) North 88° 48' 05" West, a distance of 73.48 feet to a point;

16) North 74° 38' 24" West, a distance of 249.61 feet to a point;

17) South 45° 13' 47" West, a distance of 281.70 feet to a point;

18) South 04° 05' 43" West, a distance of 36.37 feet to a point;

19) South 06° 35' 53" East, a distance of 211.94 feet to a point;

20) South 32° 42' 57" West, a distance of 165.89 feet to a point;

21) South 29° 01' 51" West, a distance of 44.43 feet to a point;

22) South 68° 05' 23" West, a distance of 120.22 feet to a point;

23) South 15° 08' 00" West, a distance of 65.02 feet to a point;

24) South 30° 38' 41" East, a distance of 74.15 feet to a point;

25) South 75° 13' 04" West, a distance of 3064.83 feet to a Pk-Nail, set, in the centerline of West Virginia State Route 2. Said point being situated at Centerline Station 57+15.08 as computed from the Highway Right-of-Way Plans for Federal Project Number F 184 (13) Dated 1956 Revised

2/13/1957. Said point is also the common corner between the tract of land herein described, a parcel of land conveyed to Consolidation Coal Company by deed recorded at aforesaid clerk's office in Deed Book 649 at page 233 and the lands of Ohio Power Company, as recorded at said clerk's office in Deed Book 403 at page 103 and in Deed Book 799 at page 509, respectively;

Thence, leaving said Consolidation Coal Company and continuing along the said centerline of West Virginia State Route 2 and with the common bounds between said lands of Ohio Power Company, as recorded at said clerk's office in Deed Book 403 at page 103 and in Deed Book 440 at page 300, North 03° 25' 28" West, a distance of 2058.58 feet to a Pk-Nail, set, in the centerline of West Virginia State Route 2. Said point being situated at Centerline Station 77+73.66 as computed from the Highway Right-of-Way Plans for Federal Project Number F 184 (13) Dated 1956 Revised 2/13/1957. Said point is situated at a common corner between Area "A" (the tract of land herein described) and Area "B", as shown on the survey plat labeled Exhibit A-2 and entitled **"PARTITION BOUNDARY SURVEY - MITCHELL PLANT LANDS LOCATED EAST OF STATE ROUTE 2 FOR OHIO POWER COMPANY"** prepared by Michael Baker, Jr., Inc. and dated December 23, 2013, and by this reference hereby made a part hereof, said survey plat to be recorded in the Map Cabinet of Marshall County at the same time as the recordation of this Exhibit A-1. Aforesaid point is also situated at the beginning of a new Partition Line through the 760.36-acre tract of land conveyed to said Ohio Power Company by deed recorded at said clerk's office in Deed Book 440 at page 300;

Thence, leaving said centerline and continuing with said Partition Line through said 760.36-acre tract along the following twenty-nine (29) courses and distances:

1) North 86° 34' 32" East, a distance of 300.00 feet to a ¾-inch rebar and cap, set;

2) South 03° 25' 28" East, a distance of 1508.87 feet to a ¾-inch rebar and cap, set;

3) North 74° 04' 32" East, a distance of 191.62 feet to a ¾-inch rebar and cap, set;

4) North 49° 21' 26" West, a distance of 30.15 feet to a point;

5) 116.43 feet along the arc of a curve to the right to a point, said curve having a radius of 120.00 feet and a chord that bears North 21° 33' 44" West, a distance of 111.91 feet;

6) North 06° 13' 58" East, a distance of 863.99 feet to a point;

7) North 29° 26' 00" East, a distance of 143.96 feet to a point;

8) North 08° 06' 58" West, a distance of 156.15 feet to a point;

9) North 18° 02' 04" East, a distance of 443.42 feet to a point;

10) North 09° 31' 55" East, a distance of 379.41 feet to a point;

11) North 05° 44' 28" East, a distance of 296.80 feet to a point;

12) 163.47 feet along the arc of a curve to the right to a point, said curve having a radius of 130.00 feet and a chord that bears North 41° 45' 52" East, a distance of 152.91 feet;

13) North 77° 47' 16" East, a distance of 16.08 feet to a point;

14) 213.74 feet along the arc of a curve to the right to a point, said curve having a radius of 500.00 feet and a chord that bears South 89° 57' 58" East, a distance of 212.11 feet;

15) South 77° 43' 12" East, a distance of 149.57 feet to a point;

16) 179.09 feet along the arc of a curve to the left to a point, said curve having a radius of 200.00 feet and a chord that bears North 76° 37' 39" East, a distance of 173.17 feet;

17) North 50° 58' 30" East, a distance of 222.79 feet to a point;

18) North 47° 00' 55" East, a distance of 204.32 feet to a point;

19) 146.28 feet along the arc of a curve to the right to a point, said curve having a radius of 250 feet and a chord that bears North 63° 46' 40" East, a distance of 144.20 feet;

20) North 80° 32' 26" East, a distance of 142.20 feet to a point;

21) 172.44 feet along the arc of a curve to the left to a point, said curve having a radius of 225.00 feet and a chord that bears North 58° 35' 05" East, a distance of 168.25 feet;

22) North 36° 37' 44" East, a distance of 105.95 feet to a point;

23) South 60° 54' 33" East, a distance of 109.43 feet to a point;

24) North 48° 06' 30" East, a distance of 357.91 feet to a point;

25) North 55° 08' 21" East, a distance of 72.01 feet to a point;

26) North 41° 36' 54" East, a distance of 336.48 feet to a point;

27) North 40° 32' 54" East, a distance of 409.02 feet to a point;

28) 24.36 feet along the arc of a curve to the right to a point, said curve having a radius of 560.00 feet and a chord that bears North 41° 47' 40" East, a distance of 24.36 feet;

29) North 06° 09' 14" East, a distance of 564.06 feet to a point. Said point is situated at the common corner of said Area "A", said Area "B" and a parcel of land conveyed to Consolidation Coal Company by deed recorded at aforesaid clerk's office in Deed Book 315 at page 417. Said point is also situated at the terminus of said Partition Line;

Thence, leaving said Area "B" and continuing with the common bounds between said Ohio Power Company and said Consolidation Coal Company North 30° 07' 46" East, a distance of 105.00 feet to a point;

Thence, continuing with said common bounds North 41° 12' 47" East, a distance of 225.00 feet to the True Point of Beginning.

The herein described tract of land contains 479.31 acres, more or less, as designated as Area "A" (before Exception) on said survey plat labeled Exhibit A-2.

The herein described tract of land is a part of a 760.36-acre tract of land conveyed to Ohio Power Company from Consolidation Coal Company by deed dated August 31, 1973 and recorded at the Office of the Clerk of Marshall County in Deed Book 440 at page 300.

The bearings in the above description are based upon the West Virginia State Plane Coordinate System (North Zone) NAD83 Datum.

Auditor's Tax Parcel No. 05-6-0003-0000-0000 (Part)

EXCEPTING THEREFROM, the following described tract of land:

ALL THAT CERTAIN parcel of real estate conveyed to Consolidation Coal Company by deed recorded at the Office of the Clerk of Marshall County in Deed Book 315 at page 417 situated in Franklin District, Marshall County, West Virginia being more particularly bounded and described as follows:

BEGINNING at a Mag-Nail, set, in the centerline of West Virginia State Route 2 at Centerline Station 136 + 30.0 as computed from the Highway Right-of-Way Plans for Federal Project Number F 184 (13) Dated 1956 Revised 2/13/1957;

Thence, leaving said centerline and continuing along a reference line South 13° 13' 33" East, 6667.16 feet to a point situated at the northeastern corner of a parcel of real estate conveyed to Consolidation Coal Company by deed recorded at the Office of the Clerk of Marshall County in Deed Book 315 at page 417. Said point is the **True Point of Beginning** of the parcel of real estate herein described. In addition, said point is a common corner to a tract of land designated as Area "A" (479.31 acres before Exception; 476.56 acres after Exception) on the survey plat labeled Exhibit A-2 and entitled **"PARTITION BOUNDARY SURVEY -**

MITCHELL PLANT LANDS LOCATED EAST OF STATE ROUTE 2 FOR OHIO POWER COMPANY" prepared by Michael Baker, Jr., Inc. and dated December 23, 2013, and by this reference hereby made a part hereof, said survey plat to be recorded in the Map Cabinet of Marshall County at the same time as the recordation of this Exhibit A-1.

Thence, continuing with the common bounds of Area "A" South 28° 44' 44" East, 300.00 feet to a point;

Thence, continuing with the common bounds of Area "A" South 61° 15' 16" West, 400.00 feet to a point;

Thence, continuing with the common bounds of Area "A" North 28° 44' 44" West, 300.00 feet to a point;

Thence, continuing with the common bounds of Area "A" North 61° 15' 16" East, 300.00 feet to the True Point of Beginning.

The herein described tract of land contains 2.75 acres, more or less, as designated as **Area "C"** on said survey plat labeled Exhibit A-2.

The bearings in the above description are based upon the West Virginia State Plane Coordinate System (North Zone) NAD83 Datum.

The above-described Exception is a part of the same real estate conveyed to Consolidation Coal Company by The M. A. Hanna Company, by deed dated May 22, 1956, recorded at the Office of the Clerk of Marshall County, WV in Deed Book 315 at page 417 and the same 2.754 acre exception as described in a conveyance to Ohio Power Company from Consolidation Coal Company by deed dated August 31, 1973 and also recorded at said clerk's office in Deed Book 440 at page 300.

Auditor's Tax Parcel No. for Exception: 05-7-0002-0000-0000

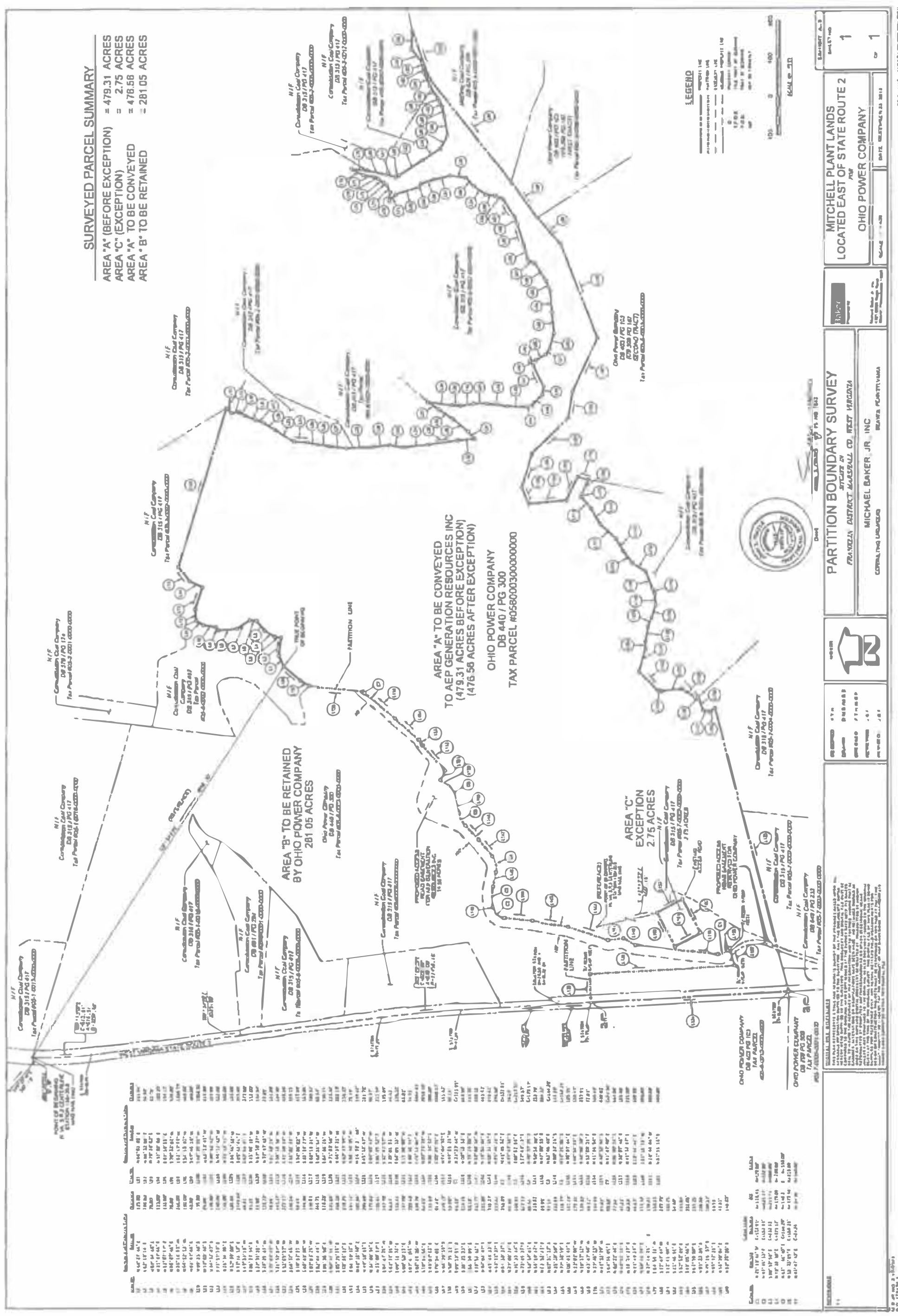
Leaving, after said Exception, 476.56 acres, more or less.

A small-scale plat of the Partition Boundary Survey is attached hereto for reference purposes only.

JOHN S. FRAZER LICENSED 1843 STATE OF WEST VIRGINIA PROFESSIONAL SURVEYOR

(SEAL) JOHN S. FRAZER WV PS NO. 1843 12/23/2013
DATE

BOOK 0821 PAGE 0407



BOOK 0821 PAGE 0408

OHIO POWER COMPANY
MITCHELL PLANT LANDS
LOCATED EAST OF STATE ROUTE 2
FRANKLIN DISTRICT, MARSHALL COUNTY, WEST VIRGINIA

EXHIBIT B

Those certain parcels or tracts of land, situated in Franklin District, Marshall County, West Virginia, being more particularly bounded and described as follows, to-wit:

~~First Tract. Beginning at a sycamore stump at the forks of a run, corner of the S. H. Gatts and~~ J. Hudson Gatts lands; thence up the left branch of said run with the J. Hudson Gatts land N. 67° 49' W. 222 feet, N. 46° 03' W. 240 feet, N. 44° 49' W. 210 feet, N. 68° 49' W. 270 feet, N. 47° 54' W. 275 feet, N. 8° 30' W. 76 feet to a lynn, N. 12° 23' W. 708 feet to a post; thence leaving said branch and still with the J. Hudson Gatts Line N. 80° 53' W. 788 feet to a stake in line of the J. Hudson Gatts land and land of Jerry Gatts' Heirs at the center of the road; thence up the road and with the line of Jerry Gatts' heirs N. 8° 20' E. 74 feet, N. 36° 32' E. 445 feet, N. 22° 02' E. 396 feet to a white oak stump, at the side of the road; thence leaving the road and still with the line of Jerry Gatts' heirs, N. 31° 13' W. 383 feet to the place where a red oak stood; thence with the same N. 33° 43' W. 775 feet to the place where an ironwood stood, corner to the land of Jerry Gatts' heirs and Lemuel Taylor land; thence with the Lemuel Taylor line N. 54° 50' E. 460 feet to the place where a beech stood, corner to the Lemuel Taylor land and the land of Peter Gatts' heirs; thence S. 74° 45' E. 792 feet to a poplar on the bank of a run; thence with same S. 64° 20' E. 315 feet to a white walnut; thence with said __________ S 86° 04' E. 521 feet to a stake in the center of the county road; thence with the county road S 30° 40' W. 512 feet to a stake in the center of the county road; thence leaving the county road S. 76° E 890 feet to a stake in the original line; thence with the original line S. 2° E. 39 feet to a stone at the forks of the run, an original corner; thence leaving the original line and running down the run S. 37° 35' W. 114 feet to a stake in the run, near the north end of a large cliff of rocks; thence S. 2° 30' W. 139 feet to a black walnut standing on the west bank of the run; thence S. 15° E. 120 feet to a stake on the bank of the run, an original corner; thence down the run with the Gatts line S. 8° 45' E. 122 feet, S 9° 37' E. 253 feet, S 4° 07' E. 143 feet, S. 1° 43' E. 296 feet, S. 5° 54' E. 202 feet, S. 1° 24' E. 279 feet, S. 43° 32' W. 168 feet, S. 24° 20' E. 57 feet, S. 26° 40' W. 244 feet, S. 15° 22' W. 179 feet, S. 40° 46' W. 246 feet, S. 36° 16' W. 103 feet to a sycamore stump, the place of beginning, containing one hundred and forty-five (145) acres, more or less, as per survey of H. T. Hirst, Civil Engineer, made in 1902.

There is excepted and reserved, however, the following described parcel of land and right-of-way heretofore conveyed by Charles E. Henthorn and Marguerite L. Henthorn, his wife, to Mabel Baker, by deed dated the 27th day of March, 1958, and recorded in the office of The Clerk of the County Court of ~~said Marshall County in Deed Book No. 329, page 281, to-wit:~~

~~Beginning at a stake located N. 62° 00' E. 142.70 feet from an electric pole on the within~~ described premises, said pole being designated "W. E. 27-1798", said pole being the most southerly of a series and being located S. 16° 41' E. 1460.50 feet from an electric pole on the north side of the Taylor's Ridge County Road, the last named pole being designated "W. E. 82-27"; thence with the land of Henthorn S. 10° 28' E. 107.80 feet to a post; thence with an existing fence S. 55° 17' W. 176.00 feet to a corner fence post; thence with Henthorn with an existing fence N. 52° 47' W. 59.50 feet to a post; thence with same N. 26° 31' W. 151.50 feet to a corner fence post; thence with Henthorn N. 48° 27' E. 161.80 feet to the largest of a group of four elms about ten feet below fence; thence with Henthorn S. 58° 30' E. 139.60 feet to the place of beginning, containing 1.009 acres, more or less, according to a survey made March 22, 1958, by Gordon W. Sammons, Civil Engineer, also, a right-of-way over, along and upon a certain existing road way or lane extending from the east side of the property hereinbefore described and running to the south side of Taylor's Ridge County Road.

There is excepted and reserved a parcel of land consisting of approximately one-fourth (1/4) acre which has heretofore been set aside, used and dedicated as a cemetery or graveyard.

There is excepted and reserved all the coal within and underlying said land together with the mining rights and privileges which were conveyed by Andrew J. Gatts and wife to Emily Derrick by deed dated April 28, 1903, and recorded in the office of the Clerk of the County Court of Marshall County, West Virginia in Deed Book No. 98, at page 365.

There is also excepted and reserved such oil and gas and royalty payments as have been heretofore excepted and reserved in prior deeds.

~~Auditor's Tax Parcel No. 05-5-0006-0000-0000~~

<u>Second Tract:</u> Beginning at a white oak, corner to lands of Pollock and Yost in the line of lands of J. C. Thomas Heirs; thence with line of Pollock and Yost N. 49° 25' W. 247 feet to a white oak, thence N. 47° 32' W. 868 feet to a dead white oak; thence N. 15° E. 615 feet to a stake and small sugar, thence N. 64° W. 272 feet to a stake on a steep bank or hill side; thence N. 6° 50' W. 395 feet to a stake near the run; thence up said run N. 66° 40' W. 185 feet to a stake, thence S. 73° 20' E. 380 feet to a stake, thence S. 44° 20' E. 522 feet to a stake, thence S. 80° 10' E. 285 feet to a stake; thence S. 65° 20' E. 614 feet to a stake; thence N. 68° 36' E. 1060 feet to a lynn; thence N. 47° 40' E. 363 feet to a stake – an ironwood called for in the original deed – corner to lands of A. J. Gatts; thence with the said line of said A. J. Gatts, S. 33° 16' E. 752 feet to a stake; thence S. 30° 46' E. 383 feet to a stake by the county road; thence with the said county road; thence S. 22° 30' W. 400 feet to a point in the center of said county road; thence S. 37° 30' W. 445 feet to a stake near the house; thence S. 11° 45' W. 74 feet to a stone, corner to lands of A. J. Gatts and Jacob Bassett; thence with said Bassett's line S. 10° E. 352 feet to a stone; thence leaving the county road S. 72° W. 433 feet to a wild cherry, thence S. 63° 28' W. 509 feet to a small hickory on a small run; thence down said run S. 14° 14' W. 206 feet to a dead sugar tree, thence S. 4° 47' E. 444 feet to an ash, thence S. 8° 25' W. 269 feet to a stake near an ironwood pointer; thence N.

83° W. 551 feet to a stone; thence N. 25° 30' W. 1650 feet to a white oak, and the place of beginning, containing one hundred and forty-eight and thirteen one-hundredths (148 13/100) acres, more or less.

There is excepted and reserved, however, the following described parcel of land:

Beginning at a point in the center of the Taylors Ridge County road and a corner to Charles Henthorn, said point being located N. 66 deg. 26' E. 58.00 feet from the southeast corner of the Kenneth Richmond residence, and being also located S. 76 deg. 57' E. 44.00 feet from the northeast corner of said residence; thence running with Henthorn and the center of said road S. 27 deg. 40' W. 186.00 feet to a point in the center of said road; thence leaving said road and running with land remaining to Richmond N. 29 deg. 27' W. 329.50 feet to a stake, said line passing a stake and post at the west side of said county road at 20.50 feet; thence with same N. 60 deg. 33' E. 156.25 feet to a stake in fence row in Charles Henthorn-Kenneth Richmond line, said stake being located S. 29 deg. 27' E. 42.50 feet from a corner fence post in said line; thence with said line S. 29 deg. 27' E. 228.50 feet to the place of beginning, containing 1.000 acre, more or less, according to a survey made August 16, 1958 by Gordon W. Sammons, Civil Engineer.

There is excepted and reserved all the coal within and underlying said land together with the mining rights and privileges which were conveyed to William W. Brownfield by the following deeds: W. S. Gatts, Guardian, et al., by deed dated July 24, 1902, recorded in Deed Book No. 89 at page 327; deed of James Hudson Gatts and wife by deed dated July 25, 1902, recorded in Deed Book No. 89 at page 274; deed of Mary Blanche Gatts, single, by deed dated December 22, 1903, recorded in Deed Book No. 105 at page 371, all in Marshall County, West Virginia records.

There is also excepted and reserved such oil and gas and royalty payments as have heretobefore been excepted and reserved in prior deeds.

Auditor's Tax Parcel No. 05-5-0003-0000-0000

First Tract and Second Tract being the same property conveyed to Appalachian Power Company by Consolidation Coal Company, by deed dated March 6, 1968, and recorded in Book 398, Page 167, Marshall County Deed Records.

First Tract and Second Tract also being part of the same property conveyed to Ohio Power Company by Appalachian Power Company, by deed dated October 17, 1968, and recorded in Book 403, Page 103, Marshall County Deed Records.

**AEP GENERATION RESOURCES INC.
KAMMER-MITCHELL POWER PLANT
GATTS RIDGE TRACTS
FRANKLIN DISTRICT, MARSHALL COUNTY, WEST VIRGINIA**

EXHIBIT C

**Legal Description
for
LOT B
Part of Exhibit B, First Tract**

A certain tract of land situated in the State of West Virginia, Marshall County, Franklin District, and being more particularly bounded and described as follows:

BEGINNING at a corner common to the lands now owned by AEP Generation Resources Inc. (1/2 interest) (D. B. 821, Pg. 505; Parcel 2, First Tract), and Kentucky Power Company (1/2 interest) (D. B. 821, Pg. 549; Parcel 2, First Tract), and other lands now owned by AEP Generation Resources Inc. (1/2 interest) (D. B. 821, Pg. 386; Exhibit B, First Tract), and Kentucky Power Company (1/2 interest) (D. B. 821, Pg. 470; Exhibit B, First Tract), and being in the center of West Virginia Secondary State Route No. 72, commonly known as Gatts Ridge Road, having a coordinate value of N. 486,029.755 and E. 1,609,370.017, and marking a corner common to Lots B, D and E of this survey, thence, leaving the said Lot D of this survey, and the said Parcel 2, First Tract, of the lands of the said AEP, and severing the said Exhibit B, First Tract, of the other lands of the said AEP, with the center of the said Road, as follows:

South 16° 12' 25" West 335.37 feet; thence, with a curve to the right, having a radius 185.00 feet, and an arc length of 56.02 feet, the long chord of which bears:

South 24° 52' 57" West 55.81 feet; thence,

South 33° 33' 28" West 30.30 feet; thence, with a curve to the right, having a radius 105.00 feet, and an arc length of 189.40 feet, the long chord of which bears:

South 85° 13' 56" West 164.74 feet; thence,

North 43° 05' 36" West 128.20 feet; thence, with a curve to the left, having a radius 295.00 feet, and an arc length of 45.99 feet, the long chord of which bears:

North 47° 33' 39" West 45.95 feet to a corner common to a 1/4 acre Cemetery which has been heretofore set aside and dedicated; thence, leaving the center of the said Road, and the said Lot E, of this survey, and with the said Cemetery, as follows:

North 27° 47' 16" East, passing a 5/8" reinforcing rod with a yellow plastic cap stamped "RL Eastham PLS 150" (set), at 15.23 feet, in all 107.46 feet to a 5/8" reinforcing rod with a yellow plastic cap stamped "RL Eastham PLS 150" (set); thence,

North 62° 12' 44" West 104.36 feet to a 5/8" reinforcing rod with a yellow plastic cap stamped "RL Eastham PLS 150" (set); thence,

South 27° 47' 16" West, passing a 5/8" reinforcing rod with a yellow plastic cap stamped "RL Eastham PLS 150" (set), at 92.23 feet, in all 107.46 feet to a point in the center of the said Road, and being in the line of the said Lot E, of this survey; thence, leaving the said Cemetery, severing the said Exhibit B, First Tract, of the other lands of the said AEP, with the center of the said Road, and Lot E, of this survey, as follows, with a curve to the left, having a radius 295.00 feet, and an arc length of 3.03 feet, the long chord of which bears:

North 72° 41' 45" West 3.03 feet; thence,

North 72° 59' 24" West 41.72 feet; thence, with a curve to the left, having a radius 495.00 feet, and an arc length of 275.97 feet, the long chord of which bears:

North 88° 57' 42" West 272.41 feet; thence,

South 75° 04' 00" West 73.34 feet; thence, with a curve to the left, having a radius 265.00 feet, and an arc length of 149.91 feet, the long chord of which bears:

South 58° 51' 39" West 147.92 feet to a corner common to Parcel 8 of the lands of the said AEP; thence, leaving the center of the said Road, and Lot E, of this survey, and with the said Parcel 8 of the lands of the said AEP,

North 30° 02' 17" West, passing a 5/8" reinforcing rod with a yellow plastic cap stamped "RL Eastham PLS 150" (set), at 15.67 feet, passing a corner common to Exhibit B, Second Tract of the other lands of the said AEP, at approximately 228.50 feet, in all 383.00 feet to a 5/8" reinforcing rod with a yellow plastic cap stamped "RL Eastham PLS 150" (set), on the northwest side of Connors Run Haul Road; thence, continuing with the said Exhibit B, Second Tract, of the other lands of the said AEP, North 32° 32' 17" West 683.69 feet to a point in line of Area "A" of the lands of the said AEP; thence, leaving the said Exhibit B, Second Tract of the other lands of the said AEP, and with the said Area "A" of the lands of the said AEP,

North 52° 09' 16" East 316.85 feet to a corner common to the lands now or formerly owned by McElroy Coal Company (D. B. 628, Pg. 369); thence, leaving the said Area "A" of the lands of the said AEP, and with the lands of the McElroy Coal Company, as follows:

South 76° 06' 52" East, passing a 5/8" reinforcing rod with a yellow plastic cap stamped "RL Eastham PLS 150" (set), at 585.73 feet, in all 795.30 feet to a 5/8" reinforcing rod with a yellow plastic cap stamped "RL Eastham PLS 150" (set); thence,

South 66° 06' 52" East 316.47 feet to a 5/8" reinforcing rod with a yellow plastic cap stamped "RL Eastham PLS 150" (set); thence,

South 87° 50' 52" East 68.29 feet to a 5/8" reinforcing rod with a yellow plastic cap stamped "RL Eastham PLS 150" (set) to a corner common to the said Lot D, of this survey, from which a 5/8" reinforcing rod (found), marking the southwest corner of Lot C, of this survey, bears: South 87° 50' 52" East 85.00 feet; thence, leaving the lands of the McElroy Coal Company, and severing the said Exhibit B, First Tract, of the other lands of the said AEP, with the said Lot D, of this survey, as follows:

South 00° 37' 11" East 422.14 feet to a 5/8" reinforcing rod with a yellow plastic cap stamped "RL Eastham PLS 150" (set); thence,

South 77° 50' 37" East, passing a 5/8" reinforcing rod with a yellow plastic cap stamped "RL Eastham PLS 150" (set), at 189.00 feet, in all 204.04 feet to the BEGINNING, containing 24.970 acres, more or less, as surveyed under the direct supervision of Ronald L. Eastham, West Virginia Licensed Professional Surveyor No. 150, on November 26, 2014, and being all of Lot B, of this survey, as shown on the attached plat and made a part of this description.

The above survey datum is based on the West Virginia State Plane Coordinate System, North Zone, NAD '83, U.S. Survey (feet).

The above described tract is a part of the same land as that described as Exhibit B, First Tract, in a Limited Warranty Deed from Ohio Power Company, an Ohio corporation, to AEP Generation Resources Inc. (1/2 interest), a Delaware corporation, dated December 31, 2013 and recorded in Deed Book 821, Page 386; a part of the same land as that described as Exhibit B, First Tract, in a Limited Warranty Deed from

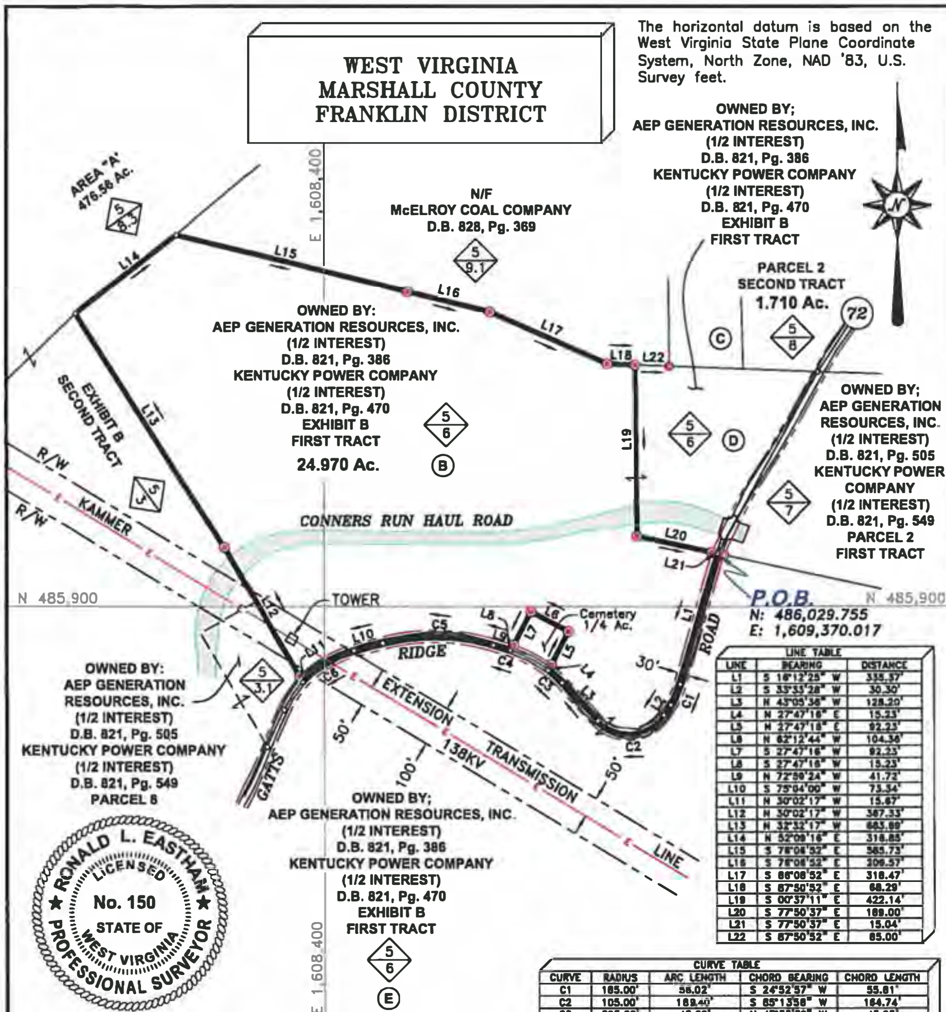
Newco Kentucky Inc., a Kentucky corporation, to Kentucky Power Company, (1/2 interest), a Kentucky corporation, dated December 31, 2013, and recorded in Deed Book 821, Page 470; both of which are recorded in the Office of the Clerk of the County Commission of Marshall County, West Virginia.

And being a part Tax Map No. 5, Parcel No. 6.

This survey does not constitute a Title Search by the Surveyor. No Title Commitment was provided. This survey is subject to all restrictions, reservations, right-of-ways, easements, utilities, covenants, exceptions, conveyances, leases and exclusions previously imposed and appearing of record, and those not of record.

Ronald L. Eastham, P.S.
Registration No. 150

RONALD L. EASTHAM
LICENSED
No. 150
STATE OF
WEST VIRGINIA
PROFESSIONAL SURVEYOR



LINE TABLE

LINE	BEARING	DISTANCE
L1	S 16°12'25" W	335.37'
L2	S 33°33'28" W	30.30'
L3	N 43°05'36" W	128.20'
L4	N 27°47'16" E	15.23'
L5	N 27°47'16" E	92.23'
L6	N 62°12'44" W	104.36'
L7	S 27°47'16" W	92.23'
L8	S 27°47'16" W	15.23'
L9	N 72°59'24" W	41.72'
L10	S 75°04'00" W	73.34'
L11	N 30°02'17" W	15.67'
L12	N 30°02'17" W	387.33'
L13	N 32°32'17" W	683.89'
L14	N 52°09'16" E	318.85'
L15	S 78°08'52" E	585.73'
L16	S 78°08'52" E	309.57'
L17	S 86°08'52" E	318.47'
L18	S 87°50'52" E	68.29'
L19	S 00°37'11" E	422.14'
L20	S 77°50'37" E	189.00'
L21	S 77°50'37" E	15.04'
L22	S 87°50'52" E	85.00'

CURVE TABLE

CURVE	RADIUS	ARC LENGTH	CHORD BEARING	CHORD LENGTH
C1	185.00'	56.02'	S 24°52'57" W	55.81'
C2	105.00'	189.40'	S 65°13'58" W	164.74'
C3	295.00'	45.89'	N 47°33'39" W	45.85'
C4	295.00'	3.03'	N 72°41'43" W	3.03'
C5	495.00'	275.97'	N 88°57'42" W	272.41'
C6	265.00'	149.91'	S 58°51'39" W	147.92'

LEGEND

- 5/8" x 40" Reinforcing Rod w/Yellow Plastic Cap Stamped "RL EASTHAM PLS 150" (set)
- 5/8" Reinforcing Rod w/Yellow Plastic Cap Stamped "MICHEAL BAKER JR., INC." (found)
- 5/8" Iron Pin (found)
- Unmonumented Point
- Boundary Line
- 6/58 Tax Map Number / Tax Parcel Number
- P.O.B. Point of Beginning
- (B) Lot Number (This Survey)
- N/F Now or Formerly

NOTES

1. This survey does not constitute a title search by the surveyor. No title commitment was provided. This survey is subject to all restrictions, reservations, right-of-way, easements, utilities, covenants, exceptions, conveyances, leases and exclusions previously imposed and appearing of record, and those not of record.

Surveyed By:

Ronald L. Eastham

Registered Professional Surveyor No. 150

Eastham & Associates
ENGINEERS - SURVEYORS - PLANNERS
3992 STATE ROUTE 7, CHESAPEAKE, OH 45619
(740) 867-8369 • (800) 424-5258 • Fax (740) 867-8146
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http://www.eastham-assoc.com

Plat of Survey
for
AEP Generation Resources Inc.
(LOT B)

Job No. 6922 WM	Date: November 26, 2014	Scale: 1" = 300'
Drawn By: M. Haney		
Checked By: R. L. Eastham		

AEP GENERATION RESOURCES INC.
KAMMER-MITCHELL POWER PLANT
GATTS RIDGE TRACTS
FRANKLIN DISTRICT, MARSHALL COUNTY, WEST VIRGINIA

EXHIBIT D

Legal Description
for
LOT A
Parcel 2
Part of Third Tract

A certain tract of land situated in the State of West Virginia, Marshall County, Franklin District, and being more particularly bounded and described as follows:

BEGINNING at a 5/8" reinforcing rod (found), marking a corner common to the lands now or formerly owned by McElroy Coal Company (D. B. 628, Pg. 369), and the lands now owned by AEP Generation Resources Inc. (1/2 interest) (D. B. 821, Pg. 505; Parcel 2, Third Tract), and Kentucky Power Company (1/2 interest) (D. B. 821, Pg. 549; Parcel 2, Third Tract), having a coordinate value of N. 486,815.942 and E. 1,609,247.423, and marking a corner common to Lots A and C of this survey, from which a 5/8" reinforcing rod (found), bears: South 00° 37' 11" East 324.32 feet; thence, leaving the said Lot C, of this survey, and with the lands of the said McElroy Coal Company, as follows:

North 39° 52' 37" West 118.90 feet to a 5/8" reinforcing rod (found); thence,

South 87° 40' 31" West 224.54 feet to a 5/8" reinforcing rod (found); thence,

North 57° 27' 33" West 217.24 feet to a 5/8" reinforcing rod (found); thence,

North 60° 12' 31" East 205.18 feet to a 5/8" reinforcing rod (found); thence,

North 78° 39' 41" East 219.20 feet to a 5/8" reinforcing rod (found); thence,

North 50° 57' 04" East 111.07 feet to a 5/8" reinforcing rod with a yellow plastic cap stamped "RL Eastham PLS 150" (set), marking a corner common to Lot C of this survey, from which a 5/8" reinforcing rod (found), bears: North 50° 57' 04" East 312.01 feet; thence, leaving the lands of the said McElroy Coal Company, and severing the said Third Tract of the lands of the said AEP, with the line between the said Lots A and C, of this survey, South 00° 37' 11" East 414.03 feet to the BEGINNING, containing 2.267 acres, more or less, as surveyed under the direct supervision of Ronald L. Eastham, West Virginia Licensed Professional Surveyor No. 150, on November 26, 2014, and being all of Lot A, of this survey, as shown on the attached plat and made a part of this description.

The above survey datum is based on the West Virginia State Plane Coordinate System, North Zone, NAD '83, U.S. Survey (feet).

The above described tract is a part of the same land as that described as Parcel 2, Third Tract, in a Limited Warranty Deed from Franklin Real Estate Company, a Pennsylvania corporation, to AEP Generation Resources Inc. (1/2 interest), a Delaware corporation, dated December 31, 2013 and recorded in Deed Book 821, Page 505; and a part of the same land as that described as Parcel 2, Third Tract, in a Limited Warranty Deed from Newco Kentucky Inc., a Kentucky corporation, to Kentucky Power Company, (1/2 interest), dated December 31, 2013, and recorded in Deed Book 821, Page 549; both of which are recorded in the Office of the Clerk of the County Commission of Marshall County, West Virginia.

And being a part Tax Map No. 5, Parcel No. 9.

This survey does not constitute a Title Search by the Surveyor. No Title Commitment was provided. This survey is subject to all restrictions, reservations, right-of-ways, easements, utilities, covenants, exceptions, conveyances, leases and exclusions previously imposed and appearing of record, and those not of record.

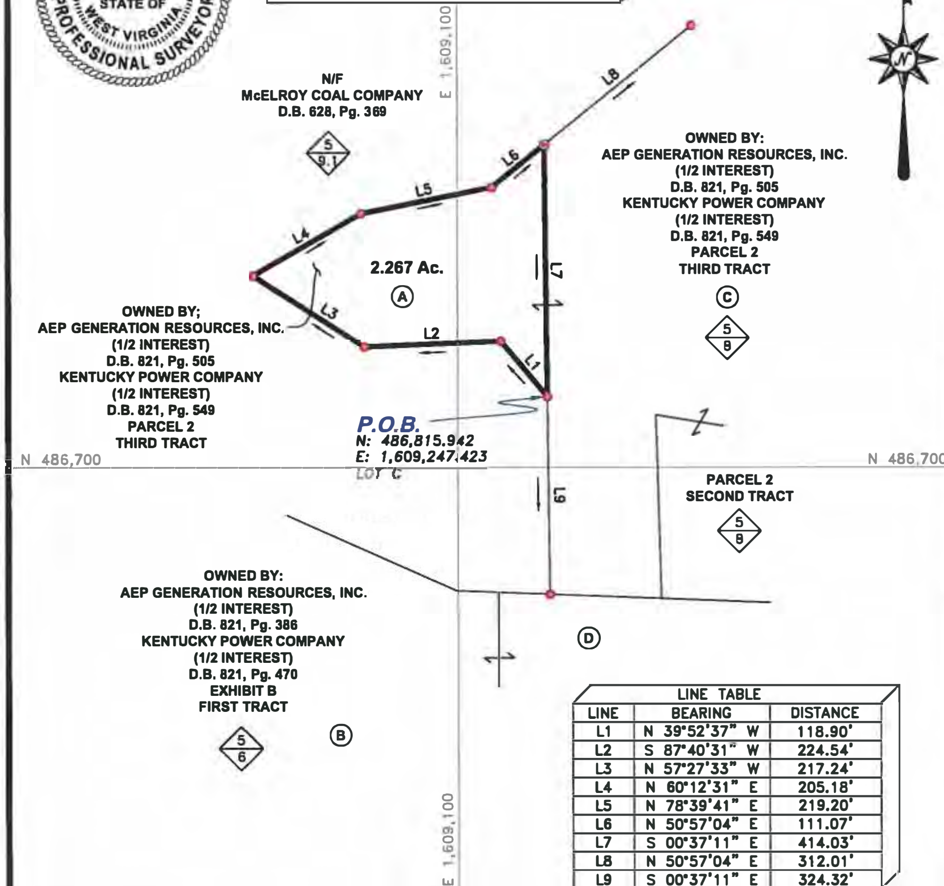
Ronald L. Eastham, P.S.
Registration No. 150

RONALD L. EASTHAM
LICENSED
No. 150
STATE OF
WEST VIRGINIA
PROFESSIONAL SURVEYOR

RONALD L. EASTHAM LICENSED No. 150 STATE OF WEST VIRGINIA PROFESSIONAL SURVEYOR

WEST VIRGINIA
MARSHALL COUNTY
FRANKLIN DISTRICT

The horizontal datum is based on the West Virginia State Plane Coordinate System, North Zone, NAD '83, U.S. Survey feet.



LINE TABLE

LINE	BEARING	DISTANCE
L1	N 39°52'37" W	118.90'
L2	S 87°40'31" W	224.54'
L3	N 57°27'33" W	217.24'
L4	N 60°12'31" E	205.18'
L5	N 78°39'41" E	219.20'
L6	N 50°57'04" E	111.07'
L7	S 00°37'11" E	414.03'
L8	N 50°57'04" E	312.01'
L9	S 00°37'11" E	324.32'

0' 200' 400' 600'

LEGEND

- 5/8" x 40" Reinforcing Rod w/Yellow Plastic Cap Stamped "RL EASTHAM PLS 150" (set)
- 5/8" Iron Pin (found)
- Boundary Line
- 6 Tax Map Number
- 58 Tax Parcel Number
- P.O.B. Point of Beginning
- (A) Lot Number (This survey)
- N/F Now or Formerly

NOTES

1. This survey does ~~not constitute~~ a title search by the surveyor. No title commitment was provided. This survey is subject to all restrictions, reservations, right-of-way, easements, utilities, covenants, exceptions, conveyances, leases and exclusions previously imposed and appearing of record, and those not of record.

Surveyed By:

Ronald L. Eastham

Registered Professional Surveyor No. 150

Eastham & Associates
ENGINEERS - SURVEYORS - PLANNERS
3992 STATE ROUTE 7, CHESAPEAKE, OH 45619
(740) 867-8369 • (800) 424-5258 • Fax (740) 867-8146
E-mail Address • eastham@eastham-assoc.com
http://www.eastham-assoc.com

Plat of Survey
for
AEP Generation Resources Inc.
(LOT A)

Job No. 6922 WM	Date: November 26, 2014	Scale: 1" = 200'
Drawn By: M. Haney		
Checked By: R. L. Eastham		

EXHIBIT E

Parcel 8 (OPC Reference: Tract # WV051-0112, Land Works # 15911)

The surface only of following real estate whose Tax Map Number is 5, Parcel 3.1, and whose address is R.D. 3, Box 143, Proctor, Franklin District, Marshall County, West Virginia, and being more particularly bonded and described as follows:

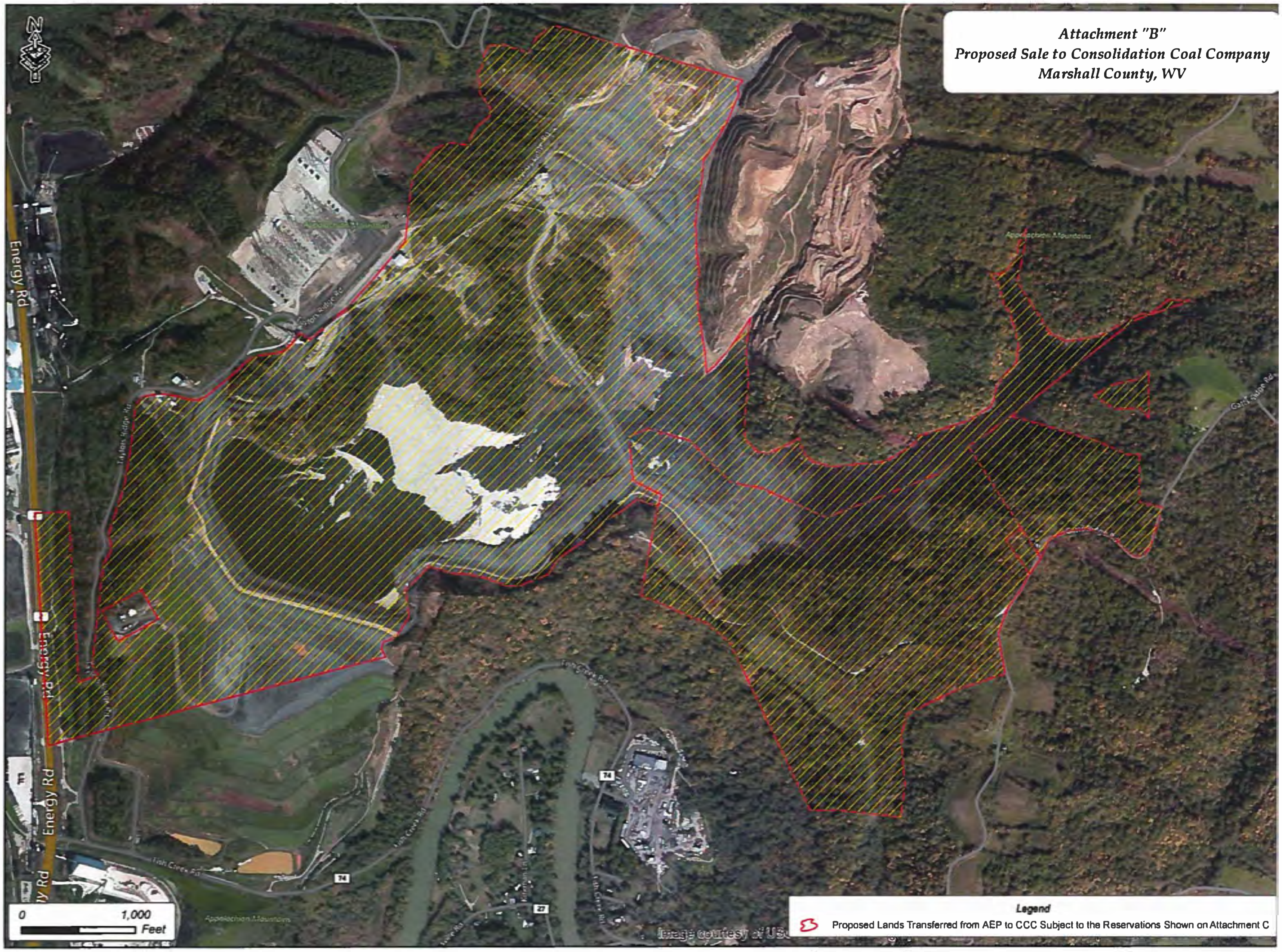
> Beginning at a point in the center of the Taylor's Ridge County Road and a corner to Charles Henthorn, said point being located N 66°26' E 58.00 feet from the southeast corner of the Kenneth Richmond residence, and being also located S 76°57' E 44.00 feet from the northeast corner of said residence; thence running with Henthorn and the center of said road S 27°40' W 186.00 feet to a point in the center of said road; thence leaving said road and running with land remaining to Richmond N 29°27' W 329.50 feet to a stake, said line passing a stake and post at the west side of said county road at 20.50 feet; thence with same N 60°33' E 156.25 feet to a stake in fence row in Charles Henthorn-Kenneth Richmond line, said stake being located S 29°27' E 42.50 feet from a corner fence post in said line; thence with said line S 29°27' E 228.50 feet to the place of beginning, containing one (1) acre, more or less, according to a survey made August 16, 1958, by Gordon W. Sammons, Civil Engineer.

The prior Grantors, Timothy L. MCginnis. Sr. and Linda S. McGinnis agreed that neither they nor their sucessors or assigns shall be entitled to ever use any portion of the surface of the property for purposes of investigating. exploring. prospecting. drilling. or mining for or producing oil. gas or other minerals or any related activities. Any such operations on contiguous land shall in no manner interfere with the surface of the property or subsurface support of any improvement constructed or to be constructed on the property.

Being the same property conveyed to Franklin Real Estate by Timothy L. McGinnis, Sr. and Linda S. McGinnis, and recorded in Book 728, Page 36, Marshall County Deed Records.

Auditor's Tax Parcel No.: 25-05- 5-0003-0001

ATTACHMENT B

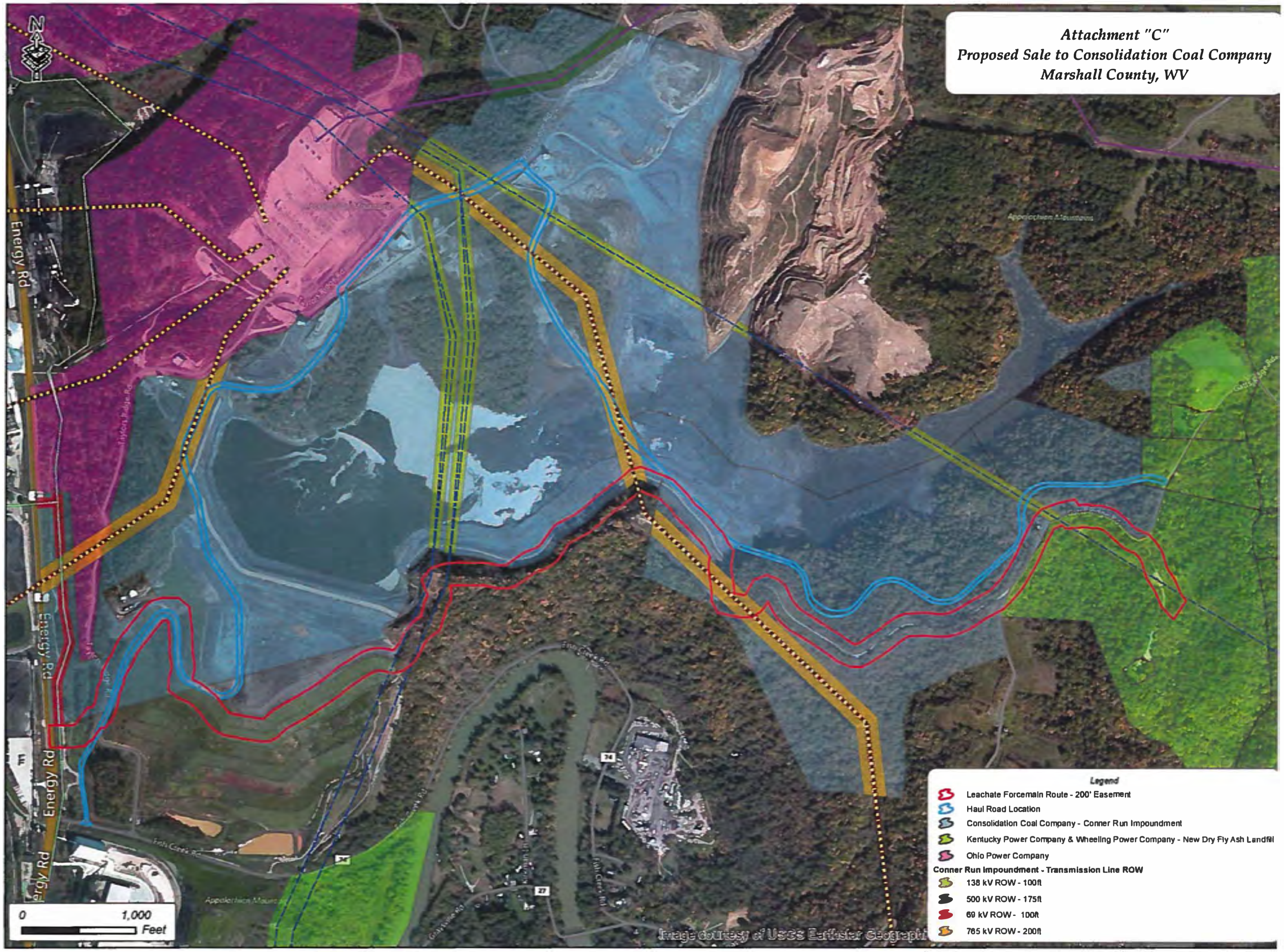


Date Created: 6/26/2015

Disclaimer: This drawing is not an actual survey.

Cartography: Shaen Somerlot, AEP Land Management Dep

ATTACHMENT C



Date Created: 6/26/2015

Disclaimer: This drawing is not an actual survey.

Cartography: Shaen Somerlot, AEP Land Management Dep

Kentucky Power Company
KPSC Case No. 2017-00179 General Rate Adjustment
Commission Staff's First Set of Data Requests
Order Dated May 22, 2017

DATA REQUEST

KPSC_1_54 Provide complete details of Kentucky Power's financial reporting and ratemaking treatment of SFAS No. 143, including:

a. The date that Kentucky Power adopted SFAS No. 143;

b. All accounting entries made at the date of adoption;

c. All studies and other documents used to determine the level of SFAS No. 143 cost recorded by Kentucky Power;

d. The effect on the financial statements; and

e. Whether the historical test period includes any impact of the implementation. If so, provide a detailed description of the impact.

f. A schedule comparing the depreciation rates utilized by Kentucky Power prior to and after the adoption of SFAS No. 143. The schedule should identify the assets corresponding to the affected depreciation rates.

RESPONSE

a. Kentucky Power adopted SFAS 143 effective January 1, 2003.

b. Kentucky Power made no accounting entries to recognize legal obligations related to the adoption of SFAS No. 143 because it was not required to recognize any legal asset retirement obligations under the provisions of SFAS No. 143. In March 2005, FASB Interpretation No. 47 (FIN 47) was issued and interpreted the application of SFAS 143 to clarify the term "conditional asset retirement obligation." FIN 47 also clarified when an entity is deemed to have sufficient information to reasonably estimate the fair value of an asset retirement obligation (ARO).

Kentucky Power made accounting entries in the fourth quarter of 2005 relating to its asbestos ARO as a result of the interpretation of SFAS 143 in FIN 47. These accounting entries are provided in KPCO_R_KPSC_1_54_Attachment1.xls.

c. Please see KPCO_R_KPSC_1_54_Attachment2.xls for the requested information.

Kentucky Power Company
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KPSC_1_54 (cont'd)

d.) When an asset retirement obligation is incurred, a liability is recorded in account 230, Asset retirement obligations, and the associated asset retirement cost is charged to account 101, Electric plant in service. The asset retirement cost is depreciated over the useful life of the related asset, in account 403.1, Depreciation expense for asset retirement costs. Accretion is recorded monthly to account 411.10, Accretion expense, until final settlement of the obligation.

e.) The historical test year does not include any impact of implementation of SFAS 143 or FIN 47.

f.) Not Applicable. The depreciation rates utilized by Kentucky Power did not change as a result of implementing SFAS No. 143 or FIN 47.

Witness: Tyler H. Ross

KPCO_R_KPSC_1_54_Attachment2.xls

ARO Description	Basis for Estimate
ARO Pikeville Service Center	Reference "Asbestos" tab.
ARO Big Sandy U0 Asbestos	Reference "Asbestos" tab.
ARO Big Sandy U1 Asbestos	Reference "Big Sandy U1 Asbestos" tab.
ARO Big Sandy U2 Asbestos	Reference "Asbestos" tab.
ARO Mitchell U0 Asbestos	Reference "Asbestos" tab.
ARO Mitchell U1 Asbestos	Reference "Asbestos" tab.
ARO Mitchell U2 Asbestos	Reference "Asbestos" tab.
ASH#1 Big Sandy Fly Ash Pond	Reference "Big Sandy Fly Ash Reservoir" tab.
ASH#1 Connor Run - KPCo Mitchell	Reference table in section VI.A. of the Conner Run Impoundment Transition and Joint Use Operating Agreement Dated July 2, 2015. We assigned 50% probability to closure in 2019 and 50% to 2024.
ASH#1 Mitchell Bottom Ash Pond	Reference "Mitchell Bottom Ash Pond" tab.
ASH#2 Big Sandy Bottom Ash Pond	Reference "Big Sandy Bottom Ash Pond" tab.
ASH#2 Mitchell Landfill	Reference "Mitchell Landfill" tab.
ASH#3 Mitchell Wastewater Pond	Reference "Wastewater Pond" tab.

* Closure cost estimates for Mitchell represent 100% cost.

KAMMER MITCHELL PLANT
MITCHELL BOTTOM ASH and CLEAR WATER POND COMPLEX
Pond Area: 13.6 Acres
Length: 1080 ft. - approximate due to irregular shape
Width: 547 ft.
Approximate Closure Area: 590000 SF
Approximate Fill Depth: ft.
Cap Type: 1-1/2 ft clay and 6 in. topsoil with 3% grade
Drainage: Perimeter trench
Closure Period: 1 year after plant shutdown

Pay Item	Description	Unit	Unit Price	Quantity	Cost	Comments
1.0	Contractors General Conditions & Mobilization	LS		1	$50,000	
	Borrow Area					
2.0	Clearing & Grubbing	Acre	$5,000.00	0	$0	Use Conner Run borrow sites
3.0	Stripping	CY	$2.00	0	$0	
4.2	Excavation -Clay	CY	$3.24	33,000	$106,920	Clay Borrow area
4.4	Excavation - Common	CY	$3.24	6,400	$20,736	Trench excavation
4.9	Excavation -Borrow	CY	$3.24	0	$0	
	Fill					
6.1.1	Furnish Clay Cap	CY	$9.00	0	$0	
6.1.2	Place Clay Cap	CY	$7.00	33000	$231,000	1-1/2 ft. clay cap
6.2	General Fill/Grading	CY	$1.50	90000	$135,000	
	Erosion & Sediment Control					
7.1	Riprap - Furnish & Place	Tons	$35.00	4400	$154,000	3250 ft of perimeter trench.
7.2	Filter Material - Furnish & Place	CY	$25.00	0	$0	
7.3	Topsoil - Furnish & Place	CY	$20.00	12000	$240,000	6 in. top soil
7.4	Seeding - Closure Area	SY	$0.75	72000	$54,000	
7.4	Seeding - Borrow Area	SY	$0.75	0	$0	
7.6	Furnish & Install Silt Fence	LF	$5.00	3600	$18,000	
7.8	Diversion Dikes	CY	$0.00	0	$0	
	Drainage Systems					
8.0	Surface Drainage Systems	LF	$10.00	2500	$25,000	2 -diagonal channels on cap
	Roads					
9.0	Roads & Parking	Ton	$25.00	750	$18,750	#2's & #53's for 12 foot inspection/maintenance roads
	Geotextiles					
13.1.1	Furnish & Install Geotextile - Drainage Trenches	SY	$2.50	9500	$23,750	Trench liner 3250 ft x 24 ft.
13.1.2	Furnish & Install Geotextile - Drainage Layer	SY	$8.50	0	$0	
	Geomembrane Liner					
26.1	Furnish & Install Geomembrane Liner	SY	$7.00	0	$0	Not required
	Miscellaneous					
30.3	Demolition - Spillway Structure	Each	$20,000.00	1	$20,000	
	Loading, Hauling, Placing CCBs					
33.1	Mobilize Equipment for Pay Items 33.0	LS	$1,000.00	1	$10,000	
33.2	Excavate & Load Fly Ash	CY	$1.50	90000	$135,000	Fly ash used for structural fill
33.5	Haul Fly Ash from Pond to Closure Site	CY	$3.50	90000	$315,000	Fly ash used for structural fill
	Monitoring Wells	Each	$20,000.00	0	$0	
Subtotal					**$1,557,156**	
	QA/QC Consultant	% of Direct Costs		**1%**	$15,572	
	AEP Internal Labor - FODA	% of Direct Costs		**8%**	$124,572	
	Contingency	% of Direct Costs		**15%**	$233,573	
TOTAL COSTS - Asset Retirement Obligation					**$1,930,873**	

NOTES:
Unit pricing in 2008 dollars.

POST-CLOSURE MONITORING COSTS: **Not required**

EXHIBIT RCS-13

Kentucky Power Company
KPSC Case No. 2017-00179 General Rate Adjustment
Attorney General's First Set of Data Requests
Dated August 14, 2017

DATA REQUEST

AG_1_002 Regarding the Rockport station and the Unit Power Agreement ("UPA"), confirm the following:

a. Rockport Unit 1 is owned by KPCo affiliates Indiana Michigan Power Co. ("I&M") and AEP Generating Company ("AEG");
b. Rockport Unit 2 is owned by Wilmington Trust Co., which leases an undivided 50% share of Unit 2 to I&M, and an undivided 50% share to AEG;
c. Under the terms of the UPA, KPCo is entitled to 30% of the output of AEG's share in the Rockport Units;
d. Under the terms of the New Source Review Consent Decree ("Consent Decree," as modified by four Modifications to the Consent Decree) that KPCo and other American Electric Power ("AEP") operating companies entered into with the U.S. Department of Justice, among others, and as more fully described in: (i) the McManus testimony at p. 3 and Exhibit JMM-1 attached thereto in Case No. 2017-00179; and (ii) ECP Plan Project 19, KPCo will be required to pay its proportionate share of the costs of installing Selective Catalytic Reduction ("SCR") technology at Rockport Unit 1;
e. the Rockport UPA expires in 2022;
f. Under the terms of the Consent Decree, Rockport Unit 2 will require approximately $1.4 billion in new pollution controls by 2028;
g. I&M's 2015 IRP filing calls for renewing the Rockport lease, and adding SCR technology in 2019, and FGD systems in 2025 and 2028;
h. In April, 2017 the U.S. Sixth Circuit Court of Appeals issued a ruling ("Appellate Court Ruling") holding that AEG will be responsible for the costs of installing an FGD at Rockport Unit 2 estimated to cost $1.4 billion;
i. The Appellate Court Ruling stated, inter alia, that the EPA initiated and ultimately settled ". . . enforcement litigation against various AEP affiliates for alleged Clean Air Act violations at other coal-burning power plants. But it did not do so with respect to Rockport 2. Rather, having made no allegations regarding the owners' plant, the EPA gained the ability to impose the scrubber requirement only by virtue of the consent decree agreed to by its lessees—one whereby AEP traded away Rockport 2's long-term value in exchange for a more favorable settlement of claims against their other interests."
j. Neither the Kentucky Public Service Commission nor the Kentucky Office of the Attorney General were parties to the cases in which the Consent Decree and the four modifications thereto were formulated and approved.
k. On or about July 21, 2017, KPCo and certain of its affiliates filed a

motion in the U.S. District Court for the Southern District of Ohio (Eastern Division; hereinafter: "U.S. District Court Motion") seeking a fifth Modification to the Consent Decree;

l. The U.S. District Court Motion states, inter alia, at pp. ii-iii, "The Modification seeks to remedy the uncertainty that currently surrounds AEP's rights with respect to Rockport Unit 2 by removing commitments for future pollution control installations (specifically the obligations to install a selective catalytic reduction system ("SCR") by the end of 2019 and a high-efficiency flue gas desulfurization system ("FGD") by the end of 2028) at that Unit and instead committing AEP to one of two alternative courses of action with respect to the Rockport Units";

m. The U.S. District Court Motion states, inter alia, at p. 17 that ". . . given the ongoing dispute with the Lessors concerning the terms of the [Rockport Unit 2] Lease, AEP does not currently plan on extending the term of the Lease, which will terminate in 2022";

n. The U.S. District Court Motion states, inter alia, at p. 18 that ". . . AEP proposes modifying the Consent Decree as follows. . . (1) remove the requirements for additional control installations at Rockport Unit 2 (the SCR and the high-efficiency FGD); (2) memorialize AEP's commitment to seek any appropriate state regulatory approvals to replace Rockport Unit 2's capacity and energy, including but not limited to actions related to the Rockport Unit 2 Lease. . . . ";

o. In the instant case, KPCo seeks approval of its Fifth Amended Environmental Compliance Plan, which includes, inter alia, Project 19 regarding the installation of a selective catalytic converter (SCR) at Rockport Unit 1;

p. The construction of the Rockport Unit 1 SCR is required by the Consent Decree;

q. KPCo and its affiliates are not seeking to delay or negate the construction of the Rockport Unit 1 SCR in their U.S. District Court Motion;

r. The return on equity applicable to construction of the Rockport Unit 1 SCR is 12.16%.

RESPONSE

a. Confirmed.

b. Rockport Unit 2 is owned by Wilmington Trust Co., not in its individual capacity, but solely as owner trustee under twelve separate trusts. Wilmington Trust Co. leases an undivided 50% share of Unit 2 to I&M, and an undivided 50% share to AEG.

Kentucky Power Company
KPSC Case No. 2017-00179 General Rate Adjustment
Attorney General's First Set of Data Requests
Dated August 14, 2017

c. AEG controls 50% of the Rockport Plant, and the Company is entitled to 30% of the output from AEG's share. Thus, the Company is entitled to 15% of the total output of Rockport.

d. The UPA, not the Consent Decree, governs the Company's payment of costs related to the Rockport Unit 1 SCR. The Consent Decree requires that the Unit 1 SCR be installed and operated by December 31, 2017. Pursuant to the terms of the UPA, the costs paid by Kentucky Power for its 15% share of the output of the Rockport Plant include a portion of the cost of the Unit 1 SCR and are reflected in the purchased power bill that the Company receives from AEG. The UPA is attached as "AG_1_002_Attachment1.pdf."

e. Confirmed.

f. The Consent Decree does not address the cost of emissions control technology. The Consent Decree requires an SCR to be installed and operated on Rockport Unit 2 by December 31, 2019. It further requires that one Rockport unit "Retrofit, Retire, Re-power, or Refuel" by December 31, 2025, and that the other Rockport unit "Retrofit, Retire, Re-power, or Refuel" by December 31, 2028. These terms are defined in the Part III, "Definitions," of the Consent Decree.

g. As a threshold matter, the extension of the UPA between Kentucky Power and AEG is a question that is independent and different from I&M's resource planning decisions with respect to Rockport. As explained in Kentucky Power's 2017 Integrated Resource Plan ("IRP"), the UPA expires December 7, 2022. Kentucky Power anticipates that it will address whether to extend the UPA in its 2019 IRP, and it will seek appropriate approval from the Commission for an extension of the UPA or the acquisition of replacement energy and capacity.

I&M's 2015 IRP did not "call for" any specific actions but rather identified (at page ES-6) maintaining Rockport as one part of I&M's "preferred portfolio." I&M's 2015 IRP made clear (at page ES-13) that the "IRP process is a continuous activity" and "assumptions and plans are continually reviewed as new information becomes available and modified as appropriate." I&M's 2015 IRP further clarified that it was "not a commitment to a specific course of action, as the future is highly uncertain." Id. Rather, the I&M 2015 IRP was "simply a snapshot of the future at this time" (i.e., 2015), as the "complexities" of resource planning "necessitate the need for flexibility and adaptability in any ongoing planning activity and resource planning processes." Id.

In addition, I&M's 2015 IRP explained (at page ES-1) that I&M had evaluated multiple resource planning scenarios including cases which removed one or both Rockport units. The results of these analyses showed that the decision whether to retire a Rockport unit was "highly dependent on assumptions" and was "near break-even" in some scenarios. Id.

I&M's 2015 IRP is available at:

https://www.indianamichiganpower.com/info/projects/IntegratedResourcePlan/

h. The referenced "Appellate Court Ruling" has been superseded by a subsequent decision. The U.S. Court of Appeals for the Sixth Circuit ("Sixth Circuit") issued a decision on April 14, 2017. However, in response to a petition for rehearing, the Sixth Circuit granted rehearing and issued a superseding "Amended Opinion" on June 8, 2017. This Amended Opinion reversed the district court's dismissal of certain of plaintiffs' claims. Critically, however, the Amended Opinion made no liability determination and remanded the case to the district court for further proceedings. Please see the Company's response to KPSC 2-49, which provides the Amended Opinion as "KPCO_R_KPSC_2_049_Attachment1.pdf." The Amended Opinion speaks for itself.

i. The Company confirms the quoted language is contained in the June 8, 2017 Amended Opinion. The Company notes that the Sixth Circuit's decision considered all allegations in the lessors' complaint to be true, and that there had been no opportunity to develop a complete factual record in the district court. As noted in subpart (h) above, the June 8, 2017 "Amended Opinion" made no liability determination and remanded the case to the district court for further proceedings. The Amended Opinion, which is provided in the Company's response to KPSC 2-49, speaks for itself.

j. Confirmed. Neither of these entities moved to intervene in the cases.

k. Confirmed. This motion was previously provided to the Attorney General on July 25, 2017 by Kentucky Power and is attached as "AG_1_002_Attachment2.pdf."

l. The Company confirms that the quoted language is contained in the motion, but notes that the specifics of the requested relief are explained in greater detail elsewhere in the motion. The motion ("AG_1_002_Attachment2.pdf") speaks for itself.

m. The Company confirms that the quoted language is contained in the motion, but notes that the circumstances surrounding the litigation with the lessors are set forth more fully elsewhere in the motion. The motion ("AG_1_002_Attachment2.pdf") speaks for itself.

n. Although the quoted language may be found in the motion, the excerpt is only a partial list of the proposed Consent Decree modifications. A complete list can be found on pages 18-22 of the motion ("AG_1_002_Attachment2.pdf").

o. Confirmed.

Kentucky Power Company
KPSC Case No. 2017-00179 General Rate Adjustment
Attorney General's First Set of Data Requests
Dated August 14, 2017

p. Confirmed.

q. Confirmed. The Rockport Unit 1 SCR went into service on August 9, 2017.

r. Kentucky Power confirms that under the terms of the FERC-approved UPA, the rate it pays for its 15% share of the output of Rockport reflects a 12.16% ROE.

Witness: Matthew J. Satterwhite

above plus the imputed interest expense associated with common equity that is in excess of 40% of AEGCO's net capitalization.

The power bill for Unit No. 2 shall be calculated in the same manner as described for Unit No. 1 above except that it shall reflect the Unit No. 2 Net In-Service Investment Ratio and those expenses associated with Unit No. 2.

Notes:

1. **Return on Equity**

The return on common equity allowance shall be based upon a rate of return of 12.16% as set forth in sub-paragraph (a) above.

In October of 1988, and every October thereafter for the effective duration of AEGCO's formula rate, any purchaser under AEGCO's two unit power agreements, any state regulatory commission having jurisdiction over the retail rates of purchasers under these agreements, or any other entity representing customers' interest, may file a complaint with the Commission with respect to the specified rate of return on common equity. If the Commission, in response to such a complaint, or on its own motion, institutes an investigation into the reasonableness of the specified return on common equity, such investigation shall be pursued under the special procedures set forth as follows:

A. The only issue to be addressed under these special procedures shall be the continued collection of the return on equity as incorporated in the formula rate; and

B. Refund will be due, should the return on equity, specified in the formula be found not just and reasonable, dating from the first day of January immediately following the date the complaint is filed or an investigation is instituted by the Commission on its own motion, calculated on the resulting difference in rates due to the application of the return found to be just and reasonable and the return stated in the formula. The first such effective date for the calculation of refunds shall be January 1, 1989.

Any other complaint which challenges the justness and reasonableness of any other component of the filed formula rate or any other complaint filed at any other time which challenges the justness and reasonableness of the specified rate of return on common equity and which is set for investigation by the Commission shall be pursued under Section 206 of the Federal Power Act.

2. **Operating Ratio**

The Operating Ratio shall be computed each month commencing with the month in which Unit No. 1 at the Plant is placed in commercial operation. It shall be based on the balances, as recorded on the Company's books in accordance with the FERC Uniform

Kentucky Power Company

KPSC Case No. 2017-00179 General Rate Adjustment
Attorney General's First Set of Data Requests
Dated August 14, 2017

DATA REQUEST

AG_1_301 Unit Power Agreement. Does KPCo have a Unit Power Agreement with AEP Generating Company? If "yes" explain fully and:
a. Provide a copy of the Unit Power Agreement ("UPA") between KPCo and AEP Generating Company.
b. 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, and provide a copy of the UPA applicable to Rockport.
c. Identify all FERC proceedings from 2004 through 2017 that have addressed the Rockport Unit Power Supply Agreement.
d. Identify all costs, by account, that the Company is requesting in the test year related to the Rockport Unit Power Supply Agreement.
e. Identify and provide all invoices to the Company in 2015, 2016 and 2017 (to date) related to charges associated with the Rockport Unit Power Supply Agreement.

RESPONSE

a. Please refer to the Company's response to AG 1-2 for the requested information.

b. The Company cannot confirm the statement. The Commission by order Dated December 13, 2004 approved the Stipulation and Settlement Agreement among Kentucky Power Company, Kentucky Industrial Utility Customers, Inc, and the Office of the Attorney General Office of Rate Intervention in Case No. 2004-00420.

Please refer to the Company's response to AG 1-2 for a copy of the Unit Power Agreement.

c. Docket ER13-286 was the only FERC proceeding addressing the Rockport Unit Power Supply Agreement in the years from 2004 through 2017.

d. Rockport purchase power is recorded in the test year in accounts 5550027 and 5550046 in the amounts of $51,785,042 and $48,218,333, respectively. There were no specific adjustment to these accounts in the test year.

e. Please refer to the Company's response to KIUC 1-43 for the requested information.

Witness: Ranie K. Wohnhas
Matthew J. Satterwhite

Kentucky Power Company
KPSC Case No. 2017-00179 General Rate Adjustment
KIUC First Set of Data Requests
Dated August 14, 2017

DATA REQUEST

KIUC_1_043 Please provide copies of all Rockport Unit Power Agreement monthly invoices billed to the Company from AEP for the period January 2015 through the most recent month available in electronic format with all formulas intact.

RESPONSE

Please refer to KPCO_R_KIUC_1_43_Attachment1.xls through KPCO_R_KIUC_1_43_Attachment31.xls for the requested information.

Witness: Ranie K. Wohnhas

EXHIBIT RCS-14

Kentucky Power Company
Test Year Affiliated Charges for Rockport Unit Power Sales Agreement

Test Year Ended February 28, 2017

Line No.	Year	Month	Unit 1 Non-Fuel	Unit 1 Fuel	Unit 1 Total	Unit 2 Non-Fuel	Unit 2 Fuel	Unit 2 Total	Total Non-Fuel	Total Fuel	Total Total
		Account:	5550027	5550046		5550027	5550046		5550027	5550046	
	I. Total Charges										
1	2016	3	$1,562,870	$555,236	$2,118,106	$2,415,483	$275,655	$2,691,138	$3,978,353	$830,891	$4,809,244
2	2016	4	$1,511,454	$2,705,779	$4,217,233	$2,372,472	$841,420	$3,213,892	$3,883,926	$3,547,200	$7,431,126
3	2016	5	$1,717,729	$1,475,989	$3,193,718	$2,602,095	$2,168,514	$4,770,609	$4,319,824	$3,644,503	$7,964,327
4	2016	6	$1,921,266	$1,713,824	$3,635,090	$2,515,567	$2,455,430	$4,970,997	$4,436,833	$4,169,254	$8,606,087
5	2016	7	$1,793,463	$2,760,665	$4,554,128	$2,572,302	$2,703,452	$5,275,754	$4,365,765	$5,464,117	$9,829,882
6	2016	8	$1,799,243	$2,810,966	$4,610,209	$2,579,264	$2,767,032	$5,346,296	$4,378,507	$5,577,998	$9,956,505
7	2016	9	$1,853,143	$815,331	$2,668,474	$2,651,215	$2,547,979	$5,199,194	$4,504,358	$3,363,310	$7,867,668
8	2016	10	$1,617,931	$1,408,528	$3,026,459	$2,631,415	$2,673,546	$5,304,961	$4,249,346	$4,082,074	$8,331,420
9	2016	11	$1,753,206	$1,844,623	$3,597,829	$2,515,197	$2,381,981	$4,897,178	$4,268,403	$4,226,604	$8,495,007
10	2016	12	$2,004,370	$2,197,693	$4,202,063	$2,608,236	$3,187,084	$5,795,320	$4,612,606	$5,384,777	$9,997,383
11	2017	1	$1,764,943	$2,773,630	$4,538,573	$2,648,935	$1,627,816	$4,276,751	$4,413,878	$4,401,446	$8,815,324
12	2017	2	$1,674,808	$994,321	$2,669,129	$2,698,435	$2,531,839	$5,230,274	$4,373,243	$3,526,160	$7,899,403
13	Total		$20,974,426	$22,056,586	$43,031,012	$30,810,616	$26,161,748	$56,972,364	$51,785,042	$48,218,333	$100,003,375
	II. Charges for Return on Common Equity (Note A)										
14	2016	3	$300,162		$300,162	($22,449)		($22,449)	$277,713		$277,713
15	2016	4	$305,173		$305,173	($38,734)		($38,734)	$266,439		$266,439
16	2016	5	$304,057		$304,057	($44,132)		($44,132)	$259,925		$259,925
17	2016	6	$284,255		$284,255	($48,632)		($48,632)	$235,623		$235,623
18	2016	7	$266,184		$266,184	($12,724)		($12,724)	$253,460		$253,460
19	2016	8	$262,187		$262,187	($16,581)		($16,581)	$245,606		$245,606
20	2016	9	$271,315		$271,315	($24,537)		($24,537)	$246,778		$246,778
21	2016	10	$274,824		$274,824	($27,785)		($27,785)	$247,039		$247,039
22	2016	11	$288,797		$288,797	($53,278)		($53,278)	$235,519		$235,519
23	2016	12	$298,829		$298,829	($62,804)		($62,804)	$236,025		$236,025
24	2017	1	$272,841		$272,841	($27,052)		($27,052)	$245,789		$245,789
25	2017	2	$280,101		$280,101	($42,129)		($42,129)	$237,972		$237,972
26	Total		$3,408,725		$3,408,725	($420,837)		($420,837)	$2,987,888		$2,987,888
	III. Estimated Annual Savings to KPCo if 12.16% ROE Was Adjusted to:										
				Ratio to 12.16% ROE	Annual Savings						Annual Savings
27	KPCo's requested ROE of 10.31%			0.847861842	$518,597						$454,572
28	KPCo's currently authorized ROE of 10.25%			0.842927632	$535,417						$469,315
29	AG's recommended ROE of 8.60%			0.707236842	$997,949						$874,744

Notes and Source

Note A: Agreement provides for a 12.16% Return on Common Equity

KPCo response to KIUC 1-43, Attachments 15 through 26

Under the Rockport Unit Power Sale agreements with AEP Generating Company, and as shown on the AEPGenCo invoices, 30 percent is billed to KPCo and 70 percent is billed to Indiana & Michigan Power Company, a utility affiliate. The amounts listed above are the AEPGenCo billings to KPCo.

Exhibit RCS-14
Case No. 2017-00179
Page 1 of 1

EXHIBIT RCS-15

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

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

ESTIMATE
29-Sep-17

UNIT 1
POWER BILL - - March, 2016

IN ACCORDANCE WITH POWER AGREEMENT DATED OCTOBER 1, 1984 (AS AMENDED)
ENERGY DELIVERED FOR THE MONTH OF March, 2016

KWH FOR THE MONTH	34,817,000
SUMMARY	**TOTAL**
Current Month Bill:	
Return on Common Equity	300,162
Return on Other Capital	67,931
Total Return	368,093
Fuel	555,236
Purchased Power	0
Other Operating Revenues	(2,625)
Other Operation and Maintenance Exp	309,068
Depreciation Expense	570,245
Taxes Other Than Federal Income Tax	26,232
Federal Income Tax	307,825
TOTAL CURRENT UNIT POWER BILL	2,134,074
Prior Month's Adjustment:	
Return on Common Equity & Other Capital	0
Fuel Expense	0
Other Expenses (Includes taxes & interest)	(15,968)
TOTAL PRIOR MONTH'S ADJUSTMENTS	(15,968)
TOTAL UNIT POWER BILL	2,118,106

AMOUNTS WILL BE PAID DIRECT FROM GENERAL FUNDS.

DUE DATE - - - April 18, 2016

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

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

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

ESTIMATE
29-Sep-17

UNIT 2
POWER BILL - - March, 2016

IN ACCORDANCE WITH POWER AGREEMENT DATED OCTOBER 1, 1984 (AS AMENDED)
ENERGY DELIVERED FOR THE MONTH OF March, 2016
KWH FOR THE MONTH 23,884,000

SUMMARY	**TOTAL**
Current Month Bill:	
Return on Common Equity	(22,449)
Return on Other Capital	(5,081)
Total Return	(27,530)
Fuel	275,655
Purchased Power	0
Other Operating Revenues	(2,625)
Other Operation and Maintenance Exp	2,115,872
Depreciation Expense	373,448
Taxes Other Than Federal Income Tax	25,350
Federal Income Tax	(65,127)
TOTAL CURRENT UNIT POWER BILL	2,695,043
Prior Month's Adjustment:	
Return on Common Equity & Other Capital	0
Fuel Expense	0
Other Expenses (Includes taxes & interest)	(3,905)
TOTAL PRIOR MONTH'S ADJUSTMENTS	(3,905)
TOTAL UNIT POWER BILL	2,691,138

AMOUNTS WILL BE PAID DIRECT FROM GENERAL FUNDS.

DUE DATE - - April 18, 2016

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

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ASHLAND, KY 41101

ESTIMATE
29-Sep-17

UNIT 1
POWER BILL - - April, 2016

IN ACCORDANCE WITH POWER AGREEMENT DATED OCTOBER 1, 1984 (AS AMENDED)
ENERGY DELIVERED FOR THE MONTH OF April, 2016

KWH FOR THE MONTH	108,755,000
SUMMARY	**TOTAL**
Current Month Bill:	
Return on Common Equity	305,173
Return on Other Capital	62,554
Total Return	367,727
Fuel	2,705,779
Purchased Power	0
Other Operating Revenues	(2,625)
Other Operation and Maintenance Exp	527,555
Depreciation Expense	561,389
Taxes Other Than Federal Income Tax	30,760
Federal Income Tax	341,880
TOTAL CURRENT UNIT POWER BILL	4,532,465
Prior Month's Adjustment:	
Return on Common Equity & Other Capital	0
Fuel Expense	0
Other Expenses (Includes taxes & interest)	(315,232)
TOTAL PRIOR MONTH'S ADJUSTMENTS	(315,232)
TOTAL UNIT POWER BILL	4,217,233

AMOUNTS WILL BE PAID DIRECT FROM GENERAL FUNDS.

DUE DATE - - - May 20, 2016

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

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

ESTIMATE
29-Sep-17

UNIT 2
POWER BILL - - April, 2016

IN ACCORDANCE WITH POWER AGREEMENT DATED OCTOBER 1, 1984 (AS AMENDED)
ENERGY DELIVERED FOR THE MONTH OF April, 2016

KWH FOR THE MONTH	30,922,000
SUMMARY	**TOTAL**
Current Month Bill:	
Return on Common Equity	(38,734)
Return on Other Capital	(7,940)
Total Return	(46,674)
Fuel	841,420
Purchased Power	0
Other Operating Revenues	(2,625)
Other Operation and Maintenance Exp	2,100,232
Depreciation Expense	372,140
Taxes Other Than Federal Income Tax	29,878
Federal Income Tax	(69,149)
TOTAL CURRENT UNIT POWER BILL	3,225,222
Prior Month's Adjustment:	
Return on Common Equity & Other Capital	0
Fuel Expense	0
Other Expenses (Includes taxes & interest)	(11,330)
TOTAL PRIOR MONTH'S ADJUSTMENTS	(11,330)
TOTAL UNIT POWER BILL	3,213,892

AMOUNTS WILL BE PAID DIRECT FROM GENERAL FUNDS.

DUE DATE - - May 20, 2016

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

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

ESTIMATE
29-Sep-17

UNIT 1
POWER BILL - - May, 2016

IN ACCORDANCE WITH POWER AGREEMENT DATED OCTOBER 1, 1984 (AS AMENDED)
ENERGY DELIVERED FOR THE MONTH OF May, 2016

	KWH FOR THE MONTH	54,914,000
	SUMMARY	**TOTAL**
Current Month Bill:		
	Return on Common Equity	304,057
	Return on Other Capital	66,350
	Total Return	370,407
	Fuel	1,475,989
	Purchased Power	0
	Other Operating Revenues	(2,625)
	Other Operation and Maintenance Exp	539,322
	Depreciation Expense	561,443
	Taxes Other Than Federal Income Tax	49,531
	Federal Income Tax	341,973
	TOTAL CURRENT UNIT POWER BILL	3,336,040
Prior Month's Adjustment:		
	Return on Common Equity & Other Capital	0
	Fuel Expense	0
	Other Expenses (Includes taxes & interest)	(142,322)
	TOTAL PRIOR MONTH'S ADJUSTMENTS	(142,322)
	TOTAL UNIT POWER BILL	3,193,718

AMOUNTS WILL BE PAID DIRECT FROM GENERAL FUNDS.

DUE DATE - - - June 20, 2016

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

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ESTIMATE
29-Sep-17

UNIT 2
POWER BILL - - May, 2016

IN ACCORDANCE WITH POWER AGREEMENT DATED OCTOBER 1, 1984 (AS AMENDED)
ENERGY DELIVERED FOR THE MONTH OF May, 2016
KWH FOR THE MONTH 84,214,000

SUMMARY	TOTAL
Current Month Bill:	
Return on Common Equity	(44,132)
Return on Other Capital	(9,630)
Total Return	(53,762)
Fuel	2,168,514
Purchased Power	0
Other Operating Revenues	(2,625)
Other Operation and Maintenance Exp	2,284,196
Depreciation Expense	372,349
Taxes Other Than Federal Income Tax	47,818
Federal Income Tax	(71,361)
TOTAL CURRENT UNIT POWER BILL	4,745,129
Prior Month's Adjustment:	
Return on Common Equity & Other Capital	0
Fuel Expense	0
Other Expenses (Includes taxes & interest)	25,480
TOTAL PRIOR MONTH'S ADJUSTMENTS	25,480
TOTAL UNIT POWER BILL	4,770,609

AMOUNTS WILL BE PAID DIRECT FROM GENERAL FUNDS.

DUE DATE - - June 20, 2016

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

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ESTIMATE
29-Sep-17

UNIT 1
POWER BILL - - June, 2016

IN ACCORDANCE WITH POWER AGREEMENT DATED OCTOBER 1, 1984 (AS AMENDED)
ENERGY DELIVERED FOR THE MONTH OF June, 2016

KWH FOR THE MONTH	63,128,000
SUMMARY	**TOTAL**
Current Month Bill:	
Return on Common Equity	284,255
Return on Other Capital	79,061
Total Return	363,316
Fuel	1,713,824
Purchased Power	0
Other Operating Revenues	(2,625)
Other Operation and Maintenance Exp	492,811
Depreciation Expense	564,076
Taxes Other Than Federal Income Tax	122,374
Federal Income Tax	330,660
TOTAL CURRENT UNIT POWER BILL	3,584,436
Prior Month's Adjustment:	
Return on Common Equity & Other Capital	0
Other Expenses (Includes taxes & interest)	50,654
TOTAL PRIOR MONTH'S ADJUSTMENTS	50,654
TOTAL UNIT POWER BILL	3,635,090

AMOUNTS WILL BE PAID DIRECT FROM GENERAL FUNDS.

DUE DATE - - - July 21, 2016

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

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ASHLAND, KY 41101

ESTIMATE
29-Sep-17

UNIT 2
POWER BILL - - June, 2016

IN ACCORDANCE WITH POWER AGREEMENT DATED OCTOBER 1, 1984 (AS AMENDED)
ENERGY DELIVERED FOR THE MONTH OF June, 2016
KWH FOR THE MONTH 94,195,000

SUMMARY	TOTAL
Current Month Bill:	
Return on Common Equity	(48,632)
Return on Other Capital	(13,526)
Total Return	(62,158)
Fuel	2,455,430
Purchased Power	0
Other Operating Revenues	(2,625)
Other Operation and Maintenance Exp	2,229,094
Depreciation Expense	387,787
Taxes Other Than Federal Income Tax	119,728
Federal Income Tax	(74,436)
TOTAL CURRENT UNIT POWER BILL	5,052,820
Prior Month's Adjustment:	
Return on Common Equity & Other Capital	0
Fuel Expense	0
Other Expenses (Includes taxes & interest)	(81,823)
TOTAL PRIOR MONTH'S ADJUSTMENTS	(81,823)
TOTAL UNIT POWER BILL	4,970,997

AMOUNTS WILL BE PAID DIRECT FROM GENERAL FUNDS.

DUE DATE - - July 21, 2016
Cc: Steve Hornyak - Columbus   Kurt C Cooper - Ft Wayne
Dave Hille - Ft. Wayne   Shannon Listebarger - Columbus
Mike Stout - Ft. Wayne
Mike Giardina - Columbus
Sid Lyons - Columbus   Michelle Howell - Columbus

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KENTUCKY POWER COMPANY
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ESTIMATE
29-Sep-17

UNIT 1
POWER BILL - - July, 2016

IN ACCORDANCE WITH POWER AGREEMENT DATED OCTOBER 1, 1984 (AS AMENDED)
ENERGY DELIVERED FOR THE MONTH OF July, 2016
KWH FOR THE MONTH 102,218,000

	SUMMARY	TOTAL
Current Month Bill:		
	Return on Common Equity	266,184
	Return on Other Capital	66,958
	Total Return	333,142
	Fuel	2,760,665
	Purchased Power	0
	Other Operating Revenues	(2,625)
	Other Operation and Maintenance Exp	575,554
	Depreciation Expense	561,427
	Taxes Other Than Federal Income Tax	31,031
	Federal Income Tax	320,800
	TOTAL CURRENT UNIT POWER BILL	4,579,994
Prior Month's Adjustment:		
	Return on Common Equity & Other Capital	0
	Other Expenses (Includes taxes & interest)	(25,866)
	TOTAL PRIOR MONTH'S ADJUSTMENTS	(25,866)
	TOTAL UNIT POWER BILL	4,554,128

AMOUNTS WILL BE PAID DIRECT FROM GENERAL FUNDS.

DUE DATE - - - August 19, 2016

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

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

ESTIMATE
29-Sep-17

UNIT 2
POWER BILL - - July, 2016

IN ACCORDANCE WITH POWER AGREEMENT DATED OCTOBER 1, 1984 (AS AMENDED)
ENERGY DELIVERED FOR THE MONTH OF July, 2016
KWH FOR THE MONTH 102,344,000

SUMMARY	TOTAL
Current Month Bill:	
Return on Common Equity	(12,724)
Return on Other Capital	(3,201)
Total Return	(15,925)
Fuel	2,703,452
Purchased Power	0
Other Operating Revenues	(2,625)
Other Operation and Maintenance Exp	2,242,763
Depreciation Expense	376,230
Taxes Other Than Federal Income Tax	30,149
Federal Income Tax	(55,230)
TOTAL CURRENT UNIT POWER BILL	5,278,814
Prior Month's Adjustment:	
Return on Common Equity & Other Capital	0
Fuel Expense	0
Other Expenses (Includes taxes & interest)	(3,060)
TOTAL PRIOR MONTH'S ADJUSTMENTS	(3,060)
TOTAL UNIT POWER BILL	5,275,754

AMOUNTS WILL BE PAID DIRECT FROM GENERAL FUNDS.

DUE DATE - - August 19, 2016
Cc: Steve Hornyak - Columbus
Dave Hille - Ft. Wayne
Mike Stout - Ft. Wayne
Mike Giardina - Columbus
Sid Lyons - Columbus
Kurt C Cooper - Ft Wayne
Shannon Listebarger - Columbus
Michelle Howell - Columbus

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

ESTIMATE
29-Sep-17

UNIT 1
POWER BILL - - August, 2016

IN ACCORDANCE WITH POWER AGREEMENT DATED OCTOBER 1, 1984 (AS AMENDED)
ENERGY DELIVERED FOR THE MONTH OF August, 2016
KWH FOR THE MONTH 102,110,000

SUMMARY	TOTAL
Current Month Bill:	
Return on Common Equity	262,187
Return on Other Capital	66,622
Total Return	328,809
Fuel	2,810,966
Purchased Power	0
Other Operating Revenues	(2,625)
Other Operation and Maintenance Exp	571,723
Depreciation Expense	561,551
Taxes Other Than Federal Income Tax	29,769
Federal Income Tax	318,764
TOTAL CURRENT UNIT POWER BILL	4,618,957
Prior Month's Adjustment:	
Return on Common Equity & Other Capital	0
Fuel Expense	0
Other Expenses (Includes taxes & interest)	(8,748)
TOTAL PRIOR MONTH'S ADJUSTMENTS	(8,748)
TOTAL UNIT POWER BILL	4,610,209

AMOUNTS WILL BE PAID DIRECT FROM GENERAL FUNDS.

DUE DATE - - - September 22, 2016

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

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

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

ESTIMATE
29-Sep-17

UNIT 2
POWER BILL - - August, 2016

IN ACCORDANCE WITH POWER AGREEMENT DATED OCTOBER 1, 1984 (AS AMENDED)
ENERGY DELIVERED FOR THE MONTH OF August, 2016
KWH FOR THE MONTH 101,844,000

SUMMARY	TOTAL
Current Month Bill:	
Return on Common Equity	(16,581)
Return on Other Capital	(4,213)
Total Return	(20,794)
Fuel	2,767,032
Purchased Power	0
Other Operating Revenues	(2,625)
Other Operation and Maintenance Exp	2,249,127
Depreciation Expense	378,056
Taxes Other Than Federal Income Tax	28,887
Federal Income Tax	(57,400)
TOTAL CURRENT UNIT POWER BILL	5,342,283
Prior Month's Adjustment:	
Return on Common Equity & Other Capital	0
Fuel Expense	0
Other Expenses (Includes taxes & interest)	4,013
TOTAL PRIOR MONTH'S ADJUSTMENTS	4,013
TOTAL UNIT POWER BILL	5,346,296

AMOUNTS WILL BE PAID DIRECT FROM GENERAL FUNDS.

DUE DATE - - September 22, 2016

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

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

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

ESTIMATE
29-Sep-17

UNIT 1
POWER BILL - - September, 2016

IN ACCORDANCE WITH POWER AGREEMENT DATED OCTOBER 1, 1984 (AS AMENDED)
ENERGY DELIVERED FOR THE MONTH OF September, 2016
KWH FOR THE MONTH 25,247,000

	SUMMARY	TOTAL
Current Month Bill:		
	Return on Common Equity	271,315
	Return on Other Capital	69,387
	Total Return	340,702
	Fuel	815,331
	Purchased Power	0
	Other Operating Revenues	(2,625)
	Other Operation and Maintenance Exp	514,586
	Depreciation Expense	565,505
	Taxes Other Than Federal Income Tax	93,121
	Federal Income Tax	341,215
	TOTAL CURRENT UNIT POWER BILL	2,667,835
Prior Month's Adjustment:		
	Return on Common Equity & Other Capital	0
	Fuel Expense	0
	Other Expenses (Includes taxes & interest)	639
	TOTAL PRIOR MONTH'S ADJUSTMENTS	639
	TOTAL UNIT POWER BILL	2,668,474

AMOUNTS WILL BE PAID DIRECT FROM GENERAL FUNDS.

DUE DATE - - - October 20, 2016

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

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KENTUCKY POWER COMPANY
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ASHLAND, KY 41101

ESTIMATE
29-Sep-17

UNIT 2
POWER BILL - - September, 2016

IN ACCORDANCE WITH POWER AGREEMENT DATED OCTOBER 1, 1984 (AS AMENDED)
ENERGY DELIVERED FOR THE MONTH OF September, 2016
KWH FOR THE MONTH 92,460,000

SUMMARY	TOTAL
Current Month Bill:	
Return on Common Equity	(24,537)
Return on Other Capital	(6,275)
Total Return	(30,812)
Fuel	2,547,979
Purchased Power	0
Other Operating Revenues	(2,625)
Other Operation and Maintenance Exp	2,218,109
Depreciation Expense	385,240
Taxes Other Than Federal Income Tax	122,281
Federal Income Tax	(43,938)
TOTAL CURRENT UNIT POWER BILL	5,196,234
Prior Month's Adjustment:	
Return on Common Equity & Other Capital	0
Fuel Expense	0
Other Expenses (Includes taxes & interest)	2,960
TOTAL PRIOR MONTH'S ADJUSTMENTS	2,960
TOTAL UNIT POWER BILL	5,199,194

AMOUNTS WILL BE PAID DIRECT FROM GENERAL FUNDS.

DUE DATE - - October 20, 2016
Cc: Steve Hornyak - Columbus
Dave Hille - Ft. Wayne
Mike Stout - Ft. Wayne
Mike Giardina - Columbus
Sid Lyons - Columbus
Kurt C Cooper - Ft Wayne
Shannon Listebarger - Columbus
Michelle Howell - Columbus

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KENTUCKY POWER COMPANY
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ESTIMATE
29-Sep-17

UNIT 1
POWER BILL - - October, 2016

IN ACCORDANCE WITH POWER AGREEMENT DATED OCTOBER 1, 1984 (AS AMENDED)
ENERGY DELIVERED FOR THE MONTH OF October, 2016
KWH FOR THE MONTH 51,121,000

	SUMMARY	**TOTAL**
Current Month Bill:		
	Return on Common Equity	274,824
	Return on Other Capital	68,615
	Total Return	343,439
	Fuel	1,408,528
	Purchased Power	0
	Other Operating Revenues	(2,625)
	Other Operation and Maintenance Exp	500,996
	Depreciation Expense	562,169
	Taxes Other Than Federal Income Tax	37,416
	Federal Income Tax	325,477
	TOTAL CURRENT UNIT POWER BILL	3,175,400
Prior Month's Adjustment:		
	Return on Common Equity & Other Capital	0
	Fuel Expense	0
	Other Expenses (Includes taxes & interest)	(148,941)
	TOTAL PRIOR MONTH'S ADJUSTMENTS	(148,941)
	TOTAL UNIT POWER BILL	3,026,459

AMOUNTS WILL BE PAID DIRECT FROM GENERAL FUNDS.

DUE DATE - - - November 21, 2016

Cc: Steve Hornyak - Columbus
Dave Hille - Ft. Wayne
Mike Stout - Ft. Wayne
Mike Giardina - Columbus
Sid Lyons - Columbus
Diane Keegan - Columbus

Kurt C Cooper - Ft Wayne
Shannon Listebarger - Columbus
Michelle Howell - Columbus

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ESTIMATE
29-Sep-17

UNIT 2
POWER BILL - - October, 2016

IN ACCORDANCE WITH POWER AGREEMENT DATED OCTOBER 1, 1984 (AS AMENDED)
ENERGY DELIVERED FOR THE MONTH OF October, 2016
KWH FOR THE MONTH 101,666,000

SUMMARY	TOTAL
Current Month Bill:	
Return on Common Equity	(27,785)
Return on Other Capital	(6,937)
Total Return	(34,722)
Fuel	2,673,546
Purchased Power	0
Other Operating Revenues	(2,625)
Other Operation and Maintenance Exp	2,283,293
Depreciation Expense	379,367
Taxes Other Than Federal Income Tax	36,534
Federal Income Tax	(63,315)
TOTAL CURRENT UNIT POWER BILL	5,272,078
Prior Month's Adjustment:	
Return on Common Equity & Other Capital	0
Fuel Expense	0
Other Expenses (Includes taxes & interest)	32,883
TOTAL PRIOR MONTH'S ADJUSTMENTS	32,883
TOTAL UNIT POWER BILL	5,304,961

AMOUNTS WILL BE PAID DIRECT FROM GENERAL FUNDS.

DUE DATE - - November 21, 2016

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

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ASHLAND, KY 41101

ESTIMATE
29-Sep-17

UNIT 1
POWER BILL - - November, 2016

IN ACCORDANCE WITH POWER AGREEMENT DATED OCTOBER 1, 1984 (AS AMENDED)
ENERGY DELIVERED FOR THE MONTH OF November, 2016

KWH FOR THE MONTH	66,492,000
SUMMARY	**TOTAL**
Current Month Bill:	
Return on Common Equity	288,797
Return on Other Capital	84,247
Total Return	373,044
Fuel	1,844,623
Purchased Power	0
Other Operating Revenues	(2,625)
Other Operation and Maintenance Exp	538,482
Depreciation Expense	562,547
Taxes Other Than Federal Income Tax	21,092
Federal Income Tax	320,104
TOTAL CURRENT UNIT POWER BILL	3,657,267
Prior Month's Adjustment:	
Return on Common Equity & Other Capital	0
Fuel Expense	0
Other Expenses (Includes taxes & interest)	(59,438)
TOTAL PRIOR MONTH'S ADJUSTMENTS	(59,438)
TOTAL UNIT POWER BILL	3,597,829

AMOUNTS WILL BE PAID DIRECT FROM GENERAL FUNDS.

DUE DATE - - - December 19, 2016

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

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ASHLAND, KY 41101

ESTIMATE
29-Sep-17

UNIT 2
POWER BILL - - November, 2016

IN ACCORDANCE WITH POWER AGREEMENT DATED OCTOBER 1, 1984 (AS AMENDED)
ENERGY DELIVERED FOR THE MONTH OF November, 2016

SUMMARY	TOTAL
KWH FOR THE MONTH	87,155,000
Current Month Bill:	
Return on Common Equity	(53,278)
Return on Other Capital	(15,542)
Total Return	(68,820)
Fuel	2,381,981
Purchased Power	0
Other Operating Revenues	(2,625)
Other Operation and Maintenance Exp	2,265,747
Depreciation Expense	380,067
Taxes Other Than Federal Income Tax	20,210
Federal Income Tax	(89,882)
TOTAL CURRENT UNIT POWER BILL	4,886,678
Prior Month's Adjustment:	
Return on Common Equity & Other Capital	0
Fuel Expense	0
Other Expenses (Includes taxes & interest)	10,500
TOTAL PRIOR MONTH'S ADJUSTMENTS	10,500
TOTAL UNIT POWER BILL	4,897,178

AMOUNTS WILL BE PAID DIRECT FROM GENERAL FUNDS.

DUE DATE - - December 19, 2016

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

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

ESTIMATE
29-Sep-17

UNIT 1
POWER BILL - - December, 2016

IN ACCORDANCE WITH POWER AGREEMENT DATED OCTOBER 1, 1984 (AS AMENDED)
ENERGY DELIVERED FOR THE MONTH OF December, 2016

KWH FOR THE MONTH		80,227,000
	SUMMARY	**TOTAL**
Current Month Bill:		
	Return on Common Equity	298,829
	Return on Other Capital	80,663
	Total Return	379,492
	Fuel	2,197,693
	Purchased Power	0
	Other Operating Revenues	(2,625)
	Other Operation and Maintenance Exp	670,209
	Depreciation Expense	566,304
	Taxes Other Than Federal Income Tax	58,663
	Federal Income Tax	333,168
	TOTAL CURRENT UNIT POWER BILL	4,202,904
Prior Month's Adjustment:		
	Return on Common Equity & Other Capital	0
	Fuel Expense	0
	Other Expenses (Includes taxes & interest)	(841)
	TOTAL PRIOR MONTH'S ADJUSTMENTS	(841)
	TOTAL UNIT POWER BILL	4,202,063

AMOUNTS WILL BE PAID DIRECT FROM GENERAL FUNDS.

DUE DATE - - - January 20, 2017

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

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

ESTIMATE
29-Sep-17

UNIT 2
POWER BILL - - December, 2016

IN ACCORDANCE WITH POWER AGREEMENT DATED OCTOBER 1, 1984 (AS AMENDED)
ENERGY DELIVERED FOR THE MONTH OF December, 2016
KWH FOR THE MONTH 122,227,000

SUMMARY	TOTAL
Current Month Bill:	
Return on Common Equity	(62,804)
Return on Other Capital	(16,953)
Total Return	(79,757)
Fuel	3,187,084
Purchased Power	0
Other Operating Revenues	(2,625)
Other Operation and Maintenance Exp	2,327,196
Depreciation Expense	389,176
Taxes Other Than Federal Income Tax	57,781
Federal Income Tax	(92,301)
TOTAL CURRENT UNIT POWER BILL	5,786,554
Prior Month's Adjustment:	
Return on Common Equity & Other Capital	0
Fuel Expense	0
Other Expenses (Includes taxes & interest)	8,766
TOTAL PRIOR MONTH'S ADJUSTMENTS	8,766
TOTAL UNIT POWER BILL	5,795,320

AMOUNTS WILL BE PAID DIRECT FROM GENERAL FUNDS.

DUE DATE - - January 20, 2017

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

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

ESTIMATE
29-Sep-17

UNIT 1
POWER BILL - - January, 2017

IN ACCORDANCE WITH POWER AGREEMENT DATED OCTOBER 1, 1984 (AS AMENDED)
ENERGY DELIVERED FOR THE MONTH OF January, 2017
KWH FOR THE MONTH 108,396,000

SUMMARY	TOTAL
Current Month Bill:	
Return on Common Equity	272,841
Return on Other Capital	78,071
Total Return	350,912
Fuel	2,773,630
Purchased Power	0
Other Operating Revenues	(2,625)
Other Operation and Maintenance Exp	692,541
Depreciation Expense	563,530
Taxes Other Than Federal Income Tax	43,185
Federal Income Tax	133,894
TOTAL CURRENT UNIT POWER BILL	4,555,067
Prior Month's Adjustment:	
Return on Common Equity & Other Capital	0
Fuel Expense	0
Other Expenses (Includes taxes & interest)	(16,494)
TOTAL PRIOR MONTH'S ADJUSTMENTS	(16,494)
TOTAL UNIT POWER BILL	4,538,573

AMOUNTS WILL BE PAID DIRECT FROM GENERAL FUNDS.

DUE DATE - - - February 20, 2017

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

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KENTUCKY POWER COMPANY — **ESTIMATE**
17TH ST. & CENTRAL AVE. — **29-Sep-17**
ASHLAND, KY 41101

UNIT 2
POWER BILL - - January, 2017

IN ACCORDANCE WITH POWER AGREEMENT DATED OCTOBER 1, 1984 (AS AMENDED)
ENERGY DELIVERED FOR THE MONTH OF January, 2017
KWH FOR THE MONTH 62,804,000

SUMMARY	TOTAL
Current Month Bill:	
Return on Common Equity	(27,052)
Return on Other Capital	(7,741)
Total Return	(34,793)
Fuel	1,627,816
Purchased Power	0
Other Operating Revenues	(2,625)
Other Operation and Maintenance Exp	2,360,432
Depreciation Expense	380,694
Taxes Other Than Federal Income Tax	42,230
Federal Income Tax	(82,721)
TOTAL CURRENT UNIT POWER BILL	4,291,033
Prior Month's Adjustment:	
Return on Common Equity & Other Capital	0
Fuel Expense	0
Other Expenses (Includes taxes & interest)	(14,282)
TOTAL PRIOR MONTH'S ADJUSTMENTS	(14,282)
TOTAL UNIT POWER BILL	4,276,751

AMOUNTS WILL BE PAID DIRECT FROM GENERAL FUNDS.

DUE DATE - - February 20, 2017

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

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

ESTIMATE
29-Sep-17

UNIT 1
POWER BILL - - February, 2017

IN ACCORDANCE WITH POWER AGREEMENT DATED OCTOBER 1, 1984 (AS AMENDED)
ENERGY DELIVERED FOR THE MONTH OF February, 2017
KWH FOR THE MONTH 36,723,000

SUMMARY	TOTAL
Current Month Bill:	
Return on Common Equity	280,101
Return on Other Capital	73,848
Total Return	353,949
Fuel	994,321
Purchased Power	0
Other Operating Revenues	(2,625)
Other Operation and Maintenance Exp	462,601
Depreciation Expense	538,793
Taxes Other Than Federal Income Tax	43,326
Federal Income Tax	243,321
TOTAL CURRENT UNIT POWER BILL	2,633,686
Prior Month's Adjustment:	
Return on Common Equity & Other Capital	0
Fuel Expense	0
Other Expenses (Includes taxes & interest)	35,443
TOTAL PRIOR MONTH'S ADJUSTMENTS	35,443
TOTAL UNIT POWER BILL	2,669,129

AMOUNTS WILL BE PAID DIRECT FROM GENERAL FUNDS.

DUE DATE - - - March 20, 2017

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

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

ESTIMATE
29-Sep-17

UNIT 2
POWER BILL - - February, 2017

IN ACCORDANCE WITH POWER AGREEMENT DATED OCTOBER 1, 1984 (AS AMENDED)
ENERGY DELIVERED FOR THE MONTH OF February, 2017
KWH FOR THE MONTH 96,199,000

SUMMARY	TOTAL
Current Month Bill:	
Return on Common Equity	(42,129)
Return on Other Capital	(11,107)
Total Return	(53,236)
Fuel	2,531,839
Purchased Power	0
Other Operating Revenues	(2,625)
Other Operation and Maintenance Exp	2,170,110
Depreciation Expense	421,637
Taxes Other Than Federal Income Tax	42,371
Federal Income Tax	14,678
TOTAL CURRENT UNIT POWER BILL	5,124,774
Prior Month's Adjustment:	
Return on Common Equity & Other Capital	0
Fuel Expense	0
Other Expenses (Includes taxes & interest)	105,500
TOTAL PRIOR MONTH'S ADJUSTMENTS	105,500
TOTAL UNIT POWER BILL	5,230,274

AMOUNTS WILL BE PAID DIRECT FROM GENERAL FUNDS.

DUE DATE - - March 20, 2017

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

EXHIBIT RCS-16

Kentucky Power Company
KPSC Case No. 2017-00179 General Rate Adjustment
Kentucky Power Company
October 2, 2017 Supplemental Responses

DATA REQUEST

KPSC_1_56 Provide the following information concerning the cost of preparing this case:

a. A detailed schedule of expenses incurred to date for the following categories:

(1) Accounting;

(2) Engineering;

(3) Legal;

(4) Consultants; and

(5) Other Expenses (Identify separately).

For each category, the schedule should include the date of each transaction, check number or other document reference, the vendor, the hours worked, the rates per hour, amount, a description of the services performed, and the account number in which the expenditure was recorded. Provide copies of any invoices, contracts, or other documentation that support charges incurred in the preparation of this rate case. Indicate any costs incurred for this case that occurred during the test year.

b. An itemized estimate of the total cost to be incurred for this case. Expenses should be broken down into the same categories as identified in (a) above, with an estimate of the hours to be worked and the rates per hour. Include a detailed explanation of how the estimate was determined, along with all supporting work papers and calculations.

c. During the course of this proceeding, provide monthly updates of the actual costs incurred, in the manner requested in (a) above. Updates will be due the last business day of each month, through the month of the public hearing.

Kentucky Power Company
KPSC Case No. 2017-00179 General Rate Adjustment
Kentucky Power Company
October 2, 2017 Supplemental Responses

KPSC_1_56 (cont'd)

RESPONSE

a-b. Please refer to KPCO_R_KPSC_1_56_Attachment1.xls for the summary of expenses and KPCO_R_KPSC_1_56_Attachment2.pdf for the invoices or receipts incurred through June 30, 2017. It is the Company's policy not to retain receipts for transactions of $25.00 or less. Likewise, receipts are not available for personal auto mileage.

c. The Company will provide monthly updates of the actual costs incurred, in the manner requested in (a) above. Because this response includes expenses through June, the first supplemental response will be provided on or before August 31, 2017.

September 1, 2017 Supplemental Response

a-c. Please refer to KPCO_R_KPSC_1_56_1st_Supplement_Attachment1.xls for the summary of expenses and KPCO_R_KPSC_1_56_1st_Supplement_Attachment2.pdf for the invoices or receipts incurred through July 31, 2017.

October 2, 2017 Supplemental Response

a-c. Please refer to KPCO_R_KPSC_1_56_2nd_Supplement_Attachment1.xls for the summary of expenses and KPCO_R_KPSC_1_56_2nd_Supplement_Attachment2.pdf for the invoices or receipts incurred through August 31, 2017.

Witness: Amy J. Elliott

KPCO_R_KPSC_1_56__2nd_Supplement_Attachment1.xls

Kentucky Power Company
KPSC Case No. 2017-00179
Expenses As of August 31, 2017

Line No (1)	Description (2)	Hours (3)	Approximate Average Hourly Rate (4)	As Filed Estimate (5)	Actual as of August 31, 2017 (6)	Amount Incurred During Test Year (7)
1	**Accounting**					
2	**Engineering**					
3	**Legal**	1,729	$ 295	$ 510,000	$ 455,800	$ 80,234
4	**Consultants**	N/A	N/A	$ 210,000	$ 73,941	$ -
5	**Publication Notices**	N/A	N/A	$ 640,000	$ 663,050	$ -
6	Kentucky Press Association					
7	**KPCo Miscellaneous Expenses**			$ 15,000		
8	Office Supplies				$ 4,614	$ -
9	Travel				$ 1,044	$ 184
10	Meeting expenses				$ 3,170	$ 1,316
11	Shipping				$ 899	$ -
12	Other				$ -	$ -
13	**Total**			**$ 1,375,000**	**$ 1,202,517**	**$ 81,734**

Kentucky Power Company
KPSC Case No. 2017-00179
Expenses As of August 31, 2017

Line No (1)	Vendor (2)	Date (3)	Account Number (4)	Voucher ID (5)	Vendor ID (6)	Invoice ID (7)	Amount (8)	Description (9)
1	KENTUCKY PRESS SERVICE INC	2017-07-27	9280002	00289775	0000036308	17072KK0	663,049.56	Public Notice
2	STITES & HARBISON	2016-08-16	9280002	00021907	0000006872	1284321	1,520.00	Legal
3	STITES & HARBISON	2016-09-12	9280002	00021983	0000006872	1289108	390.00	Legal
4	STITES & HARBISON	2016-10-13	9280002	00022083	0000006872	1291503	4,292.50	Legal
5	STITES & HARBISON	2016-11-23	9280002	00022167	0000006872	1298173	3,517.00	Legal
6	STITES & HARBISON	2017-01-05	9280002	00022281	0000006872	1304117	40,597.00	Legal
7	STITES & HARBISON	2017-01-30	9280002	00022336	0000006872	1309156	29,917.50	Legal
8	STITES & HARBISON	2017-03-13	9280002	00022436	0000006872	1312796A	62,520.00	Legal
9	STITES & HARBISON	2017-03-27	9280002	00022478	0000006872	1318760	58,497.14	Legal
10	STITES & HARBISON	2017-04-13	9280002	00022544	0000006872	1320896	16,892.00	Legal
11	STITES & HARBISON	2017-05-15	9280002	00022620	0000006872	1327595	33,155.10	Legal
12	STITES & HARBISON	2017-07-03	9280002	00022755	0000006872	1333207	83,161.50	Legal
13	STITES & HARBISON	2017-07-18	9280002	00022786	0000006872	1337749	63,261.92	Legal
14	STITES & HARBISON	2017-08-29	9280002	00022963	0000006872	1342463	58,078.07	Legal
15	COMMUNICATION COUNSEL OF AMERICA INC	2017-05-30	9280002	00022662	0000218861	17000103R3	19,679.69	Consultant
16	COMMUNICATION COUNSEL OF AMERICA INC	2017-07-25	9280002	00022826	0000218861	17000704F	13,710.89	Consultant
17	FINANCIAL CONCEPTS & APPLICATIONS INC	2017-03-23	9280002	00022467	0000191902	19882	21,000.00	Consultant
18	FINANCIAL CONCEPTS & APPLICATIONS INC	2017-03-24	9280002	00022469	0000191902	19881	2,550.00	Consultant
19	FINANCIAL CONCEPTS & APPLICATIONS INC	2017-03-28	9280002	00022481	0000191902	19883	4,400.00	Consultant
20	FINANCIAL CONCEPTS & APPLICATIONS INC	2017-07-25	9280002	00022825	0000191902	019884	10,800.00	Consultant
21	FINANCIAL CONCEPTS & APPLICATIONS INC	2017-08-16	9280002	00022925	0000191902	019885	1,800.00	Consultant
22	Meal Provided During Meeting	2016-11-22	9280002	02010171	0000161803	0000291991EX0000379140	680.48	Meal Provided During Meeting
23	Meal Provided During Meeting	2016-11-29	9280002	00281125	0000161803	0000284259EX0000372026	22.47	Meal Provided During Meeting
24	Meal Provided During Meeting	2016-12-14	9280002	02018641	0000161803	0000291991EX0000381201	85.40	Meal Provided During Meeting
25	Meal Provided During Meeting	2016-12-20	9280002	02021261	0000161803	0000236824EX0000391708	324.74	Meal Provided During Meeting
26	Meal Provided During Meeting	2017-02-03	9280002	00283709	0000161803	0000110018EX0000400926	161.19	Meal Provided During Meeting
27	Meal Provided During Meeting	2017-02-10	9280002	00283966	0000161803	0000284259EX0000403524	41.69	Meal Provided During Meeting
28	Meal Provided During Meeting	2017-03-13	9280002	00284932	0000161803	0000284259EX0000419234	26.89	Meal Provided During Meeting
29	Meal Provided During Meeting	2017-03-22	9280002	02054244	0000161803	0000041279EX0000431432	291.73	Meal Provided During Meeting
30	Meal Provided During Meeting	2017-04-28	9280002	02070956	0000161803	0000041279EX0000445931	366.79	Meal Provided During Meeting
31	Meal Provided During Meeting	2017-05-02	9280002	00286854	0000161803	0000284259EX0000450426	46.31	Meal Provided During Meeting
32	Meal Provided During Meeting	2017-05-04	9280002	00286948	0000161803	0000110018EX0000451616	164.63	Meal Provided During Meeting
33	Meal Provided During Meeting	2017-05-26	9280002	00287664	0000161803	0000110018EX0000461600	133.44	Meal Provided During Meeting
34	Meal Provided During Meeting	2017-06-13	9280002	00288227	0000161803	0000284259EX0000463791	94.72	Meal Provided During Meeting
35	Meal Provided During Meeting	2017-06-27	9280002	00288800	0000161803	0000110018EX0000475910	114.88	Meal Provided During Meeting
36	Meal Provided During Meeting	2017-06-27	9280002	00288800	0000161803	0000110018EX0000475910	214.09	Meal Provided During Meeting
37	Meal Provided During Meeting	2017-03-06	9280002	00284752	0000161803	0000110018EX0000424043	169.00	Meal Provided During Meeting
38	Meal Provided During Meeting	2017-07-25	9280002	00289678	0000161803	0000110018EX0000478886	231.41	Meal Provided During Meeting
39	Office Depot	2017-05-26	9280002	00287664	0000161803	0000110018EX0000461600	1,752.19	Office Supplies
40	Office Depot	2017-06-27	9280002	00288800	0000161803	0000110018EX0000475910	238.61	Office Supplies
41	Office Depot	2017-07-25	9280002	00289678	0000161803	0000110018EX0000478886	677.55	Office Supplies
42	Office Depot	2017-07-25	9280002	00289678	0000161803	0000110018EX0000478886	1,372.31	Office Supplies
43	OFFICE DEPOT	2017-08-16	9280002	00290482	0000161803	0000110018EX0000497492	573.45	Office Supplies
44	Travel	2016-12-19	9280002	00281931	0000161803	0000155948EX0000387813	172.23	Lodging
45	Travel	2016-12-20	9280002	02021261	0000161803	0000236824EX0000391708	12.00	Meal-Self (travel required)
46	Travel	2017-03-13	9280002	00284932	0000161803	0000284259EX0000419234	6.88	Meal-Self (travel required)
47	Travel	2017-04-27	9280002	00286688	0000161803	0000284259EX0000426673	9.52	Meal-Self (travel required)
48	Travel	2017-04-27	9280002	00286689	0000284259	0000284259EX0000426673	120.91	Personal Auto Mileage
49	Travel	2017-03-06	9280002	02049039	0000161803	0000250635EX0000422854	30.61	Transportation - Other
50	Travel	2017-03-13	9280002	00284932	0000161803	0000284259EX0000419234	142.44	Transportation - Other
51	Travel	2017-04-27	9280002	00286688	0000161803	0000284259EX0000426673	17.45	Transportation - Other
52	Travel	2017-05-02	9280002	00286854	0000161803	0000284259EX0000450426	27.57	Transportation - Other
53	Travel	2017-03-06	9280002	02049039	0000161803	0000250635EX0000422854	124.78	Transportation - Rental Car
54	Travel	2017-03-13	9280002	00284932	0000161803	0000284259EX0000419234	267.40	Transportation - Rental Car
55	Travel	2017-04-27	9280002	00286688	0000161803	0000284259EX0000426673	38.20	Transportation - Rental Car
56	Travel	2017-05-02	9280002	00286854	0000161803	0000284259EX0000450426	38.20	Transportation - Rental Car
57	Travel	2017-8-14	9280002	00290418	0000161803	0000169107EX0000495882	36.22	Transportation - Rental Car
58 *	UNITED PARCEL SERVICE	2017-07-19	9280002	02102478	0000161803	0000106030EX0000485070	40.39	Shipping
59	UNITED PARCEL SERVICE	2017-07-25	9280002	00289678	0000161803	0000110018EX0000478886	193.06	Shipping
60	UNITED PARCEL SERVICE	2017-07-11	9280002	02099008	0000061507	0000401995257	96.01	Shipping
61	UNITED PARCEL SERVICE	2017-07-11	9280002	02099009	0000061507	0000401995267	335.80	Shipping
62	UNITED PARCEL SERVICE	2017-8-31	9280002	02121158	0000061507	0000401995347	188.75	Shipping
63	UNITED PARCEL SERVICE	2017-8-31	9280002	02121158	0000061507	0000401995347	44.65	Shipping
	Total						##########	

* Individual receipts for UPS are not available.

Kentucky Power Company
KPSC Case No. 2017-00179
Summary of Legal Fees and Expenses
Stites & Haribson, PLLC

Line No (1)	Time Period (2)	Timekeeper (3)	Rate (4)	Hours (5)	Fee (6)	Expenses (7)	Grand Total (8)
1	7/1/2016-7/31/2016	M Overstreet	$325.00	1.8	$585.00	$0.00	$585.00
2		K Gish	$275.00	3.4	$935.00	$0.00	$935.00
3	8/1/2016-8/31/2016	M Overstreet	$325.00	1.2	$390.00	$0.00	$390.00
4		K Gish	$275.00	0.0	$0.00	$0.00	$0.00
5	9/1/2016-9/30/2016	M Overstreet	$325.00	0.6	$195.00	$0.00	$195.00
6		K Gish	$275.00	14.9	$4,097.50	$0.00	$4,097.50
7	10/1/2016-10/31/2016	M Overstreet	$325.00	5.3	$1,722.50	$0.00	$1,722.50
8		K Gish	$275.00	5.1	$1,402.50	$32.00	$1,434.50
9		K Glass	$180.00	2.0	$360.00	$0.00	$360.00
10	11/1/2016-11/30/2016	M Overstreet	$325.00	39.6	$12,870.00	$0.00	$12,870.00
11		K Gish	$275.00	98.6	$27,115.00	$0.00	$27,115.00
12		K Glass	$180.00	3.4	$612.00	$0.00	$612.00
13	12/1/2016-12/31/2016	M Overstreet	$325.00	53.3	$17,322.50	$0.00	$17,322.50
14		K Gish	$275.00	45.8	$12,595.00	$0.00	$12,595.00
15	1/1/2017-1/31/2017	M Overstreet	$325.00	103.4	$33,605.00	$0.00	$33,605.00
16		K Gish	$275.00	99.4	$27,335.00	$32.00	$27,367.00
17		K Glass	$180.00	8.6	$1,548.00	$0.00	$1,548.00
18	2/1/2017-2/28/2017	M Overstreet	$325.00	81.3	$26,422.50	$0.00	$26,422.50
19		K Gish	$275.00	107.4	$29,535.00	$0.00	$29,535.00
20		K Glass	$180.00	14.1	$2,538.00	$0.00	$2,538.00
21		Copies				$1.64	$1.64

Line No	Time Period	Timekeeper	Rate	Hours	Fee	Expenses	Grand Total
22	3/1/2017-3/30/2017	M Overstreet	$325.00	23.4	$7,605.00	$0.00	$7,605.00
23		K Gish	$275.00	33.0	$9,075.00	$32.00	$9,107.00
24		K Glass	$180.00	1.0	$180.00	$0.00	$180.00
25	4/1/2017-4/30/2017	M Overstreet	$325.00	36.0	$11,700.00	$0.00	$11,700.00
26		K Gish	$275.00	73.3	$20,157.50	$34.00	$20,191.50
27		K Glass	$180.00	7.0	$1,260.00	$0.00	$1,260.00
28		Copies				$3.60	$3.60
29	5/1/2017-5/31/2017	M Overstreet	$325.00	130.6	$42,445.00	$0.00	$42,445.00
30		K Gish	$275.00	143.9	$39,572.50	$136.00	$39,708.50
31		K Glass	$180.00	5.6	$1,008.00	$0.00	$1,008.00
32		Copies				$0.00	$0.00
29	6/1/2017-6/30/2017	M Overstreet	$325.00	101.9	$33,117.50	$0.00	$33,117.50
30		K Gish	$275.00	92.5	$25,437.50	$332.92	$25,770.42
31		K Glass	$180.00	24.3	$4,374.00	$0.00	$4,374.00
32		Copies				$0.00	$0.00
33	7/1/2017-7/31/2017	M Overstreet	$325.00	114.8	$37,310.00	$67.51	$37,377.51
34		K Gish	$275.00	67.4	$18,535.00	$401.56	$18,936.56
35		K Glass	$180.00	9.8	$1,764.00	$0.00	$1,764.00
36		Copies				$0.00	$0.00
		Subtotal					**$455,799.73**

Judy K Rosquist

From:	OnetimePaymentteam <ppsapp@ups.com>
Sent:	Thursday, July 27, 2017 11:32 PM
To:	Judy K Rosquist
Subject:	[EXTERNAL] One time payment Status for Account No 0000R5404F

This is an EXTERNAL email. STOP. THINK before you CLICK links or OPEN attachments. If suspicious please forward to [redacted] for review.

UNITED PARCEL SVC
660 Fritz DR
Coppell-TX
1-800-811-1648

Thursday, July 27, 2017

Status:	**Accepted**
Account/CPP Number(s):	0000R5404F
Account/CPP Name(s):	KENTUCKY POWER COMPANY
Merchant#:	00000666065
Card#:	XXXX XXXX XXXX 3766
Card Type:	Master Card
Auth#:	057457
Total Transaction Amount:	31.30
Invoice Number(s):	**Invoice Amount(s):**
000000R5404F287	31.30

FIVESTAR 4480
00000186759
1620 VERSAILLES RD
FRANKFORT , KY
08/04/2017 270589568
04:06:03 PM

1985
MCFLT

INVOICE 160403
AUTH 00-011254
REF480250804171604

PUMP# 8
Regular 15.352G
PRICE/GAL $2.359

FUEL TOTAL $ 36.22

CREDIT $ 36.22

Batch: 48 Seq Num: 25

Thank YOu!
Like us on Facebook!
FiveStarFoodMart

STITES & HARBISON PLLC
ATTORNEYS

421 WEST MAIN STREET
P.O. BOX 634
FRANKFORT, KY 40602-0634
(502) 223-3477
FAX (502) 223-4124
WWW.STITES.COM

AUGUST 4, 2017

KENTUCKY POWER COMPANY
RANIE K. WOHNHAS
PO BOX 5190
FRANKFORT, KY 40602-5190

RE: 2016 RATE CASE
AEP LAWPACK MATTER NO. AEPD053942

INVOICE NO. 1342463

KE057-KE315

TAX ID: [redacted]

MRO

TERMS: PAYABLE UPON RECEIPT

PROFESSIONAL SERVICES, for the period ended JULY 31, 2017

Fees for legal services rendered in connection with the above captioned matter through JULY 31, 2017 and as reflected by the attached summary	$57,609.00
Additional Services	$469.07
TOTAL BALANCE DUE	**$58,078.07**

STITES & HARBISON PLLC
ATTORNEYS

421 WEST MAIN STREET
P. O. BOX 634
FRANKFORT, KY 40602-0634
(502) 223-3477
Fax (502) 223-4124
www.stites.com

AUGUST 4, 2017

KENTUCKY POWER COMPANY
RANIE K. WOHNHAS
PO BOX 5190
FRANKFORT, KY 40602-5190

MRO

INVOICE #: 1342463
OUR REFERENCE #: KE057-KE315
OUR TAX ID #: [redacted]

PROFESSIONAL SERVICES THROUGH JULY 31, 2017

MATTER NO. KE057-KE315 2016 RATE CASE
AEP LAWPACK MATTER NO. AEPD053942

7/1/17	MRO	L190 A106 COMMUNICATE WITH MS. RICHARDSON RE WITNESSES	0.30	$97.50
7/3/17	KG1	L310 A104 REVIEW AND COMMENT ON DRAFT RESPONSES OF R. WOHNHAS, M. SATTERWHITE, A. CARLIN, AND Z. MILLER TO STAFF'S FIRST SET OF DATA REQUESTS	3.10	$852.50
7/3/17	MRO	L250 A104 REVIEW AND COMMENT ON ISSUES FOR MR. MILLER'S SUPPLEMENTAL TESTIMONY	2.30	$747.50
7/3/17	MRO	L250 A103 DRAFT AND REVISE NON-DISCLOSURE AGREEMENTS FOR KIUC AND ATTORNEY GENERAL	0.80	$260.00
7/3/17	MRO	L310 A104 REVIEW AND COMMENT ON DRAFT RESPONSES BY MESSRS. WOHNHAS, SATTERWHITE, MILLER, AND CARLIN TO STAFF'S FIRST SET OF DATA REQUESTS	2.90	$942.50
7/3/17	MRO	L190 A106 ADDRESS WITNESS ISSUES WITH MS. RICHARDSON	0.40	$130.00
7/4/17	MRO	L190 A107 COMMUNICATE WITH COUNSEL FOR KIUC AND ATTORNEY GENERAL RE NON-DISCLOSURE AGREEMENTS	0.20	$65.00
7/5/17	KG1	L310 A104 REVIEW REVISED RESPONSES OF M. SATTERWHITE, Z. MILLER, R. WOHNHAS, AND A. CARLIN TO COMMISSION STAFF FIRST SET OF DATA REQUESTS	0.70	$192.50
7/5/17	KG1	L310 A106 PARTICIPATE IN CONFERENCE TO REVIEW REVISED RESPONSES OF R. WOHNHAS TO COMMISSION STAFF FIRST SET OF DATA REQUESTS	0.50	$137.50

FILE NUMBER: KE057-KE315
INVOICE NO: 1342463
INVOICE DATE: AUGUST 4, 2017

7/5/17	KG1	L310 A106 PARTICIPATE IN CONFERENCE TO REVIEW REVISED RESPONSES OF M. SATTERWHITE AND Z. MILLER TO COMMISSION STAFF FIRST SET OF DATA REQUESTS	0.80	$220.00
7/5/17	KG1	L310 A106 PARTICIPATE IN CONFERENCE TO REVIEW REVISED RESPONSES OF A. CARLIN TO COMMISSION STAFF FIRST SET OF DATA REQUESTS	0.50	$137.50
7/5/17	MRO	L310 A106 TELEPHONE CONFERENCE WITH MESSRS. GARCIA, MILLER, MS. ELLIOTT, AND MS. SEKULA TO REVIEW MR. MILLER'S DRAFT RESPONSES TO STAFF'S FIRST SET OF DATA REQUESTS	0.30	$97.50
7/5/17	MRO	L310 A106 TELEPHONE CONFERENCE WITH MESSRS. BRUBAKER, HORELED, GARCIA, ROSS, MILLER, ROGNESS, MS. ELLIOTT, AND MS. SEKULA TO REVIEW MR. WOHNHAS' DRAFT DATA REQUEST RESPONSES	0.50	$162.50
7/5/17	MRO	L310 A106 TELEPHONE CONFERENCE WITH MESSRS. GARCIA, CARLIN, HENDRICKSON, HORELED, ROSS, HOLMES, MS. ELLIOTT, AND MS. SEKULA TO REVIEW MR. CARLIN'S DRAFT RESPONSES TO STAFF'S FIRST SET OF DATA REQUESTS	0.50	$162.50
7/5/17	MRO	L310 A106 TELEPHONE CONFERENCE WITH MESSRS. ROSS, BRUBAKER, GARCIA, HOLMES, MS. ELLIOTT, AND MS. SEKULA TO REVIEW MR. SATTERWHITE'S DRAFT DATA REQUEST RESPONSES	0.50	$162.50
7/5/17	MRO	L310 A106 TELEPHONE CONFERENCE WITH CLIENTS TO REVIEW MR. WOHNHAS' DRAFT RESPONSES TO STAFF'S FIRST SET OF DATA REQUESTS	0.50	$162.50
7/5/17	MRO	L190 A106 COMMUNICATE WITH FRANKFORT OFFICE RE EXECUTED KIUC AND ATTORNEY GENERAL NON-DISCLOSURE AGREEMENTS	0.20	$65.00
7/5/17	MRO	L310 A106 TELEPHONE CONFERENCE WITH CLIENTS TO REVIEW MR. SATTERWHITE'S DRAFT RESPONSES TO STAFF'S FIRST SET OF DATA REQUESTS	0.50	$162.50
7/5/17	MRO	L310 A106 TELEPHONE CONFERENCE WITH CLIENTS TO REVIEW MR. MILLER'S DRAFT DATA REQUEST RESPONSES	0.30	$97.50
7/5/17	MRO	L310 A106 MULTIPLE TELEPHONE COMMUNICATIONS WITH MS. SEKULA AND MS. RICHARDSON RE DRAFT RESPONSES TO STAFF'S DATA REQUESTS	0.30	$97.50
7/6/17	KG1	P400 A106 PARTICIPATE IN CONFERENCE TO REVIEW COMMISSION DEFICIENCY NOTICE	0.70	$192.50
7/6/17	MRO	L310 A104 REVIEW AND COMMENT ON DRAFT RESPONSES TO MR. ROSS' DATA REQUESTS	3.20	$1,040.00
7/6/17	MRO	L310 A106 TELEPHONE CONFERENCE WITH MESSRS. BRUBAKER, ROSS, ROUSH, HOLMES, ROGNESS, MITCHELL, DOYLE, MS. WALSH, MS. ELLIOTT, MS. RICHARDSON, AND MS. SEKULA TO REVIEW MR. ROSS' RESPONSES TO DATA REQUESTS	1.90	$617.50

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7/6/17	MRO	L120 A106 TELEPHONE CONFERENCE WITH MS. SEKULA, MS. RICHARDSON, AND MESSRS. YODER AND MERTZ TO REVIEW WITNESS ISSUES	0.80	$260.00
7/6/17	MRO	P400 A106 TELEPHONE CONFERENCE WITH MESSRS. ALLEN, ROGNESS, BRUBAKER, SATTERWHITE, WOHNHAS, SATTERWHITE, MS. WALSH, MS. CHAU, MS. ELLIOTT, MS. RICHARDSON, AND MS. SEKULA TO ADDRESS DEFICIENCY NOTICE	1.40	$455.00
7/6/17	MRO	C300 A106 TELEPHONE CONFERENCE WITH MR. ROGNESS AND MS. ROSQUIST TO ADDRESS CONTENTS OF RE-FILED TARIFFS	0.40	$130.00
7/6/17	MRO	C300 A106 TELEPHONE CONFERENCE WITH MR. ELLIOTT RE DEFICIENCY NOTICE ISSUES	0.30	$97.50
7/6/17	MRO	C300 A106 TELEPHONE CONFERENCE WITH MS. ROSQUIST RE FILING ISSUES	0.30	$97.50
7/6/17	MRO	L120 A104 REVIEW DEFICIENCY NOTICE AND IDENTIFY ISSUES AND POSSIBLE RESPONSES	0.80	$260.00
7/6/17	MRO	C300 A106 MULTIPLE COMMUNICATIONS WITH MS. ELLIOTT AND MESSRS. ALLEN AND SATTERWHITE RE DEFICIENCY NOTICE	0.30	$97.50
7/6/17	KMG	L310 A106 CONFERENCE CALL WITH BETSY SEKULA, TYLER ROSS, KATIE WALSH, AMY ELLIOTT, AND JOHN ROGNESS RE DRAFT RESPONSES TO COMMISSION STAFF'S FIRST SET OF DATA REQUESTS	2.00	$360.00
7/7/17	KG1	P400 A106 PARTICIPATE IN CONFERENCE TO REVIEW RESPONSE TO COMMISSION DEFICIENCY NOTICE	0.60	$165.00
7/7/17	MRO	L250 A101 PREPARE FOR MEETING WITH CLIENTS TO ADDRESS DEFICIENCY NOTICE	0.80	$260.00
7/7/17	MRO	L250 A106 INITIAL TELEPHONE CONFERENCE WITH MESSRS SATTERWHITE, ROSS, SHARP, MITCHELL, BRUBAKER, ROGNESS, ALLEN, MS, ROSQUIST, MS. SEKULA, MS. ELLIOTT, AND MS. RICHARDSON TO ADDRESS DEFICIENCY NOTICE	0.90	$292.50
7/7/17	MRO	L310 A106 TELEPHONE CONFERENCE WITH MESSRS. HENDRICKSON, COOPER, HOLMES, ROSS, HORELED, CARLIN, MS. SEKULA, MS. SCHEER, AND MS. RICHARDSON TO REVIEW MR. CARLIN'S DRAFT RESPONSES TO DATA REQUESTS	1.70	$552.50
7/7/17	MRO	A103 L250 A106 FOLLOW-UP TELEPHONE CONFERENCE WITH MESSRS. ROGNESS, SHARP, SATTERWHITE, ROSS, ALLEN, ROUSH, MITCHELL, MS. WALSH, MS. ELLIOTT, MS. RICHARDSON, AND MS. SEKULA TO DISCUSS RESPONSE TO DEFICIENCY NOTICE	0.70	$227.50
7/7/17	MRO	A103 L250 A106 THIRD TELEPHONE CONFERENCE WITH MESSRS. ROGNESS, SHARP, ROSS, ALLEN, ROUSH, MITCHELL, MS. WALSH, MS. ELLIOTT, MS. RICHARDSON, AND MS. SEKULA TO DISCUSS RESPONSE TO DEFICIENCY NOTICE AND INFORMAL CONFERENCE	0.50	$162.50

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INVOICE NO: 1342463
INVOICE DATE: AUGUST 4, 2017

7/7/17	MRO	L250 A106 TELEPHONE CONFERENCE WITH MR. SATTERWHITE RE INFORMAL CONFERENCE	0.20	$65.00
7/7/17	MRO	C300 A106 TELEPHONE CONFERENCE WITH MR. BACHA RE DEFICIENCY NOTICE AND INFORMAL CONFERENCE	0.30	$97.50
7/7/17	MRO	L230 A107 TELEPHONE CONFERENCE WITH MS. VINSEL OF COMMISSION STAFF RE INFORMAL CONFERENCE	0.20	$65.00
7/7/17	MRO	L250 A106 MULTIPLE COMMUNICATIONS WITH MS. RICHARDSON AND MS. SEKULA RE DRAFT RESPONSE TO KPSC 1-73	0.20	$65.00
7/7/17	MRO	L310 A106 TELEPHONE CONFERENCE WITH MR. BELL RE DRAFT RESPONSE TO KPSC 1-73	0.10	$32.50
7/7/17	MRO	L230 A101 MEET WITH MR. ROGNESS, MS. ROSQUIST, AND MS. ELLIOTT TO PREPARE FOR INFORMAL CONFERENCE TO ADDRESS DEFICIENCY NOTICE	0.50	$162.50
7/7/17	MRO	L230 A109 APPEAR FOR AND PARTICIPATE IN INFORMAL CONFERENCE WITH STAFF AND REPRESENTATIVES OF KIUC AND THE OFFICE OF THE ATTORNEY GENERAL TO ADDRESS DEFICIENCY NOTICE	1.20	$390.00
7/7/17	MRO	L250 A103 DRAFT RESPONSE TO DEFICIENCY NOTICE	3.10	$1,007.50
7/7/17	MRO	L250 A103 REVISE RESPONSE TO DEFICIENCY NOTICE TO REFLECT INFORMAL CONFERENCE AND CLIENT COMMENTS	1.40	$455.00
7/8/17	KG1	P400 A106 PARTICIPATE IN CONFERENCE TO REVIEW DRAFT RESPONSE TO COMMISSION DEFICIENCY NOTICE	1.20	$330.00
7/8/17	MRO	L250 A106 TELEPHONE CONFERENCE WITH MS. ELLIOTT RE SUPPLEMENTAL NOTICE	0.10	$32.50
7/8/17	MRO	L250 A103 REVIEW AND REVISE SUPPLEMENTAL NOTICE	0.70	$227.50
7/8/17	MRO	L250 A106 TELEPHONE CONFERENCE WITH MESSRS. ROGNESS, SHARP, ROSS, MITCHELL, HOLMES, ALLEN, ROUSH, MS. RICHARDSON, AND MS. ELLIOTT TO REVIEW SUPPLEMENTAL NOTICE AND RESPONSE TO DEFICIENCY NOTICE	1.20	$390.00
7/8/17	MRO	L250 A103 REVISE DRAFT RESPONSE TO DEFICIENCY NOTICE	2.30	$747.50
7/8/17	MRO	L250 A106 TELEPHONE CONFERENCE WITH MR. WOHNHAS RE RESPONSE TO DEFICIENCY NOTICE	0.20	$65.00
7/8/17	MRO	L250 A104 REVIEW AND COMMENT ON REVISED TARIFFS	0.60	$195.00
7/9/17	KG1	P400 A104 REVIEW AND COMMENT ON REVISED VERSION OF DRAFT RESPONSE TO COMMISSION DEFICIENCY NOTICE	3.10	$852.50
7/9/17	MRO	L310 A104 REVIEW AND COMMENT ON DRAFT DATA REQUEST RESPONSES BY MESSRS. MILLER, ROSS, AND ROGNESS	2.30	$747.50
7/9/17	MRO	L250 A104 REVIEW AND COMMENT ON DRAFT SUPPLEMENTAL NOTICE	0.60	$195.00

FILE NUMBER: KE057-KE315
INVOICE NO: 1342463
INVOICE DATE: AUGUST 4, 2017

7/9/17	MRO	L310 A104 REVIEW AND COMMENT ON DRAFT RESPONSES BY MESSRS. COOPER AND CARLIN TO STAFF'S FIRST SET OF DATA REQUESTS	1.80	$585.00
7/9/17	MRO	L310 A104 REVIEW AND COMMENT ON DRAFT RESPONSES BY MESSRS. SATTERWHITE, WOHNHAS, SHARP, BARTSCH, AND VAUGHAN TO STAFF'S FIRST SET OF DATA REQUESTS	1.20	$390.00
7/9/17	MRO	L250 A106 TELEPHONE CONFERENCE WITH MS. ELLIOTT AND MR. SHARP RE SUPPLEMENTAL NOTICE AND RESPONSE TO DEFICIENCY LETTER	0.10	$32.50
7/10/17	KG1	P400 A106 PARTICIPATE IN CONFERENCE TO REVIEW REVISED DRAFT OF SUPPLEMENTAL CUSTOMER NOTICE	0.40	$110.00
7/10/17	KG1	P400 A104 REVIEW REVISED VERSION OF SUPPLEMENTAL NEWSPAPER NOTICE	1.40	$385.00
7/10/17	KG1	L310 A106 PARTICIPATE IN CONFERENCE TO REVIEW DRAFT RESPONSES OF A. VAUGHAN AND A. CARLIN TO COMMISSION STAFF'S FIRST SET OF DATA REQUESTS	0.80	$220.00
7/10/17	KG1	L310 A104 REVIEW PAST ORDER RELATING TO CONFIDENTIAL TREATMENT OF DATA REQUEST RESPONSES	0.90	$247.50
7/10/17	KG1	L310 A106 PARTICIPATE IN CONFERENCE TO REVIEW RESPONSES TO COMMISSION STAFF DATA REQUESTS RELATING TO COMPENSATION AND EMPLOYEE BENEFITS	2.00	$550.00
7/10/17	KG1	L310 A106 PARTICIPATE IN CONFERENCE TO REVIEW REVISED DRAFT RESPONSES OF T. ROSS TO COMMISSION STAFF FIRST SET OF DATA REQUESTS	1.60	$440.00
7/10/17	KG1	L310 A104 REVIEW AND COMMENT ON DRAFT CONFIDENTIAL RESPONSES OF A. CARLIN TO COMMISSION STAFF'S FIRST SET OF DATA REQUESTS	0.90	$247.50
7/10/17	MRO	L120 A106 COMMUNICATE WITH MR. SATTERWHITE RE RESPONSE TO DEFICIENCY LETTER AND SUPPLEMENTAL NOTICE	0.20	$65.00
7/10/17	MRO	L250 A106 MULTIPLE COMMUNICATIONS WITH MS. ELLIOTT RE RESPONSE TO DEFICIENCY LETTER AND SUPPLEMENTAL NOTICE	0.60	$195.00
7/10/17	MRO	L250 A106 TELEPHONE CONFERENCE WITH MESSRS. SHARP, ROGNESS, ROSS, BUCK, MITCHELL, ROUSH, VAUGHAN, MS. SEKULA, MS. RICHARDSON, AND MS. ELLIOTT TO REVIEW SUPPLEMENTAL NOTICE	0.30	$97.50
7/10/17	MRO	L310 A106 TELEPHONE CONFERENCE WITH MR. MILLER RE HIS DRAFT RESPONSES TO STAFF'S FIRST SET OF DATA REQUESTS	0.10	$32.50
7/10/17	MRO	L230 A107 TELEPHONE CONFERENCE WITH COUNSEL FOR KIUC TO FOLLOW-UP INFORMAL CONFERENCE	0.30	$97.50
7/10/17	MRO	L250 A104 REVIEW AND COMMENT ON SUCCESSIVE DRAFTS OF SUPPLEMENTAL NOTICE	1.40	$455.00

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7/10/17	MRO	L250 A106 TELEPHONE CONFERENCE WITH MS. ELLIOTT AND MR. SHARP RE SUPPLEMENTAL NOTICE	0.30	$97.50
7/10/17	MRO	L310 A106 TELEPHONE CONFERENCE WITH MESSRS. VAUGHAN, CLAYTON, ROUSH, GARCIA, AND MS. SEKULA RE DRAFT RESPONSES BY MESSRS. VAUGHAN AND SHARP	0.90	$292.50
7/10/17	MRO	L310 A106 TELEPHONE CONFERENCE WITH MS. SEKULA, MS. RICHARDSON, AND MR. BUCK TO DISCUSS WORK PAPERS IN RESPONSE TO KPSC 1-73	0.30	$97.50
7/10/17	MRO	L310 A106 TELEPHONE CONFERENCE WITH MESSRS. ROSS, HENDRICKSON, HOLMES, GARCIA, COOPER, CARLIN, MS. STRAWSER, MR. SCHEER, AND MS. SEKULA TO REVIEW DRAFT RESPONSES BY MESSRS. CARLIN AND COOPER TO STAFF'S FIRST SET OF DATA REQUESTS	1.30	$422.50
7/10/17	MRO	L250 A106 TELEPHONE CONFERENCE WITH MR. ROGNESS RE TARIFFS	0.20	$65.00
7/10/17	MRO	L250 A106 TELEPHONE CONFERENCE WITH MR. SHARP AND MS. ELLIOTT RE TARIFFS	0.20	$65.00
7/10/17	MRO	L310 A106 TELEPHONE CONFERENCE WITH MESSRS. SHARP, HORELED, ROGNESS, MS. RICHARDSON, GARCIA, MITCHELL, ROSS, MS. ELLIOTT, AND MS. SEKULA TO DRAFT RESPONSES OF MESSRS. BARTSCH, SATTERWHITE, WOHNHAS, AND ROSS TO STAFF'S FIRST SET OF DATA REQUESTS	1.90	$617.50
7/10/17	MRO	L120 A106 TELEPHONE CONFERENCE WITH MESSRS. ROGNESS AND SHARP AND MS. ELLIOTT, MS. RICHARDSON, AND MS. SEKULA TO ADDRESS OUTSTANDING TARIFF ISSUES IN CONNECTION WITH DEFICIENCY NOTICE	0.40	$130.00
7/10/17	MRO	L310 A106 TELEPHONE CONFERENCE WITH MS. RICHARDSON RE RESPONSE TO KPSC 1-73	0.30	$97.50
7/10/17	MRO	L250 A103 REVISE AND UPDATE DRAFT RESPONSE TO DEFICIENCY NOTICE	1.20	$390.00
7/11/17	KG1	L430 A103 DRAFT AND REVISE MOTION FOR CONFIDENTIAL TREATMENT OF CERTAIN RESPONSES RELATING TO COMPENSATION	4.80	$1,320.00
7/11/17	KG1	P400 A104 REVIEW AND COMMENT ON RESPONSE TO DEFICIENCY NOTICE AND REVISED TARIFFS	1.50	$412.50
7/11/17	KG1	P400 A106 PARTICIPATE IN CONFERENCE TO REVIEW RESPONSE TO DEFICIENCY NOTICE AND REVISED TARIFFS	0.40	$110.00
7/11/17	MRO	L120 A106 TELEPHONE CONFERENCE WITH MR. SATTERWHITE RE RATE CASE STRATEGY	0.40	$130.00
7/11/17	MRO	L250 A106 MULTIPLE TELEPHONE CONFERENCES WITH MS. ELLIOTT RE RESPONSE TO DEFICIENCY NOTICE	0.60	$195.00
7/11/17	MRO	L250 A103 REVISE AND SUPPLEMENT RESPONSE TO DEFICIENCY NOTICE	2.80	$910.00

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7/11/17	MRO	L250 A106 TELEPHONE CONFERENCE WITH MESSRS. SHARP, GISH, ROSS, GARCIA, VAUGHAN, MS. ROSQUIST, MS. RICHARDSON, MS. ELLIOTT, AND MS. SEKULA TO REVIEW RESPONSE TO DEFICIENCY NOTICE	0.70	$227.50
7/11/17	MRO	L250 A106 TELEPHONE CONFERENCE WITH MESSRS. ROGNESS, VAUGHAN, MILLER, ROUSH, MS. ELLIOTT, MS. WALSH, AND MS. SEKULA TO REVIEW UPDATED FINANCIAL INFORMATION IN LIGHT OF JUNE 2017 FINANCING	0.40	$130.00
7/11/17	MRO	L250 A106 FOLLOW-UP TELEPHONE CONFERENCE WITH MESSRS. GARCIA, SHARP, ROGNESS, VAUGHAN, MS. ROSQUIST, MS. SEKULA, MS. RICHARDSON, AND MS. ELLIOTT TO REVIEW RESPONSE TO DEFICIENCY LETTER AND UPDATED TARIFFS	0.70	$227.50
7/11/17	MRO	L250 A103 PREPARE READ1ST FILE FOR RESPONSE AND ACCOMPANYING EXHIBITS	0.20	$65.00
7/11/17	MRO	L250 A103 PREPARE READ1ST FILE FOR MR. SATTERWHITE'S RESPONSE	0.20	$65.00
7/11/17	MRO	L310 A104 REVIEW AND COMMENT ON MR. ROSS' DRAFT RESPONSES TO STAFF'S FIRST SET OF DATA REQUESTS	0.20	$65.00
7/11/17	MRO	L250 A106 TELEPHONE CONFERENCE WITH MS. ROSQUIST RE FILINGS	0.10	$32.50
7/11/17	MRO	L190 A107 COMMUNICATE WITH JANICE THERIOT (COUNSEL FOR KCTA) RE KCTA INTERVENTION	0.10	$32.50
7/11/17	MRO	L250 A104 REVIEW AND COMMENT ON DRAFT REVISED TARIFFS	1.20	$390.00
7/11/17	MRO	L250 A103 REVISE RESPONSE TO DEFICIENCY NOTICE FOLLOWING FIRST TELEPHONE CONFERENCE WITH CLIENTS	1.10	$357.50
7/11/17	MRO	L250 A104 ADDRESS ISSUES RE MOTION FOR CONFIDENTIAL TREATMENT	0.50	$162.50
7/12/17	KG1	L120 A108 PREPARE FOR AND PARTICIPATE IN BRIEFING WITH CCA REGARDING CASE OVERVIEW	1.40	$385.00
7/12/17	KG1	L120 A108 PREPARE FOR AND PARTICIPATE IN BRIEFING WITH CCA REGARDING TESTIMONY OF A. ELLIOTT	0.70	$192.50
7/12/17	KG1	L120 A104 PREPARE FOR AND PARTICIPATE IN BRIEFING WITH CCA REGARDING TESTIMONY OF A. VAUGHAN	0.80	$220.00
7/12/17	KG1	L120 A104 PREPARE FOR AND PARTICIPATE IN HEARING PREPARATION FOR D. OSBORNE	0.80	$220.00
7/12/17	KG1	L310 A103 REVIEW, REVISE, AND FINALIZE MOTION FOR CONFIDENTIAL TREATMENT AND DEVIATION FOR COMMISSION STAFF FIRST SET OF DATA REQUESTS	3.10	$852.50
7/12/17	KG1	P400 A104 REVIEW AND COMMENT ON FINAL DRAFT OF RESPONSE TO DEFICIENCY NOTICE	0.90	$247.50
7/12/17	KG1	L310 A104 REVIEW AND COMMENT ON FINAL DRAFT OF RESPONSES TO COMMISSION STAFF FIRST SET OF DATA REQUESTS	2.30	$632.50

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7/12/17	KG1	L310 A106 CORRESPOND WITH H. GARCIA REGARDING MOTION FOR CONFIDENTIAL TREATMENT AND DEVIATION	0.40	$110.00
7/12/17	MRO	L250 A103 REVISE MOTION FOR CONFIDENTIAL TREATMENT AND FOR LEAVE TO DEVIATE	0.40	$130.00
7/12/17	MRO	L310 A106 MULTIPLE COMMUNICATIONS WITH MS. ELLIOTT RE DRAFT DATA REQUEST RESPONSES	0.30	$97.50
7/12/17	MRO	L310 A104 MEET WITH MR. SHARP, MS. ELLIOTT, AND MS. ROSQUIST TO REVIEW DRAFT DATA REQUESTS	5.40	$1,755.00
7/12/17	MRO	L310 A106 TELEPHONE CONFERENCES WITH MR. GARCIA RE CONFIDENTIAL DATA REQUESTS	0.30	$97.50
7/12/17	MRO	C300 A106 TELEPHONE CONFERENCE WITH MR. SATTERWHITE RE COMMISSION INTERVENTION ORDER	0.10	$32.50
7/12/17	MRO	L450 A101 MEET WITH MESSRS. CRITTENDEN, WOHNHAS, AND GARCIA TO IDENTIFY ISSUES FOR WITNESS CROSS-EXAMINATION TO PREPARE FOR HEARING	3.10	$1,007.50
7/12/17	MRO	L250 A103 FINAL REVIEW AND REVISION OF RESPONSE TO DEFICIENCY NOTICE	0.90	$292.50
7/12/17	KMG	L450 A101 PARTICIPATION IN MEETING TO PREPARE FOR TESTIMONY OF COMPANY WITNESSES EVERETT PHILLIPS AND MATTHEW SATTERWHITE FOR HEARING	1.50	$270.00
7/12/17	KMG	L250 A103 REVIEW AND COMMENT ON DRAFT MOTION FOR CONFIDENTIAL TREATMENT	0.40	$72.00
7/12/17	KMG	L310 A104 REVIEW AND COMMENT ON DRAFT RESPONSES TO FIRST SET OF DATA REQUESTS	4.90	$882.00
7/12/17	KMG	L310 A104 REVIEW AND COMMENT ON DRAFT RESPONSES TO DEFICIENCY NOTICE	1.00	$180.00
7/13/17	KG1	L120 A108 PARTICIPATE IN MEETING REGARDING B. HALL HEARING PREPARATION	0.80	$220.00
7/13/17	KG1	L120 A108 PARTICIPATE IN MEETING TO ADDRESS S. SHARP'S HEARING PREPARATION	0.90	$247.50
7/13/17	KG1	L120 A108 PREPARE FOR AND PARTICIPATE IN MEETING TO ADDRESS HEARING PREPARATION OF K. WALSH	0.60	$165.00
7/13/17	KG1	L310 A103 REVIEW AND COMMENT ON DRAFT LETTER TO VENDOR REGARDING FILING OF CONFIDENTIAL INFORMATION UNDER SEAL	0.40	$110.00
7/13/17	KG1	L310 A106 PARTICIPATE IN CONFERENCE WITH H. GARCIA TO DISCUSS CORRESPONDENCE WITH VENDOR REGARDING FILING OF CONFIDENTIAL MATERIAL UNDER SEAL	0.50	$137.50
7/13/17	KG1	P400 A104 REVIEW SUPPLEMENTAL TESTIMONY OF Z. MILLER	0.50	$137.50
7/13/17	MRO	C300 A106 TELEPHONE CONFERENCE WITH MR. ROGNESS RE KCTA MOTION AND REQUEST	0.10	$32.50
7/13/17	MRO	L450 A101 IDENTIFY ISSUES IN MS. WALSH'S TESTIMONY	0.50	$162.50

7/13/17	MRO	L250 A106 MULTIPLE COMMUNICATIONS WITH MR. GARCIA RE TOWERS WATSON MATERIALS	0.70	$227.50
7/13/17	MRO	L250 A107 TELEPHONE CONFERENCES WITH MR. NAUM RE WAL-MART'S MOTION TO INTERVENE	0.20	$65.00
7/13/17	MRO	L310 A107 TELEPHONE CONFERENCE WITH MESSRS. CHANDLER AND COOK OF ATTORNEY GENERAL'S RE DATA REQUEST RESPONSES	0.20	$65.00
7/13/17	MRO	L450 A106 TELEPHONE CONFERENCE WITH MR. MERTZ RE ISSUES IN MR. ROGNESS' TESTIMONY	0.90	$292.50
7/13/17	MRO	L190 A104 REVIEW AND COMMENT ON TOWERS WATSON AGREEMENT	0.40	$130.00
7/13/17	MRO	L310 A107 COMMUNICATE WITH COUNSEL FOR KIUC AND ATTORNEY GENERAL RE CONFIDENTIAL MATERIAL	0.20	$65.00
7/13/17	MRO	L310 A106 MULTIPLE COMMUNICATIONS WITH MS. ROSQUIST AND MR. SHARP RE PRODUCTION OF CONFIDENTIAL MATERIALS	0.50	$162.50
7/13/17	MRO	L250 A106 COMMUNICATE WITH CLIENTS RE MOTIONS TO INTERVENE	0.20	$65.00
7/13/17	MRO	L450 A104 REVIEW MR. ROGNESS' TESTIMONY IN PREPARATION FOR TELEPHONE CONFERENCE WITH MR. MERTZ	0.50	$162.50
7/13/17	MRO	L250 A106 COMMUNICATE WITH MR. SATTERWHITE RE LEAGUE OF CITIES INTERVENTION	0.10	$32.50
7/14/17	KG1	L120 A108 PARTICIPATE IN MEETING REGARDING TESTIMONY OF T. ROSS	0.90	$247.50
7/14/17	KG1	L120 A108 PARTICIPATE IN MEETING REGARDING TESTIMONY OF Z. MILLER	1.40	$385.00
7/14/17	MRO	L450 A101 MEET WITH MR. MITCHELL TO IDENTIFY ISSUES IN MR. ROSS' TESTIMONY	0.70	$227.50
7/14/17	MRO	L450 A106 TELEPHONE CONFERENCE WITH MESSRS. MESSNER AND HOLLIS TO IDENTIFY ISSUES WITH MR. MILLER'S TESTIMONY	0.80	$260.00
7/14/17	MRO	L250 A101 MEET WITH MS. ROSQUIST AND REVIEW AND ORGANIZE PRINTED COPIES OF RESPONSE TO DEFICIENCY AND ASSIST WITH FILING	1.60	$520.00
7/14/17	MRO	L310 A101 REVIEW AND ORGANIZE PRINTED COPIES OF DATA REQUEST RESPONSES AND ASSIST WITH FILING	0.20	$65.00
7/14/17	MRO	L190 A107 TELEPHONE CONFERENCE WITH MESSRS. CHANDLER AND COOK RE INITIAL NOTICE	0.10	$32.50
7/14/17	MRO	L190 A104 REVIEW FILINGS AND NOTICES TO PREPARE RESPONSE TO INQUIRY FROM ATTORNEY GENERAL'S OFFICE RE INITIAL NOTICE	0.40	$130.00
7/14/17	MRO	L250 A107 TELEPHONE CONFERENCE WITH MR. SAMFORD RE RIVERSIDE MOTION TO INTERVENE	0.20	$65.00

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7/14/17	MRO	L250 A106 MULTIPLE COMMUNICATIONS WITH CLIENTS RE IBEW, KCUC, AND RIVERSIDE MOTIONS TO INTERVENE	0.40	$130.00
7/14/17	MRO	L250 A106 TELEPHONE CONFERENCE WITH MR. WOHNHAS RE MOTIONS TO INTERVENE	0.10	$32.50
7/14/17	MRO	L250 A106 MULTIPLE COMMUNICATIONS WITH MS. ELLIOTT, MS. ROSQUIST, AND MR. SHARP RE FILING PRINTED COPIES OF DATA REQUEST RESPONSES	0.60	$195.00
7/15/17	MRO	L250 A104 BEGIN REVIEW OF MOTIONS TO INTERVENE IN PREPARATION FOR JULY 18 MEETING WITH CLIENTS	0.30	$97.50
7/15/17	MRO	L250 A106 COMMUNICATE WITH CLIENTS RE PROGRESS METAL MOTION TO INTERVENE	0.20	$65.00
7/17/17	KG1	L120 A103 REVIEW AND SUMMARIZE OUTSTANDING MOTIONS FOR INTERVENTION	1.10	$302.50
7/17/17	MRO	L250 A106 RESPOND TO MR. SATTERWHITE'S INQUIRY RE INTERVENTION MOTIONS	0.40	$130.00
7/17/17	MRO	L250 A106 MULTIPLE TELEPHONE CONFERENCES WITH MR. WOHNHAS RE INTERVENTION MOTIONS AND STRATEGY	0.80	$260.00
7/17/17	MRO	L190 A107 TELEPHONE CONFERENCE WITH MARIA BROWNE (COUNSEL FOR ARMSTRONG UTILITIES) RE REQUEST FOR POLE ATTACHMENT RATE INFORMATION	0.10	$32.50
7/17/17	MRO	L190 A107 MULTIPLE COMMUNICATIONS WITH COUNSEL FOR ARMSTRONG UTILITIES RE REQUESTED POLE ATTACHMENT INFORMATION	0.20	$65.00
7/17/17	MRO	L190 A106 MULTIPLE COMMUNICATIONS WITH MR. SHARP RE POLE ATTACHMENT INFORMATION	0.20	$65.00
7/17/17	MRO	L190 A104 REVIEW POLE ATTACHMENT INFORMATION PRIOR TO PROVIDING TO COUNSEL FOR ARMSTRONG UTILITIES	0.20	$65.00
7/17/17	KMG	L430 A104 REVIEW PUBLIC SERVICE COMMISSION'S JULY 17 ORDER SUSPENDING PROPOSED RATES	0.10	NO CHARGE
7/17/17	KMG	L430 A104 REVIEW PUBLIC SERVICE COMMISSION'S JULY 17 ORDER CONSOLIDATING BILL FORMAT REVISION CASE WITH RATE CASE	0.10	NO CHARGE
7/18/17	MRO	L450 A107 TELEPHONE CONFERENCE WITH MIKE KURTZ RE JULY 24 HEARING ON MOTIONS TO INTERVENE	0.30	$97.50
7/18/17	MRO	L190 A107 COMMUNICATE WITH INTERVENOR COUNSEL RE JULY 24 INTERVENOR HEARING	0.40	$130.00
7/19/17	KG1	L430 A104 REVIEW CASE LAW AND COMMISSION PRECEDENT REGARDING INTERVENTION IN COMMISSION PROCEEDINGS	2.10	$577.50
7/19/17	KG1	L120 A106 PARTICIPATE IN CONFERENCE TO REVIEW STRATEGY FOR PARTICIPATING IN INTERVENTION HEARING AND TO REVIEW PROCEDURAL SCHEDULE	1.50	$412.50

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7/19/17	MRO	L120 A106 TELEPHONE CONFERENCE WITH MESSRS. SHARP, ALLEN, VAUGHAN, SATTERWHITE, BORDERS, GARCIA, MS. ELLIOTT, AND MS. SEKULA TO ADDRESS STRATEGY FOR JULY 24 HEARING	1.00	$325.00
7/19/17	MRO	L190 A106 TELEPHONE CONFERENCE WITH MESSRS. GARCIA, VAUGHAN, SHARP, MS. ELLIOTT, AND MS. SEKULA TO REVIEW DISCOVERY RESPONSE PROCEDURES	0.50	$162.50
7/19/17	MRO	L250 A103 DRAFT AND REVISE NOTICE OF FILING PUBLISHED LEGAL NOTICE AND READ1ST FILE	0.70	$227.50
7/19/17	MRO	L190 A107 ADDRESS ISSUES RE PENDING MOTIONS TO INTERVENE	0.20	$65.00
7/20/17	KG1	L430 A103 DRAFT AND REVISE RESPONSE IN OPPOSITION TO RIVERSIDE GENERATION'S MOTION FOR INTERVENTION	5.80	$1,595.00
7/20/17	MRO	L450 A106 TELEPHONE CONFERENCES WITH MS ELLIOTT AND MS. SLOAN TO DEVELOP POSITION FOR JULY 24 INTERVENTION HEARING	0.30	$97.50
7/20/17	MRO	L250 A104 ADDRESS ISSUES IN CONNECTION WITH FIRST DRAFT OF RESPONSE TO RIVERSIDE'S MOTION TO INTERVENE AND REVIEW AND COMMENT ON DRAFT RESPONSE	0.50	$162.50
7/20/17	MRO	L450 A104 REVIEW EIGHT PENDING MOTIONS TO INTERVENE TO IDENTIFY ISSUES FOR JULY 24 INTERVENTION HEARING	2.30	$747.50
7/20/17	MRO	L250 A104 ADDRESS AND IDENTIFY ISSUES IN CONNECTION WITH RIVERSIDE MOTION TO INTERVENE	0.40	$130.00
7/20/17	MRO	L450 A101 IDENTIFY ISSUES AND DEVELOP RESPONSE FOR JULY 24 INTERVENTION HEARING	2.60	$845.00
7/21/17	KG1	L430 A103 REVIEW, REVISE AND FINALIZE RESPONSE IN OPPOSITION TO INTERVENTION	2.90	$797.50
7/21/17	KG1	L430 A103 DRAFT READ FIRST LETTER TO ACCOMPANY RESPONSE IN OPPOSITION TO INTERVENTION	0.80	$220.00
7/21/17	KG1	L440 A104 REVIEW PRE-FILED TESTIMONY OF WALMART'S INTERVENTION WITNESS	0.60	$165.00
7/21/17	MRO	L450 A106 TELEPHONE CONFERENCE WITH MS.ELLIOTT RE JULY 24 HEARING	0.30	$97.50
7/21/17	MRO	L250 A106 TELEPHONE CONFERENCE WITH MR. GARCIA RE RESPONSE TO RIVERSIDE MOTION TO INTERVENE	0.10	$32.50
7/21/17	MRO	L250 A107 TELEPHONE CONFERENCE WITH RIVERSIDE'S COUNSEL'S OFFICE RE OPPOSITION TO MOTION TO INTERVENE	0.10	$32.50
7/21/17	MRO	L450 A107 COMMUNICATE WITH COUNSEL FOR KIUC RE JULY 24 HEARING	0.10	$32.50
7/21/17	MRO	L250 A103 REVIEW AND REVISE RESPONSE TO RIVERSIDE MOTION TO INTERVENE	0.50	$162.50

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7/21/17	MRO	L250 A106 MULTIPLE COMMUNICATIONS WITH MESSRS. VAUGHAN AND ROUSH RE ABILITY OF RIVERSIDE TO REMOTE-SUPPLY UNDER NUG	0.50	$162.50
7/21/17	MRO	L450 A104 REVIEW PRE-FILED TESTIMONY OF MR. TILLMAN IN SUPPORT OF WAL-MART'S INTERVENTION	0.30	$97.50
7/22/17	MRO	L450 A101 BEGIN PREPARATIONS FOR JULY 24 INTERVENTION HEARING	0.30	$97.50
7/23/17	MRO	L190 A106 MULTIPLE COMMUNICATIONS WITH MS. RICHARDSON RE SCHEDULING ISSUES	0.10	$32.50
7/24/17	KG1	L450 A109 PREPARE FOR AND PARTICIPATE IN HEARINGS ON EIGHT OUTSTANDING MOTIONS FOR INTERVENTION	9.30	$2,557.50
7/24/17	MRO	L450 A101 PREPARE FOR INTERVENTION HEARING AT COMMISSION	1.80	$585.00
7/24/17	MRO	L450 A109 APPEAR FOR HEARING BEFORE COMMISSION ON MOTIONS TO INTERVENE	7.80	$2,535.00
7/24/17	KMG	L250 A109 ATTEND HEARING ON MULTIPLE MOTIONS TO INTERVENE IN 2017 RATE CASE AT PUBLIC SERVICE COMMISSION	5.30	NO CHARGE
7/25/17	MRO	L250 A107 TELEPHONE CONFERENCE WITH COUNSEL FOR RIVERSIDE TO ADDRESS ISSUES RE RIVERSIDE'S MOTION TO INTERVENE	0.20	$65.00
7/25/17	MRO	L250 A106 TELEPHONE CONFERENCE WITH MS. ELLIOTT AND MR. WOHNHAS RE SUPPLEMENTAL FILINGS	0.30	$97.50
7/25/17	MRO	L250 A106 TELEPHONE CONFERENCE WITH MR. WOHNHAS RE RIVERSIDE MOTION TO INTERVENE	0.10	$32.50
7/25/17	MRO	L450 A107 TELEPHONE CONFERENCE WITH MR. RAFF RE CHAIRMAN'S HEARING REQUEST	0.20	$65.00
7/26/17	MRO	L120 A106 TELEPHONE CONFERENCE WITH MESSRS. WOHNHAS, VAUGHAN, BORDERS, AND MS. BORDEN TO REVIEW RIVERSIDE MOTION TO INTERVENE AND REPLY	0.90	$292.50
7/26/17	MRO	L250 A104 REVIEW AND COMMENT ON MR. WOHNHAS DRAFT SUPPLEMENTAL TESTIMONY	0.90	$292.50
7/27/17	KG1	L120 A106 PARTICIPATE IN CONFERENCE TO REVIEW STRATEGY FOR ADDRESSING POTENTIAL INTERVENTION OF RIVERSIDE GENERATING LLC IN CASE	0.40	$110.00
7/27/17	MRO	L120 A106 TELEPHONE CONFERENCE WITH MR. WOHNHAS RE RIVERSIDE OWNERSHIP ISSUES	0.20	$65.00
7/27/17	MRO	L120 A106 TELEPHONE CONFERENCE WITH MESSRS. SHARP, VAUGHAN, ROUSH, AND MS. ELLIOTT TO REVIEW TARIFF N.U.G AS APPLIED TO RIVERSIDE	0.30	$97.50
7/27/17	MRO	L310 A106 TELEPHONE CONFERENCE WITH MS. ELLIOTT AND MR. SHARP RE CHAIRMAN'S REQUEST FOR INFORMATION	0.30	$97.50
7/28/17	KG1	L120 A106 PARTICIPATE IN CONFERENCE TO REVIEW STRATEGY FOR RESPONDING TO ACCOUNTING RELATED DATA REQUESTS	0.60	$165.00

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7/28/17	MRO	L310 A106 TELEPHONE CONFERENCE WITH MESSRS. MITCHELL, ROSS, BRUBAKER, SHARP, GARCIA, AND MS. ELLIOTT TO REVIEW ISSUES LIKELY TO ARISE IN DISCOVERY	0.70	$227.50
7/31/17	MRO	L250 A106 TELEPHONE CONFERENCE WITH MS. ELLIOTT RE UPDATE TO FILINGS FOLLOWING REFINANCING ACTIVITY	0.20	$65.00
7/31/17	MRO	L250 A106 TELEPHONE CONFERENCE WITH MESSRS. MILLER AND GARRETT AND MS. ELLIOTT TO REVIEW UPDATED FILINGS	0.40	$130.00
7/31/17	MRO	L250 A104 REVIEW AND COMMENT ON MR. WOHNHAS' SUPPLEMENTAL TESTIMONY	1.90	$617.50
7/31/17	MRO	L250 A106 MULTIPLE TELEPHONE CONFERENCE WITH MS. ELLIOTT RE MR. WOHNHAS' SUPPLEMENTAL TESTIMONY	0.90	$292.50
7/31/17	MRO	L250 A103 PREPARE READ1ST FOR MR. SHARP'S VERIFICATION	0.10	$32.50
7/31/17	MRO	L250 A106 MULTIPLE COMMUNICATIONS WITH MS. ELLIOTT AND MR. VAUGHAN RE	0.40	$130.00
7/31/17	MRO	L250 A104 REVIEW DRAFT UPDATED SECTION V INFORMATION	0.80	$260.00
7/31/17	MRO	L250 A104 REVIEW COMMUNITY ACTION KENTUCKY MOTION TO INTERVENE	0.30	$97.50
7/31/17	MRO	L250 A106 COMMUNICATE WITH CLIENTS RE COMMUNITY ACTION KENTUCKY MOTION TO INTERVENE	0.20	$65.00

BALANCE *$57,609.00*

ADDITIONAL SERVICES:
MATTER NO. KE057-KE315 2016 RATE CASE
AEP LAWPACK MATTER NO. AEPD053942

DISBURSEMENTS		AMOUNT
07/12/17	COPIES 70 Copied pages at $0.04 cents/page by OVERSTREET MARK	$2.80
07/12/17	COPIES 91 Copied pages at $0.04 cents/page by SMITH LINDA	$3.64
07/13/17	COPIES 13 Copied pages at $0.04 cents/page by SMITH LINDA	$0.52

FILE NUMBER: KE057-KE315
INVOICE NO: 1342463
INVOICE DATE: AUGUST 4, 2017

	DISBURSEMENTS	AMOUNT
07/13/17	COPIES 728 Copied pages at $0.04 cents/page by SMITH LINDA	$29.12
07/13/17	COPIES 757 Copied pages at $0.04 cents/page by Lexington DTI	$30.28
07/13/17	COPIES 7682 Copied pages at $0.04 cents/page by Lexington DTI	$307.28
07/13/17	MESSENGER MILEAGE FOR DELIVERY (50 MILES @ $.535/MILE)	$26.75
07/18/17	KENNETH GISH FOR MILEAGE TO AND FROM FRANKFORT, KY FOR BRIEFING WITH CCA REGARDING TESTIMONIES	$32.00
07/19/17	COPIES 30 Copied pages at $0.04 cents/page by SMITH LINDA	$1.20
07/19/17	COPIES 1 Copied pages at $0.04 cents/page by SMITH LINDA	$0.04
07/24/17	COPIES 40 Copied pages at $0.04 cents/page by OVERSTREET MARK	$1.60
07/25/17	COPIES 46 Copied pages at $0.04 cents/page by SMITH LINDA	$1.84
07/27/17	KENNETH GISH FOR MILEAGE (59.81 MILES @ $0.535/MILE) TO AND FROM HEARINGS ON EIGHT OUTSTANDING MOTIONS FOR INTERVENTION	$32.00
	TOTAL ADDITIONAL SERVICES	$469.07

SUBTOTAL $58,078.07

AMOUNT DUE **$58,078.07**

TIME AND FEE SUMMARY

TIMEKEEPER	RATE	HOURS	FEES
KENNETH J. GISH, JR.	275.00	67.40	$18,535.00
MARK R. OVERSTREET	325.00	114.80	$37,310.00
KATIE GLASS	180.00	9.80	$1,764.00
TOTALS		192.00	$57,609.00

PLEASE INCLUDE ON YOUR CHECK OUR REFERENCE NUMBER
WHICH APPEARS BELOW THE INVOICE NUMBER ON THIS INVOICE.
INVOICES ARE DUE ON RECEIPT.

FILE NUMBER: KE057-KE315
INVOICE NO: 1342463
INVOICE DATE: AUGUST 4, 2017

IF PAYMENT IS MADE BY WIRE REMITTANCE, PLEASE DIRECT TO:

STITES & HARBISON
PNC
LOUISVILLE, KY. 40202
[redacted]

PLEASE REFERENCE YOUR MATTER NO. KE057-KE315, INVOICE NO. 1342463

Office DEPOT

Shipment Summary

Shipment 1 Order Number: 951357600-001 Estimated Arrival By: 08/09/2017 View Order Details

Order Information

Account #: 65771047
Your Order Number is: 951357600
Company Name: AMERICAN ELECTRIC POWER

PO Number:
FLOOR #: GROUND
Cost Center: 11011783
NAME: JUDY K ROSQUIST
Contact: JUDY ROSQUIST
Contact: JUDY
Contact Phone: (502)696-7011

Shipping Information

KYSO
AMERICAN ELECTRIC POWER
101 ENTERPRISE DRIVE
KENTUCKY STATE OFFICE
FRANKFORT, KY40601 USA
(Taxable)

Payment Information

Credit Card (MASTERCARD)

Credit Card Number: ****************

Order Summary

Shipment 1 Order Date: 08/07/2017
Delivery Date: 08/09/2017 08:30 AM - 05:00 PM Order Number: 951357600-001

Description		Your Price/unit	Qty.	Available	B/O	Total	Comments
	Post-it® 4" x 6" Notes, Repositionable Self-Stick Original, Canary Yellow, 100 Sheets Per Pad, Pack Of 12 Pads Entered Item # 704436	$39.99 / pack	1	1	0	$39.99	
	ACCO® ACCOHIDE® Frosted Front Report Covers - Letter - 8 1/2" x 11" Sheet Size - 500 Sheet Capacity - Polypropylene - Frosted Clear, Black - Recycled - 1 Each Entered Item # 884387 BEST VALUE Eco-conscious Recycled content	$5.01 / each	100	100	0	$501.00	

Subtotal:	$540.99
Delivery Fee:	FREE
Miscellaneous	$0.00
Taxes:	$32.46
Total:	$573.45

EXHIBIT RCS-17

Kentucky Power Company
KPSC Case No. 2017-00179 General Rate Adjustment
Attorney General's Second Set of Data Requests
Dated September 8, 2017

DATA REQUEST

AG_2_045 Refer to the Company's response to Commission staff request 2-49 and the response to AG 1-2. Provide a copy of the complaints which first named Big Sandy and Rockport, respectively, in litigation which lead to the consent decree(s). This request seeks the a copy of the original pleadings that brought Big Sandy and Rockport into the litigation that led to the consent decrees each are either under, or were under, whether amended or not. Alternatively, an adequate response would indicate the date of the original pleadings, and the case style and number. If no such pleadings exist, provide a detailed narrative why not.

RESPONSE

The Company objects to this request on the grounds that it is not reasonably calculated to lead to the discovery of admissible evidence. The Company further objects to the extent the request calls for publicaly available information. Without waiving these objections, the Company states that the complaints and all other filings in the referenced litigation, *United States of America et al. v. American Electric Power Service Corp. et al.*, Civil Action Nos. C2-99-1182 and consolidated cases, are publically available on the docket of the United States District Court for the Southern District of Ohio. The allegations in the original complaints focused on a limited number of units, and did not include the Rockport Plant or the Big Sandy Plant. During the course of the litigation, discovery was conducted concerning AEP plants not named in the original complaints, including the Rockport Plant the Big Sandy Plant. The first pleading involving the Rockport Plant and the Big Sandy Plant was the Consent Decree lodged with the Court by the parties in October 2007. The 2007 Consent Decree is attached as KPCO_R_AG_2_45_Attachment1.pdf. An opportunity was provided for public comment on the Consent Decree before it was entered as a final order in December 2007.

Witness: Matthew J. Satterwhite

Kentucky Power Company
KPSC Case No. 2017-00179 General Rate Adjustment
Commission Staff’s Third Set of Data Requests
Dated September 8, 2017

DATA REQUEST

KPSC_3_033 Refer to Kentucky Power’s response to Staff’s Second Request, Item 10. Explain why the return on equity for America Electric Power (“AEP”) changed from 11.0098 percent to 4.0818 percent between August 2016 and September 2016.

RESPONSE

AEP's twelve-month rolling return on equity (ROE) related to earnings in accordance with Generally Accepted Accounting Principles (GAAP) decreased from 11.0098% in August 2016 to 4.0818% in September 2016 due to a September 2016 pre-tax impairment of $2.2 billion related to AEP's merchant generation fleet.

Witness: Tyler H. Ross

EXHIBIT RCS-18

IN THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF OHIO
EASTERN DIVISION

UNITED STATES OF AMERICA	)	
Plaintiff,	)	
and	)	
STATE OF NEW YORK, ET AL.,	)	
Plaintiff-Intervenors,	)	
v.	)	JUDGE EDMUND A. SARGUS, JR. Magistrate Judge Terence P. Kemp
AMERICAN ELECTRIC POWER SERVICE CORP., ET AL.,	)	Civil Action No C2-99-1250 (Consolidated with C2-99-1182)
Defendants.	)	

UNITED STATES OF AMERICA	)	
Plaintiff,	)	
v.	)	JUDGE GREGORY L. FROST Magistrate Judge Norah McCann King
AMERICAN ELECTRIC POWER SERVICE CORP., ET AL.,	)	Civil Action No C2-05-360
Defendants.	)	

OHIO CITIZEN ACTION, ET AL.,	)	
Plaintiffs,	)	
v.	)	JUDGE GREGORY L. FROST
	)	Magistrate Judge Norah McCann King
AMERICAN ELECTRIC POWER SERVICE CORP., ET AL.,	)	Civil Action No. C2-04-1098
Defendants.	)	

CONSENT DECREE

TABLE OF CONTENTS

WHEREAS, the following complaints have been filed against American Electric Power Service Corporation, Indiana Michigan Power Company, Ohio Power Company, Appalachian Power Company, Cardinal Operating Company, and Columbus Southern Power Company in the above-captioned cases, *United States, et al. v. American Electric Power Service Corp., et al.*, Civil Action Nos. C2-99-1182 and C2-99-1250 ("*AEP I*") and *United States, et al. v. American Electric Power Service Corp., et al.*, Civil Action Nos. C2-04-1098 and C2-05-360 ("*AEP II*"):

(a) the United States of America ("United States"), on behalf of the United States Environmental Protection Agency ("EPA"), filed initial complaints on November 3, 1999 and April 8, 2005, and filed amended complaints on March 3, 2000 and September 17, 2004, pursuant to Sections 113(b), 165, and 167 of the Clean Air Act (the "Act"), 42 U.S.C. §§ 7413, 7475, and 7477;

(b) the States of New York, Connecticut, New Jersey, Vermont, New Hampshire, Maryland, and Rhode Island, and the Commonwealth of Massachusetts, after their motion to intervene was granted, filed initial complaints on December 14, 1999 and November 18, 2004, and filed amended complaints on April 5, 2000, September 24, 2002, and September 17, 2004, pursuant to Section 304 of the Act, 42 U.S.C. § 7604; and

(c) Ohio Citizen Action, Citizens Action Coalition of Indiana, Hoosier Environmental Council, Valley Watch, Inc., Ohio Valley Environmental Coalition, West Virginia Environmental Council, Clean Air Council, Izaak Walton League of America, United States Public Interest Research Group, National Wildlife Federation, Indiana Wildlife Federation, League of Ohio Sportsmen, Sierra Club, and Natural Resources Defense Council, Inc. filed an initial complaint on November 19, 1999, and filed amended complaints on January 1, 2000 and September 16, 2004, pursuant to Section 304 of the Act, 42 U.S.C. § 7604;

WHEREAS, the complaints filed against Defendants in *AEP I* and *AEP II* sought injunctive relief and the assessment of civil penalties for alleged violations of, *inter alia*, the:

(a) Prevention of Significant Deterioration and Nonattainment New Source Review provisions in Part C and D of Subchapter I of the Act, 42 U.S.C. §§ 7470-7492, 7501-7515; and

(b) federally-enforceable state implementation plans developed by Indiana, Ohio, Virginia, and West Virginia;

WHEREAS, EPA issued notices of violation ("NOVs") to Defendants with respect to such allegations on November 2, 1999, November 22, 1999, and June 18, 2004;

WHEREAS, EPA provided Defendants and the States of Indiana, Ohio, and West Virginia, and the Commonwealth of Virginia, with actual notice pertaining to Defendants' alleged violations, in accordance with Section 113(a)(1) and (b) of the Act, 42 U.S.C. § 7413(a)(1) and (b);

WHEREAS, in their complaints, the United States, the States, and Citizen Plaintiffs (collectively, the "Plaintiffs") alleged, *inter alia,* that Defendants made major modifications to major emitting facilities, and failed to obtain the necessary permits and install the controls necessary under the Act to reduce sulfur dioxide, nitrogen oxides, and/or particulate matter emissions, and further alleged that such emissions damage human health and the environment;

WHEREAS, the Plaintiffs' complaints state claims upon which relief can be granted against Defendants under Sections 113, 165, and 167 of the Act, 42 U.S.C. §§ 7413, 7475, and 7477, and 28 U.S.C. § 1355;

WHEREAS, Defendants have denied and continue to deny the violations alleged in the complaints and NOVs, maintain that they have been and remain in compliance with the Act and are not liable for civil penalties or injunctive relief, and state that they are agreeing to the obligations imposed by this Consent Decree solely to avoid the costs and uncertainties of litigation and to improve the environment;

WHEREAS, Defendants have installed and operated SCR technology on several Units in the AEP Eastern System, as those terms are defined herein, during the five (5) month ozone season to achieve emission reductions in compliance with the NO_x SIP Call;

WHEREAS, the Plaintiffs and Defendants anticipate that this Consent Decree, including the installation and operation of pollution control technology and other measures adopted pursuant to this Consent Decree, will achieve significant reductions of emissions from the AEP Eastern System and thereby significantly improve air quality;

WHEREAS, the liability phase of *AEP I* was tried on July 6-7, 2005, and July 11-12, 2005, and no decision has been rendered;

WHEREAS, the Parties have agreed, and the Court by entering this Consent Decree finds, that this Consent Decree has been negotiated in good faith and at arm's length; that this settlement is fair, reasonable, and in the public interest, and consistent with the goals of the Act; and that entry of this Consent Decree without further litigation is the most appropriate means of resolving this matter;

NOW, THEREFORE, without any admission by Defendants, and without adjudication of the violations alleged in the complaints or the NOVs, it is hereby ORDERED, ADJUDGED, AND DECREED as follows:

I. JURISDICTION AND VENUE

1. This Court has jurisdiction over this action, the subject matter herein, and the Parties consenting hereto, pursuant to 28 U.S.C. §§ 1331, 1345, 1355, and 1367, Sections 113, 167, and 304 of the Act, 42 U.S.C. §§ 7413, 7477, and 7604. Solely for the purposes of this Consent Decree, venue is proper under Section 113(b) of the Act, 42 U.S.C. § 7413(b), and under 28 U.S.C. § 1391(b) and (c). Solely for the purposes of this Consent Decree and the underlying complaints, and for no other purpose, Defendants waive all objections and defenses that they may have to the Court's jurisdiction over this action, to the Court's jurisdiction over Defendants, and to venue in this District. Defendants shall not challenge the terms of this Consent Decree or this Court's jurisdiction to enter and enforce this Consent Decree. Solely for the purposes of the complaints filed by the Plaintiffs in this matter and resolved by the Consent Decree, for the purposes of entry and enforcement of this Consent Decree, and for no other purpose, Defendants waive any defense or objection based on standing. Except as expressly provided for herein, this Consent Decree shall not create any rights in or obligations of any party other than the Plaintiffs and Defendants. Except as provided in Section XXV (Public Comment) of this Consent Decree, the Parties consent to entry of this Consent Decree without further notice. To facilitate entry of this Consent Decree, upon the Date of Lodging of this Consent Decree the Parties shall file a Joint Motion to Consolidate *AEP I* and *AEP II* so that *AEP II* is consolidated into *AEP I*.

II. APPLICABILITY

2. Upon entry, the provisions of the Consent Decree shall apply to and be binding upon and inure to the benefit of Plaintiffs and Defendants, and their respective successors and assigns, and upon their officers, employees, and agents, solely in their capacities as such.

3. Defendants shall be responsible for providing a copy of this Consent Decree to all vendors, suppliers, consultants, contractors, agents, and any other company or other organization retained to perform any of the work required by this Consent Decree. Notwithstanding any retention of contractors, subcontractors, or agents to perform any work required under this Consent Decree, Defendants shall be responsible for ensuring that all work is performed in accordance with the requirements of this Consent Decree. For this reason, in any action to enforce this Consent Decree, Defendants shall not assert as a defense the failure of their officers, directors, employees, servants, agents, or contractors to take actions necessary to comply with this Consent Decree, unless Defendants establish that such failure resulted from a Force Majeure Event, as defined in Paragraph 158 of this Consent Decree.

III. DEFINITIONS

Every term expressly defined by this Consent Decree shall have the meaning given to that term by this Consent Decree and, except as otherwise provided in this Consent Decree, every other term used in this Consent Decree that is also a term under the Act or the regulations implementing the Act shall mean in this Consent Decree what such term means under the Act or those implementing regulations.

4. A “1-hour Average NO_x Emission Rate” for a re-powered gas-fired, electric generating unit means, and shall be expressed as, the average concentration in parts per million

("ppm") by dry volume, corrected to 15% O_2, as averaged over one (1) hour. In determining the 1-Hour Average NO_x Emission Rate, Defendants shall use CEMS in accordance with applicable reference methods specified in 40 C.F.R. Part 60 to calculate the emissions for each 15-minute interval within each clock hour, except as provided in this Paragraph. Compliance with the 1-Hour Average NO_x Emission Rate shall be shown by averaging all 15-minute CEMS interval readings within a clock hour, except that any 15-minute CEMS interval that contains any part of a startup or shutdown shall not be included in the calculation of that 1-Hour average. A minimum of two 15-minute CEMS interval readings within a clock hour, not including startup or shutdown intervals, is required to determine compliance with the 1-Hour average NO_x Emission Rate. All emissions recorded by CEMS shall be reported in 1-Hour averages.

5. A "30-Day Rolling Average Emission Rate" for a Unit means, and shall be expressed as, a lb/mmBTU and calculated in accordance with the following procedure: first, sum the total pounds of the pollutant in question emitted from the Unit during an Operating Day and the previous twenty-nine (29) Operating Days; second, sum the total heat input to the Unit in mmBTU during the Operating Day and the previous twenty-nine (29) Operating Days; and third, divide the total number of pounds of the pollutant emitted during the thirty (30) Operating Days by the total heat input during the thirty (30) Operating Days. A new 30-Day Rolling Average Emission Rate shall be calculated for each new Operating Day. Each 30-Day Rolling Average Emission Rate shall include all emissions that occur during all periods of startup, shutdown, and Malfunction within an Operating Day, except as follows:

a. Emissions and BTU inputs that occur during a period of Malfunction shall be excluded from the calculation of the 30-Day Rolling Average Emission

Rate if Defendants provide notice of the Malfunction to EPA in accordance with Paragraph 159 in Section XIV (Force Majeure) of this Consent Decree;

b. Emissions of NO_x and BTU inputs that occur during the fifth and subsequent Cold Start Up Period(s) that occur at a given Unit during any 30-day period shall be excluded from the calculation of the 30-Day Rolling Average Emission Rate if inclusion of such emissions would result in a violation of any applicable 30-Day Rolling Average Emission Rate and Defendants have installed, operated, and maintained the SCR in question in accordance with manufacturers' specifications and good engineering practices. A "Cold Start Up Period" occurs whenever there has been no fire in the boiler of a Unit (no combustion of any Fossil Fuel) for a period of six (6) hours or more. The NO_x emissions to be excluded during the fifth and subsequent Cold Start Up Period(s) shall be the lesser of (i) those NO_x emissions emitted during the eight (8) hour period commencing when the Unit is synchronized with a utility electric distribution system and concluding eight (8) hours later, or (ii) those NO_x emissions emitted prior to the time that the flue gas has achieved the minimum SCR operational temperature specified by the catalyst manufacturer; and

c. For SO_2, shall include all emissions and BTUs commencing from the time the Unit is synchronized with a utility electric distribution system through the time that the Unit ceases to combust fossil fuel and the fire is out in the boiler.

6. A "30-Day Rolling Average Removal Efficiency" means, for SO_2, at a Unit other than Conesville Unit 5 and Conesville Unit 6, the percent reduction in the mass of SO_2 achieved by a Unit's FGD system over a 30-Operating Day period and shall be calculated as follows: step one, sum the total pounds of SO_2 emitted as measured at the outlet of the FGD system for the Unit during the current Operating Day and the previous twenty-nine (29) Operating Days as measured at the outlet of the FGD system for that Unit; step two, sum the total pounds of SO_2 delivered to the inlet of the FGD system for the Unit during the current Operating Day and the previous twenty-nine (29) Operating Days as measured at the inlet to the FGD system for that Unit; step three, subtract the outlet SO_2 emissions calculated in step one from the inlet SO_2 emissions calculated in step two; step four, divide the remainder calculated in step three by the inlet SO_2 emissions calculated in step two; and step five, multiply the quotient calculated in step four by 100 to express as a percentage of removal efficiency. A new 30-day Rolling Average Removal Efficiency shall be calculated for each new Operating Day, and shall include all emissions that occur during all periods within each Operating Day except that emissions that occur during a period of Malfunction may be excluded from the calculation if Defendants provide Notice of the Malfunction to Plaintiffs in accordance with Section XIV (Force Majeure) and it is determined to be a Force Majeure Event pursuant to that Section.

7. "AEP Eastern System" means, solely for purposes of this Consent Decree, the following coal-fired, electric steam generating Units (with the nominal nameplate net capacity of each Unit):

a. Amos Unit 1 (800 MW), Amos Unit 2 (800 MW), and Amos Unit 3 (1300 MW) located in St. Albans, West Virginia;

b. Big Sandy Unit 1 (260 MW) and Big Sandy Unit 2 (800 MW) located in Louisa, Kentucky;

c. Cardinal Unit 1 (600 MW), Cardinal Unit 2 (600 MW), and Cardinal Unit 3 (630 MW) located in Brilliant, Ohio;

d. Clinch River Unit 1 (235 MW), Clinch River Unit 2 (235 MW), and Clinch River Unit 3 (235 MW) located in Carbo, Virginia;

e. Conesville Unit 1 (125 MW), Conesville Unit 2 (125 MW), Conesville Unit 3 (165 MW), Conesville Unit 4 (780 MW), Conesville Unit 5 (375 MW), and Conesville Unit 6 (375 MW) located in Conesville, Ohio;

f. Gavin Unit 1 (1300 MW) and Gavin Unit 2 (1300 MW) located in Cheshire, Ohio;

g. Glen Lyn Unit 5 (95 MW) and Glen Lyn Unit 6 (240 MW) located in Glen Lyn, Virginia;

h. Kammer Unit 1 (210 MW), Kammer Unit 2 (210 MW), and Kammer Unit 3 (210 MW) located in Moundsville, West Virginia;

i. Kanawha River Unit 1 (200 MW) and Kanawha River Unit 2 (200 MW) located in Glasgow, West Virginia;

j. Mitchell Unit 1 (800 MW) and Mitchell Unit 2 (800 MW) located in Moundsville, West Virginia;

k. Mountaineer Unit 1 (1300 MW) located in New Haven, West Virginia;

l. Muskingum River Unit 1 (205 MW), Muskingum River Unit 2 (205 MW), Muskingum River Unit 3 (215 MW), Muskingum River Unit 4 (215 MW), and Muskingum River Unit 5 (585 MW) located in Beverly, Ohio;

m. Picway Unit 9 (100 MW) located in Lockbourne, Ohio;

n. Rockport Unit 1 (1300 MW) and Rockport Unit 2 (1300 MW) located in Rockport, Indiana;

o. Sporn Unit 1 (150 MW), Sporn Unit 2 (150 MW), Sporn Unit 3 (150 MW), Sporn Unit 4 (150), and Sporn Unit 5 (450 MW) located in New Haven, West Virginia; and

p. Tanners Creek Unit 1 (145 MW), Tanners Creek Unit 2 (145 MW), Tanners Creek Unit 3 (205 MW), and Tanners Creek Unit 4 (500 MW) located in Lawrenceburg, Indiana.

8. “Boiler Island” means: a Unit’s (a) fuel combustion system (including bunker, coal pulverizers, crusher, stoker, and fuel burners); (b) combustion air system; (c) steam generating system (firebox, boiler tubes, and walls); and (d) draft system (excluding the stack), all as further described in “Interpretation of Reconstruction,” by John B. Rasnic, U.S. EPA (November 25, 1986) and attachments thereto.

9. “CEMS” or “Continuous Emission Monitoring System” means, for obligations involving NO_x and SO_2 under this Consent Decree, the devices defined in 40 C.F.R. § 72.2 and installed and maintained as required by 40 C.F.R. Part 75.

10. “Citizen Plaintiffs” means, collectively, Ohio Citizen Action, Citizens Action Coalition of Indiana, Hoosier Environmental Council, Ohio Valley Environmental Coalition,

West Virginia Environmental Council, Clean Air Council, Izaak Walton League of America, United States Public Interest Research Group, National Wildlife Federation, Indiana Wildlife Federation, League of Ohio Sportsmen, Sierra Club, and Natural Resources Defense Council, Inc.

11. "Clean Air Act" or "Act" means the federal Clean Air Act, 42 U.S.C. §§ 7401-7671q, and its implementing regulations.

12. "Clean Air Interstate Rule" or "CAIR" means the regulations promulgated by EPA on May 12, 2005, at 70 Fed. Reg. 25,161, which are entitled, "Rule to Reduce Interstate Transport of Fine Particulate Matter and Ozone (Clean Air Interstate Rule); Revisions to Acid Rain Program; Revisions to NO_x SIP Call; Final Rule," and any subsequent amendments to that regulation, and any applicable, federally-approved state implementation plan or the federal implementation plan to implement CAIR.

13. "Consent Decree" or "Decree" means this Consent Decree and the appendices attached hereto, which are incorporated into this Consent Decree.

14. "Continuously Operate" or "Continuous Operation" means that when an SCR, FGD, ESP, or Other NO_x Pollution Controls are used at a Unit, except during a Malfunction, they shall be operated at all times such Unit is in operation, consistent with the technological limitations, manufacturers' specifications, and good engineering and maintenance practices for such equipment and the Unit so as to minimize emissions to the greatest extent practicable.

15. "Date of Entry" means the date this Consent Decree is approved or signed by the United States District Court Judge; provided, however, that if the Parties' Joint Motion to Consolidate, as specified in Paragraph 1, is denied or not decided, then the "Date of Entry"

means the date that the last of the two United States District Court Judges hearing these cases approves or signs this Consent Decree.

16. "Date of Lodging" means the date this Consent Decree is filed for lodging with the Clerk of the Court for the United States District Court for the Southern District of Ohio.

17. "Day" means, unless otherwise specified, calendar day.

18. "Defendants" or "AEP" means American Electric Power Service Corporation, Kentucky Power Company d/b/a American Electric Power, Indiana Michigan Power Company d/b/a American Electric Power, Ohio Power Company d/b/a American Electric Power, Cardinal Operating Company and its owners (Ohio Power and Buckeye Power, Inc.), Appalachian Power Company d/b/a American Electric Power, and Columbus Southern Power Company d/b/a American Electric Power.

19. "Eastern System-Wide Annual Tonnage Limitation" means the limitations, as specified in this Consent Decree, on the number of tons of the air pollutants that may be emitted from the AEP Eastern System during the relevant calendar year (i.e., January 1 through December 31), and shall include all emissions of the air pollutants emitted during all periods of startup, shutdown, and Malfunction, except that emissions that occur during a period of Malfunction may be excluded from the calculation if Defendants provide Notice of the Malfunction to Plaintiffs in accordance with Section XIV (Force Majeure) and it is determined to be a Force Majeure Event pursuant to that Section.

20. "Emission Rate" means the number of pounds of pollutant emitted per million BTU of heat input ("lb/mmBTU"), measured in accordance with this Consent Decree.

21. "EPA" means the United States Environmental Protection Agency.

22. “ESP” means electrostatic precipitator, a pollution control device for the reduction of PM.

23. “Environmental Mitigation Project” means a project funded or implemented by Defendants as a remedial measure to mitigate alleged damage to human health or the environment, including National Parks or Wilderness Areas, claimed to have been caused by the alleged violations described in the complaints or to compensate Plaintiffs for costs necessitated as a result of the alleged damages.

24. “Existing Unit” means a Unit that commenced operation prior to the Date of Lodging of this Consent Decree.

25. “Flue Gas Desulfurization System,” or “FGD,” means a pollution control device with one or more absorber vessels that employs flue gas desulfurization technology for the reduction of SO_2.

26. “Fossil Fuel” means any hydrocarbon fuel, including coal, petroleum coke, petroleum oil, or natural gas.

27. An “Improved Unit” for NO_x means an AEP Eastern System Unit equipped with an SCR or scheduled under this Consent Decree to be equipped with an SCR, or required to be Retired, Retrofitted, or Re-powered. A Unit may be an Improved Unit for one pollutant without being an Improved Unit for another. Any Other Unit in the AEP Eastern System can become an Improved Unit for NO_x if it is equipped with an SCR and the requirement to Continuously Operate such SCR is incorporated into a federally-enforceable non-Title V permit or site-specific amendment to the state implementation plan and the Title V Permit applicable to that Unit.

28. An "Improved Unit" for SO_2 means an AEP Eastern System Unit equipped with an FGD or scheduled under this Consent Decree to be equipped with an FGD, or required to be Retired, Retrofitted, or Re-powered. A Unit may be an Improved Unit for one pollutant without being an Improved Unit for another. Any Other Unit in the AEP Eastern System can become an Improved Unit for SO_2 if it is equipped with an FGD and the requirement to Continuously Operate such FGD is incorporated into a federally-enforceable non-Title V permit or site-specific amendment to the state implementation plan and the Title V Permit applicable to that Unit.

29. "KW" means kilowatt or one thousand watts.

30. "lb/mmBTU" means one pound per million British thermal units.

31. "Malfunction" means any sudden, infrequent, and not reasonably preventable failure of air pollution control equipment, process equipment, or a process to operate in a normal or usual manner. Failures that are caused in part by poor maintenance or careless operation are not Malfunctions.

32. "MW" means a megawatt or one million watts.

33. "NSR Permit" means a preconstruction permit issued by the permitting authority pursuant to Parts C or D of Subchapter I of the Clean Air Act.

34. "National Ambient Air Quality Standards" or "NAAQS" means national ambient air quality standards that are promulgated pursuant to Section 109 of the Act, 42 U.S.C. § 7409.

35. "New and Newly Permitted Unit" means a Unit that commenced operation after the Date of Lodging of this Consent Decree, and that has been issued a final NSR Permit for SO_2 and NO_x that includes applicable Best Available Control Technology ("BACT") and/or Lowest

Achievable Emission Rate ("LAER") limitations, as those terms are respectively defined at 42 U.S.C. §§ 7479(3), 7501(3).

36. "Nonattainment NSR" means the nonattainment area New Source Review program within the meaning of Part D of Subchapter I of the Act, 42 U.S.C. §§ 7501-7515, and its regulations, 40 C.F.R. Part 51.

37. "NO_x" means oxides of nitrogen, measured in accordance with the provisions of this Consent Decree.

38. "NO_x Allowance" means an authorization to emit a specified amount of NO_x that is allocated or issued under an emissions trading or marketable permit program of any kind that has been established under the Clean Air Act or a state implementation plan.

39. "NO_x CAIR Allocations" means the number of NO_x Allowances allocated to the AEP Eastern System Units pursuant to the Clean Air Interstate Rule, excluding any NO_x Allowances awarded by Indiana, Kentucky, Ohio, West Virginia, and Virginia to an AEP Eastern System Unit from the "compliance supplement pool," as that phrase is defined at 40 C.F.R. § 96.143, in a federally-approved state implementation plan, or federal implementation plan to implement CAIR.

40. "Operating Day" means any day on which a Unit fires Fossil Fuel.

41. "Other NO_x Pollution Controls" means the measures identified in the table in Paragraph 69 that will achieve reductions in NO_x emissions at the Units specified therein.

42. "Other SO_2 Measures" means the measures identified in Paragraph 90 that will achieve reductions in SO_2 emissions at the Units specified therein.

43. “Other Unit” means any Unit of the AEP Eastern System that is not an Improved Unit for the pollutant in question.

44. “Operational or Ownership Interest” means part or all of Defendants’ legal or equitable operational or ownership interests in any Unit in the AEP Eastern System.

45. “Parties” means the United States, the States, the Citizen Plaintiffs, and Defendants. “Party” means one of the Parties.

46. “Plaintiffs” means the United States, the States, and the Citizen Plaintiffs.

47. “Plant-Wide Annual Rolling Tonnage Limitation for SO_2 at Clinch River” means the sum of the tons of SO_2 emitted during all periods of operation from the Clinch River plant, including, without limitation, all SO_2 emitted during periods of startup, shutdown, and Malfunction, in the most recent month and the previous eleven (11) months. A new Annual Rolling Average Tonnage Limitation for years 2010 through 2014, and for 2015 and continuing thereafter, shall be calculated in accordance with Paragraph 88.

48. “Plant-Wide Annual Tonnage Limitation for SO_2 at Kammer” means the sum of the tons of SO_2 emitted during all periods of operation from the Kammer plant, including, without limitation, all SO_2 emitted during periods of startup, shutdown, and Malfunction, during the relevant calendar year (i.e., January 1 through December 31). A new Plant-Wide Annual Tonnage Limitation shall be calculated for each new calendar year.

49. “PM” means particulate matter, as measured in accordance with the provisions of this Consent Decree.

50. "PM CEMS" or "PM Continuous Emission Monitoring System" means the equipment that samples, analyzes, measures, and provides, by readings taken at frequent intervals, an electronic or paper record of PM emissions.

51. "PM Emission Rate" means the number of pounds of PM emitted per million BTU of heat input (lb/mmBTU), as measured in annual stack tests in accordance with EPA Method 5, 5B, or 17, 40 C.F.R. Part 60, including Appendix A.

52. "Project Dollars" means Defendants' expenditures and payments incurred or made in carrying out the Environmental Mitigation Projects identified in Section VIII (Environmental Mitigation Projects) of this Consent Decree to the extent that such expenditures or payments both: (a) comply with the requirements set forth in Section VIII (Environmental Mitigation Projects) and Appendix A of this Consent Decree, and (b) constitute Defendants' direct payments for such projects, or Defendants' external costs for contractors, vendors, and equipment.

53. "PSD" means Prevention of Significant Deterioration within the meaning of Part C of Subchapter I of the Clean Air Act, 42 U.S.C. §§ 7470-7492, and its regulations, 40 C.F.R. Part 52.

54. "Re-power" means either (1) the replacement of an existing pulverized coal boiler through the construction of a new circulating fluidized bed ("CFB") boiler or other technology of equivalent environmental performance that at a minimum achieves and maintains a 30-Day Rolling Average Emission Rate not greater than 0.100 lb/mmBTU or a 30-Day Rolling Average Removal Efficiency of at least ninety-five percent (95%) for SO_2 and a 30-Day Rolling Average Emission Rate not greater than 0.070 lb/mmBTU for NO_x; or (2) the modification of

such Unit, or removal and replacement of Unit components, such that the modified or replaced Unit generates electricity through the use of new combined cycle combustion turbine technology fueled by natural gas containing no more than 0.5 grains of sulfur per 100 standard cubic feet of natural gas, and at a minimum, achieves a 1-hour Average NO_x Emission Rate not greater than 2.0 ppm.

55. "Retire" means that Defendants shall: (a) permanently shut down and cease to operate the Unit; and (b) comply with any state and/or federal requirements applicable to that Unit. Defendants shall amend any applicable permits so as to reflect the permanent shutdown status of such Unit.

56. "Retrofit" means that the Unit must install and Continuously Operate both an SCR and an FGD. For the 600 MW listed in the table in Paragraph 68 and 87, "Retrofit" means that the Unit must meet a federally-enforceable 30-Day Rolling Average Emission Rate of 0.100 lb/mmBTU for NO_x and a 30-Day Rolling Average Emission Rate of 0.100 lb/mmBTU for SO_2, measured in accordance with the requirements of this Consent Decree.

57. "Selective Catalytic Reduction System" or "SCR" means a pollution control device that employs selective catalytic reduction technology for the reduction of NO_x emissions.

58. "Selective Non-Catalytic Reduction" means a pollution control device for the reduction of NO_x emissions that utilizes ammonia or urea injection into the boiler.

59. "SO_2" means sulfur dioxide, as measured in accordance with the provisions of this Consent Decree.

60. "SO_2 Allowance" means "allowance" as defined at 42 U.S.C. § 7651a(3): "an authorization, allocated to an affected unit by the Administrator of EPA under Subchapter IV of the Act, to emit, during or after a specified calendar year, one ton of sulfur dioxide."

61. "SO_2 Allocations" means the number of SO_2 Allowances allocated to the AEP Eastern System Units.

62. "Super-Compliant NO_x Allowance" means an allowance attributable to reductions beyond the requirements of this Consent Decree as determined in accordance with Paragraph 80.

63. "Super-Compliant SO_2 Allowance" means an allowance attributable to reductions beyond the requirements of this Consent Decree as determined in accordance with Paragraph 98.

64. "States" means the States of Connecticut, Maryland, New Hampshire, New Jersey, New York, Rhode Island, and Vermont, and the Commonwealth of Massachusetts.

65. "Title V Permit" means the permit required for Defendants' major sources under Subchapter V of the Act, 42 U.S.C. §§ 7661-7661e.

66. "Unit" means collectively, the coal pulverizer, stationary equipment that feeds coal to the boiler, the boiler that produces steam for the steam turbine, the steam turbine, the generator, the equipment necessary to operate the generator, steam turbine, and boiler, and all ancillary equipment, including pollution control equipment. An electric steam generating station may comprise one or more Units.

IV. NO_x EMISSION REDUCTIONS AND CONTROLS

A. Eastern System-Wide Annual Tonnage Limitations for NO_x.

67. Notwithstanding any other provisions of this Consent Decree, except Section XIV (Force Majeure), during each calendar year specified in the table below, all Units in the AEP

Eastern System, collectively, shall not emit NO_x in excess of the following Eastern System-Wide Annual Tonnage Limitations:

Calendar Year	**Eastern System-Wide Annual Tonnage Limitations for NO_x**
2009	96,000 tons
2010	92,500 tons
2011	92,500 tons
2012	85,000 tons
2013	85,000 tons
2014	85,000 tons
2015	75,000 tons
2016, and each year thereafter	72,000 tons

B. NO_x Emission Limitations and Control Requirements.

68. No later than the dates set forth in the table below, Defendants shall install and Continuously Operate SCR on each Unit identified therein, or, if indicated in the table, Retire, Retrofit, or Re-power such Unit:

Unit	**NO_x Pollution Control**	**Date**
Amos Unit 1	SCR	January 1, 2008
Amos Unit 2	SCR	January 1, 2009
Amos Unit 3	SCR	January 1, 2008
Big Sandy Unit 2	SCR	January 1, 2009
Cardinal Unit 1	SCR	January 1, 2009
Cardinal Unit 2	SCR	January 1, 2009

Unit	**NO_x Pollution Control**	**Date**
Cardinal Unit 3	SCR	January 1, 2009
Conesville Unit 1	Retire, Retrofit, or Re-power	Date of Entry of this Consent Decree
Conesville Unit 2	Retire, Retrofit, or Re-power	Date of Entry of this Consent Decree
Conesville Unit 3	Retire, Retrofit, or Re-power	December 31, 2012
Conesville Unit 4	SCR	December 31, 2010
Gavin Unit 1	SCR	January 1, 2009
Gavin Unit 2	SCR	January 1, 2009
Mitchell Unit 1	SCR	January 1, 2009
Mitchell Unit 2	SCR	January 1, 2009
Mountaineer Unit 1	SCR	January 1, 2008
Muskingum River Units 1-4	Retire, Retrofit, or Re-power	December 31, 2015
Muskingum River Unit 5	SCR	January 1, 2008
Rockport Unit 1	SCR	December 31, 2017
Rockport Unit 2	SCR	December 31, 2019
Sporn Unit 5	Retire, Retrofit, or Re-power	December 31, 2013
A total of at least 600 MW from the following list of Units: Sporn Units 1-4, Clinch River Units 1-3, Tanners Creek Units 1-3, and/or Kammer Units 1-3	Retire, Retrofit, or Re-power	December 31, 2018

69. Other NO_x Pollution Controls. No later than the dates set forth in the table below, Defendants shall Continuously Operate the Other NO_x Pollution Controls on the Units identified therein:

Unit	**Other NO_x Pollution Controls**	**Date**
Big Sandy Unit 1	Low NO_x Burners	Date of Entry
Glen Lyn Units 5 and 6	Low NO_x Burners	Date of Entry
Clinch River Units 1, 2, and 3	Low NO_x Burners, and Selective Non-catalytic Reduction	For Low NO_x Burners, Date of Entry, and, for Selective Non-Catalytic Reduction, December 31, 2009
Conesville Units 5 and 6	Low NO_x Burners	Date of Entry
Kammer Units 1, 2, and 3	Overfire Air	Date of Entry
Kanawha River Units 1 and 2	Low NO_x Burners	Date of Entry
Picway Unit 9	Low NO_x Burners	Date of Entry
Tanners Creek Units 1, 2, and 3	Low NO_x Burners	Date of Entry
Tanners Creek Unit 4	Overfire Air	Date of Entry

C. General Provisions for Use and Surrender of NO_x Allowances.

70. Except as may be necessary to comply with this Section and Section XIII (Stipulated Penalties), Defendants may not use NO_x Allowances to comply with any requirement of this Consent Decree, including by claiming compliance with any emission limitation or Eastern System-Wide Annual Tonnage Limitation required by this Decree, by using, tendering,

or otherwise applying NO_x Allowances to achieve compliance or offset any emissions above the limits specified in this Consent Decree.

71. As required by this Section IV of this Consent Decree, Defendants shall surrender NO_x Allowances that would otherwise be available for sale, trade, or transfer as a result of actions taken by Defendants to comply with the requirements of this Consent Decree.

72. NO_x Allowances allocated to the AEP Eastern System may be used by Defendants to meet their own federal and/or state Clean Air Act regulatory requirements for the Units included in the AEP Eastern System. Subject to Paragraph 70, nothing in this Consent Decree shall prevent Defendants from purchasing or otherwise obtaining NO_x Allowances from another source for purposes of complying with their own federal and/or state Clean Air Act requirements to the extent otherwise allowed by law.

73. The requirements in this Consent Decree pertaining to Defendants' use and surrender of NO_x Allowances are permanent injunctions not subject to any termination provision of this Consent Decree. These provisions shall survive any termination of this Consent Decree.

D. Use of Excess NO_x Allowances.

74. Calculation of Unrestricted and Restricted NO_x Allowances. On an annual basis, beginning in 2009, Defendants shall calculate the difference between the NO_x CAIR Allocations for the Units in the AEP Eastern System for that year and the annual Eastern System-Wide Tonnage Limitations for NO_x for that calendar year. This difference represents the total Excess NO_x Allowances for that calendar year. For purposes of this Consent Decree, for each year commencing in 2009 and ending in 2015, forty-two percent (42%) of the Excess NO_x Allowances shall be Unrestricted Excess NO_x Allowances and fifty-eight percent (58%) shall be

Restricted Excess NO_x Allowances. Commencing in 2016, and continuing thereafter, all Excess NO_x Allowances shall be Restricted Excess NO_x Allowances.

75. Use and Surrender of Unrestricted Excess NO_x Allowances. For each calendar year commencing in 2009 and ending in 2015, Defendants may use Unrestricted Excess NO_x Allowances in any manner authorized by law. No later than March 1, 2016, Defendants must surrender, or transfer to a non-profit third party selected by Defendants for surrender, all unused Unrestricted Excess NO_x Allowances subject to surrender accumulated during the period from 2009 through 2015.

76. Use and Surrender of Restricted Excess NO_x Allowances. Beginning in calendar year 2009, and for each calendar year thereafter, Defendants shall calculate the difference between the number of any Restricted Excess NO_x Allowances and the number of NO_x Allowances that is equal to the amount of actual NO_x emissions from: (a) any New and Newly Permitted Unit as defined in this Consent Decree, and (b) the following five natural-gas plants but only up to a cumulative total of 1200 tons of NO_x in any single year: Ceredo Generating Station located near Ceredo, West Virginia, with a nominal generating capacity of 505 megawatts; Waterford Energy Center located in southeastern Ohio, with a nominal generating capacity of 821 megawatts; Darby Electric Generating Station located near Columbus, Ohio, with a nominal generating capacity of 480 megawatts; Lawrenceburg Generating Station located in Lawrenceburg, Indiana, with a generating capacity of 1,096 megawatts; and a natural gas-fired power plant under construction near Dresden, Ohio, with a nominal generating capacity of 580 megawatts. This difference shall be the amount of Restricted Excess NO_x Allowances

potentially subject to surrender in 2016. During calendar years 2009 through 2015, Defendants may accumulate Restricted Excess NO_x Allowances potentially subject to surrender in 2016.

77. NO_x Allowances from Renewable Energy. Beginning in calendar year 2009, and for each calendar year thereafter, Defendants may subtract from the number of Restricted Excess NO_x Allowances potentially subject to surrender, a number of allowances calculated in accordance with this Paragraph. To calculate such number, Defendants shall use the following method: multiply 0.0002 by the sum of (a) the actual annual generation in MWH/year generated from solar or wind power projects first owned or operated by Defendants after the Date of Lodging of this Consent Decree, and (b) the actual annual generation in MWH/year purchased by Defendants from solar or wind power projects in any year after the Date of Lodging of this Consent Decree. Such figure so calculated shall be subtracted from the number of Restricted Excess NO_x Allowances potentially subject to surrender each year. The remainder shall be the Restricted Excess NO_x Allowances subject to surrender.

78. Defendants may, solely at their discretion, use Restricted Excess NO_x Allowances at a New and Newly Permitted Unit for which Defendants have received a final NSR Permit from the permitting agency even if the NSR Permit has been appealed but not stayed during the permit appeal process. If Defendants use Restricted Excess NO_x Allowances at such New and Newly Permitted Unit, and the emissions from such New and Newly Permitted Unit are greater than what such Unit is permitted to emit after final adjudication of the appeal process, Defendants shall, within thirty (30) days of such final adjudication, retire an amount of NO_x Allowances equal to the number of tons of NO_x actually emitted that exceeded the finally adjudicated permit limit.

79. No later than March 1, 2016, the total number of Restricted Excess NO_x Allowances subject to surrender accumulated during 2009 through 2015 as calculated in accordance with Paragraphs 74, 76, and 77, shall be surrendered or transferred to a non-profit third party selected by Defendants for surrender, pursuant to Subsection F, below. Beginning in calendar year 2016, and for each calendar year thereafter, the total number of Restricted Excess NO_x Allowances subject to surrender for that year calculated in accordance with Paragraph 74, 76 and 77, shall be surrendered, or transferred to a non-profit third party selected by Defendants for surrender, by March 1 of the following calendar year.

E. Super-Compliant NO_x Allowances.

80. In each calendar year beginning in 2009, and continuing thereafter, Defendants may use in any manner authorized by law any NO_x Allowances made available in that year as a result of maintaining actual NO_x emissions from the AEP Eastern System below the Eastern System-Wide Annual Tonnage Limitations for NO_x under this Consent Decree for each calendar year. Defendants shall timely report the generation of such Super-Compliant NO_x Allowances in accordance with Section XI (Periodic Reporting) and Appendix B of this Consent Decree.

F. Method for Surrender of Excess NO_x Allowances.

81. For purposes of this Consent Decree, the "surrender" of Excess Restricted or Unrestricted Excess NO_x Allowances subject to surrender means permanently surrendering to EPA NO_x Allowances from the accounts administered by EPA so that such NO_x Allowances can never be used thereafter to meet any compliance requirement under the Clean Air Act, a state implementation plan, or this Consent Decree.

82. For all Restricted or Unrestricted Excess NO_x Allowances subject to surrender required to be surrendered to EPA in Paragraphs 79 and 75, above, Defendants or the third party recipient(s) (as the case may be) shall first submit a NO_x Allowance transfer request form to EPA's Office of Air and Radiation's Clean Air Markets Division directing the transfer of such NO_x Allowances to the EPA Enforcement Surrender Account or to any other EPA account that EPA may direct in writing. As part of submitting these transfer requests, Defendants or the third party recipient(s) shall irrevocably authorize the transfer of these NO_x Allowances and identify – by name of account and any applicable serial or other identification numbers or station names – the source and location of the NO_x Allowances being surrendered.

83. If any NO_x Allowances required to be surrendered under this Consent Decree are transferred directly to a non-profit third party, Defendants shall include a description of such transfer in the next report submitted to EPA as required by Section XI (Periodic Reporting) of this Consent Decree. Such report shall: (a) identify the non-profit third party recipient(s) of the NO_x Allowances and list the serial numbers of the transferred NO_x Allowances; and (b) include a certification by the third party recipient(s) stating that the recipient(s) will not sell, trade, or otherwise exchange any of the NO_x Allowances and will not use any of the NO_x Allowances to meet any obligation imposed by any environmental law. No later than the second periodic report due after the transfer of any NO_x Allowances, Defendants shall include a statement that the third party recipient(s) surrendered the NO_x Allowances for permanent surrender to EPA in accordance with the provisions of Paragraph 82 within one (1) year after Defendants transferred the NO_x Allowances to them. Defendants shall not have complied with the NO_x Allowance

surrender requirements of this Paragraph until all third party recipient(s) have actually surrendered the transferred NO_x Allowances to EPA.

G. Reporting Requirements for NO_x Allowances.

84. Defendants shall comply with the reporting requirements for NO_x Allowances as described in Section XI (Periodic Reporting) and Appendix B.

H. General NO_x Provisions.

85. To the extent a NO_x Emission Rate is required under this Consent Decree, Defendants shall use CEMS in accordance with the reference methods specified in 40 C.F.R. Part 75 to determine such Emission Rate.

V. SO_2 EMISSION REDUCTIONS AND CONTROLS

A. Eastern System-Wide Annual Tonnage Limitations for SO_2.

86. Notwithstanding any other provisions of this Consent Decree, except Section XIV (Force Majeure), during each calendar year specified in the table below, all Units in the AEP Eastern System, collectively, shall not emit SO_2 in excess of the following Eastern System-Wide Annual Tonnage Limitations:

Calendar Year	**Eastern System-Wide Annual Tonnage Limitations for SO_2**
2010	450,000 tons
2011	450,000 tons
2012	420,000 tons
2013	350,000 tons
2014	340,000 tons

Calendar Year	**Eastern System-Wide Annual Tonnage Limitations for SO_2**
2015	275,000 tons
2016	260,000 tons
2017	235,000 tons
2018	184,000 tons
2019, and each year thereafter	174,000 tons

B. SO_2 Emission Limitations and Control Requirements.

87. No later than the dates set forth in the table below, Defendants shall install and Continuously Operate an FGD on each Unit identified therein, or, if indicated in the table, Retire, Retrofit, or Re-power such Unit:

Unit	**SO_2 Pollution Control**	**Date**
Amos Units 1 and 3	FGD	December 31, 2009
Amos Unit 2	FGD	December 31, 2010
Big Sandy Unit 2	FGD	December 31, 2015
Cardinal Units 1 and 2	FGD	December 31, 2008
Cardinal Unit 3	FGD	December 31, 2012
Conesville Units 1 and 2	Retire, Retrofit, or Re-power	Date of Entry
Conesville Unit 3	Retire, Retrofit, or Re-power	December 31, 2012
Conesville Unit 4	FGD	December 31, 2010
Conesville Unit 5	Upgrade existing FGD and meet a 95% 30-day Rolling Average Removal Efficiency	December 31, 2009

Unit	SO_2 Pollution Control	Date
Conesville Unit 6	Upgrade existing FGD and meet a 95% 30-day Rolling Average Removal Efficiency	December 31, 2009
Gavin Units 1 and 2	FGD	Date of Entry
Mitchell Units 1 and 2	FGD	December 31, 2007
Mountaineer Unit 1	FGD	December 31, 2007
Muskingum River Units 1-4	Retire, Retrofit, or Re-power	December 31, 2015
Muskingum River Unit 5	FGD	December 31, 2015
Rockport Unit 1	FGD	December 31, 2017
Rockport Unit 2	FGD	December 31, 2019
Sporn Unit 5	Retire, Retrofit, or Re-power	December 31, 2013
A total of at least 600 MW from the following list of Units: Sporn Units 1-4, Clinch River Units 1-3, Tanners Creek Units 1-3, and/or Kammer Units 1-3	Retire, Retrofit, or Re-power	December 31, 2018

88. Plant-Wide Annual Rolling Average Tonnage Limitation for SO_2 at Clinch River. Beginning on January 1, 2010, and continuing through December 31, 2014, Defendants shall limit their total annual SO_2 emissions at the Clinch River plant to a Plant-Wide Annual Rolling Average Tonnage Limitation of 21,700 tons. Beginning on January 1, 2015, and continuing thereafter, Defendants shall limit their total annual SO_2 emissions at the Clinch River plant to a Plant-Wide Annual Rolling Average Tonnage Limitation of 16,300 tons. For purposes of calculating the Plant-Wide Annual Rolling Average Tonnage Limitation that begins in 2010, Defendants shall use the period beginning January 1, 2010 through December 31, 2010 to

establish the initial annual period that is subject to the Plant-Wide Annual Rolling Average Tonnage Limitation for 2010 through 2014. Defendants shall then calculate a new Plant-Wide Annual Rolling Average Tonnage Limitation each month thereafter through December 31, 2014, by averaging the most recent month with the previous eleven (11) months. For purposes of calculating the Plant-Wide Annual Rolling Average Tonnage Limitation that begins in 2015, Defendants shall use the period beginning January 1, 2015 through December 31, 2015 to establish the initial annual period that is subject to the Plant-Wide Annual Average Rolling Tonnage Limitation for 2015. Defendants shall then calculate a new Plant-Wide Annual Rolling Average Tonnage Limitation each month thereafter by averaging the most recent month with the previous eleven (11) months.

89. Plant-Wide Annual Tonnage Limitation for SO_2 at Kammer. Beginning on January 1, 2010, and continuing annually thereafter, Defendants shall limit their total annual SO_2 emissions at the Kammer plant to a Plant-Wide Annual Tonnage Limitation of 35,000 tons.

90. Other SO_2 Measures. No later than the dates set forth in the table below, Defendants shall comply with the limit on coal sulfur content for such Units, at all times that the Units are in operation:

Unit	**Other SO_2 Measures**	**Date**
Big Sandy Unit 1	Units can only burn coal with a sulfur content no greater than 1.75 lb/mmBTU on an annual average basis	Date of Entry
Glen Lyn Units 5 and 6	Units can only burn coal with a sulfur content no greater than 1.75 lb/mmBTU on an annual average basis.	Date of Entry

Unit	Other SO_2 Measures	Date
Kanawha River Units 1 and 2	Units can only burn coal with a sulfur content no greater than 1.75 lb/mmBTU on an annual average basis	Date of Entry
Tanners Creek Units 1, 2, and 3	Units can only burn coal with a sulfur content no greater than 1.2 lb/mmBTU on an annual average basis	Date of Entry
Tanners Creek Unit 4	Unit can only burn coal with a sulfur content no greater than 1.2 % on an annual average basis	Date of Entry

C. Use and Surrender of SO_2 Allowances.

91. Defendants may use SO_2 Allowances allocated to the AEP Eastern System by the Administrator of EPA under the Act, or by any state under its state implementation plan, to meet their own federal and/or state regulatory requirements for the Units included in the AEP Eastern System. Subject to Paragraph 92, nothing in this Consent Decree shall prevent Defendants from purchasing or otherwise obtaining SO_2 Allowances from another source for purposes of complying with their own federal and/or state Clean Air Act requirements to the extent otherwise allowed by law.

92. Except as may be necessary to comply with this Section and Section XIII (Stipulated Penalties), Defendants may not use any SO_2 Allowances to comply with any requirement of this Consent Decree, including by claiming compliance with any emission limitation, Eastern System-Wide Annual Tonnage Limitations, Plant-Wide Annual Rolling Average Tonnage Limitation for SO_2 at Clinch River, or Plant-Wide Annual Tonnage Limitation

for SO_2 at Kammer required by this Consent Decree by using, tendering, or otherwise applying SO_2 Allowances to achieve compliance or offset any emissions above the limits specified in this Consent Decree.

93. On an annual basis beginning in 2010, and continuing thereafter, Defendants shall calculate the number of Excess SO_2 Allowances by subtracting the number of SO_2 Allowances equal to the annual Eastern System-Wide Tonnage Limitations for SO_2 for each calendar year times the applicable allowance surrender ratio from the annual SO_2 Allocations for all Units within the AEP Eastern System for the same calendar year. Defendants shall surrender, or transfer to a non-profit third party selected by Defendants for surrender, all Excess SO_2 Allowances that have been allocated to the AEP Eastern System for the specified calendar year by the Administrator of EPA under the Act or by any state under its state implementation plan. Defendants shall make the surrender of SO_2 Allowances required by this Paragraph to EPA by March 1 of the immediately following calendar year.

D. Method for Surrender of Excess SO_2 Allowances.

94. For purposes of this Subsection, the "surrender" of Excess SO_2 Allowances means permanently surrendering allowances from the accounts administered by EPA so that such allowances can never be used thereafter to meet any compliance requirement under the Clean Air Act, a state implementation plan, or this Consent Decree.

95. If any SO_2 Allowances required to be surrendered under this Consent Decree are transferred directly to a non-profit third party, Defendants shall include a description of such transfer in the next report submitted to EPA pursuant to Section XI (Periodic Reporting) of this Consent Decree. Such report shall: (i) identify the non-profit third party recipient(s) of the SO_2

Allowances and list the serial numbers of the transferred SO_2 Allowances; and (ii) include a certification by the third party recipient(s) stating that the recipient(s) will not sell, trade, or otherwise exchange any of the allowances and will not use any of the SO_2 Allowances to meet any obligation imposed by any environmental law. No later than the second periodic report due after the transfer of any SO_2 Allowances, Defendants shall include a statement that the third party recipient(s) surrendered the SO_2 Allowances for permanent surrender to EPA in accordance with the provisions of Paragraph 96 within one (1) year after Defendants transferred the SO_2 Allowances to them. Defendants shall not have complied with the SO_2 Allowance surrender requirements of this Paragraph until all third party recipient(s) have actually surrendered the transferred SO_2 Allowances to EPA.

96. For all SO_2 Allowances surrendered to EPA, Defendants or the third party recipient(s) (as the case may be) shall first submit an SO_2 Allowance transfer request form to EPA's Office of Air and Radiation's Clean Air Markets Division directing the transfer of such SO_2 Allowances to the EPA Enforcement Surrender Account or to any other EPA account that EPA may direct in writing. As part of submitting these transfer requests, Defendants or the third party recipient(s) shall irrevocably authorize the transfer of these SO_2 Allowances and identify – by name of account and any applicable serial or other identification numbers or station names – the source and location of the SO_2 Allowances being surrendered.

97. The requirements in this Consent Decree pertaining to Defendants' surrender of SO_2 Allowances are permanent injunctions not subject to any termination provision of this Decree. These provisions shall survive any termination of this Consent Decree in whole or in part.

E. Super-Compliant SO_2 Allowances.

98. In each calendar year beginning in 2010, and continuing thereafter, Defendants may use in any manner authorized by law any SO_2 Allowances made available in that year as a result of maintaining actual SO_2 emissions from the AEP Eastern System below the Eastern System-Wide Annual Tonnage Limitations for SO_2 under this Consent Decree for each calendar year. Defendants shall timely report the generation of such Super-Compliant SO_2 Allowances in accordance with Section XI (Periodic Reporting) and Appendix B of this Consent Decree.

F. Reporting Requirements for SO_2 Allowances.

99. Defendants shall comply with the reporting requirements for SO_2 Allowances as described in Section XI (Periodic Reporting) and Appendix B.

G. General SO_2 Provisions.

100. To the extent an Emission Rate or 30-Day Rolling Average Removal Efficiency for SO_2 is required under this Consent Decree, Defendants shall use CEMS in accordance with the reference methods specified in 40 C.F.R. Part 75 to determine such Emission Rate.

101. Notwithstanding Paragraphs 6 and 100, the 30-Day Rolling Average Removal Efficiency for SO_2 at Conesville Unit 5 and Conesville Unit 6 shall be determined in accordance with Appendix C.

VI. PM EMISSION REDUCTIONS AND CONTROLS

A. Optimization of Existing ESPs.

102. Beginning thirty (30) days after the Date of Entry, and continuing thereafter, Defendants shall Continuously Operate each ESP on Cardinal Unit 1, Cardinal Unit 2, and Muskingum River Unit 5 to maximize PM emission reductions at all times when the Unit is in

operation, provided that such operation of the ESP is consistent with the technological limitations, manufacturers' specifications, and good engineering and maintenance practices for the ESP. Defendants shall, at a minimum, to the extent reasonably practicable: (a) fully energize each section of the ESP for each unit, and repair any failed ESP section at the next planned Unit outage (or unplanned outage of sufficient length); (b) operate automatic control systems on each ESP to maximize PM collection efficiency; (c) maintain power levels delivered to the ESPs, consistent with manufacturers' specifications, the operational design of the Unit, and good engineering practices; and (d) inspect for and repair during the next planned Unit outage (or unplanned outage of sufficient length) any openings in ESP casings, ductwork, and expansion joints to minimize air leakage.

B. PM Emission Rate and Testing.

103. No later than the dates specified in the table below, Defendants shall Continuously Operate each Unit specified therein to achieve and maintain a PM Emission Rate no greater than 0.030 lb/mmBTU:

Unit	**Date to Achieve and Maintain PM Emission Rate**
Cardinal Unit 1	December 31, 2009
Cardinal Unit 2	December 31, 2009
Muskingum River Unit 5	December 31, 2012

104. On or before the date established by this Consent Decree for Defendants to achieve and maintain 0.030 lb/mmBTU at Cardinal Unit 1, Cardinal Unit 2, and Muskingum River Unit 5, Defendants shall conduct a performance test for PM that demonstrates compliance with the PM Emission Rate required by this Consent Decree. Within forty-five (45) days of each such performance test, Defendants shall submit the results of the performance test to Plaintiffs pursuant to Section XVIII (Notices) of this Consent Decree.

C. PM Emissions Monitoring.

105. Beginning in calendar year 2010 for Cardinal Unit 1 and Cardinal Unit 2, and calendar year 2013 for Muskingum River Unit 5, and continuing in each calendar year thereafter, Defendants shall conduct a stack test for PM on each stack servicing Cardinal Unit 1, Cardinal Unit 2, and Muskingum River Unit 5. The annual stack test requirement imposed by this Paragraph may be satisfied by stack tests conducted by Defendants as required by their permits from the State of Ohio for any year that such stack tests are required under the permits.

106. The reference methods and procedures for determining compliance with PM Emission Rates shall be those specified in 40 C.F.R. Part 60, Appendix A, Method 5, 5B, or 17, or an alternative method that is promulgated by EPA, requested for use herein by Defendants, and approved for use herein by EPA. Use of any particular method shall conform to the EPA requirements specified in 40 C.F.R. Part 60, Appendix A and 40 C.F.R. § 60.48Da(b) and (e), or any federally-approved method contained in the Ohio State Implementation Plan. Defendants shall calculate the PM Emission Rates from the stack test results in accordance with 40 C.F.R. § 60.8(f). The results of each PM stack test shall be submitted to EPA within forty-five (45) days of completion of each test.

D. Installation and Operation of PM CEMS.

107. Defendants shall install, calibrate, operate, and maintain PM CEMS, as specified below. Each PM CEMS shall comprise a continuous particle mass monitor measuring particulate matter concentration, directly or indirectly, on an hourly average basis and a diluent monitor used to convert the concentration to units of lb/mmBTU. Defendants shall maintain, in an electronic database, the hourly average emission values produced by all PM CEMS in lb/mmBTU. Defendants shall use reasonable efforts to keep each PM CEMS running and producing data whenever any Unit served by the PM CEMS is operating.

108. No later than December 31, 2011, Defendants shall submit to EPA pursuant to Section XII (Review and Approval of Submittals) of this Consent Decree: (a) a plan for the installation and certification of each PM CEMS, and (b) a proposed Quality Assurance/Quality Control ("QA/QC") protocol that shall be followed in calibrating such PM CEMS. In developing both the plan for installation and certification of the PM CEMS and the QA/QC protocol, Defendants shall use the criteria set forth in 40 C.F.R. Part 60, Appendix B, Performance Specification 11, and Appendix F, Procedure 3. Following approval by EPA of the protocol, Defendants shall thereafter operate each PM CEMS in accordance with the approved protocol.

109. No later than the dates specified below, Defendants shall install, certify, and operate PM CEMS on the stacks or common stacks for Cardinal Unit 1, Cardinal Unit 2, and a third Unit, as further described in Paragraph 110:

Stack	**Date to Commence Operation of PM CEMS**
Cardinal Unit 1	December 31, 2012
Cardinal Unit 2	December 31, 2012
Unit to be identified pursuant to Paragraph 110	December 31, 2012

110. No later than December 31, 2011, Defendants shall identify, subject to Plaintiffs' approval, the third Unit required by Paragraph 109.

111. No later than ninety (90) days after Defendants begin operation of the PM CEMS, Defendants shall conduct tests of each PM CEMS to demonstrate compliance with the PM CEMS installation and certification plan submitted to and approved by EPA.

112. Demonstration that PM CEMS are Infeasible. Defendants shall operate the PM CEMS for at least two (2) years on each of the Units specified in Paragraphs 109 and 110. After two (2) years of operation, Defendants may attempt to demonstrate that it is infeasible to continue operating PM CEMS. As part of such demonstration, Defendants shall submit an alternative PM monitoring plan for review and approval by EPA. The plan shall explain the basis for stopping operation of the PM CEMS and propose an alternative PM monitoring plan. If the United States disapproves the alternative PM monitoring plan, or if the United States rejects Defendants' claim that it is infeasible to continue operating PM CEMS, such disagreement is subject to Section XV (Dispute Resolution).

113. "Infeasible to Continue Operating PM CEMS" Standard. Operation of a PM CEMS shall be considered no longer feasible if: (a) the PM CEMS cannot be kept in proper

condition for sufficient periods of time to produce reliable, adequate, or useful data consistent with the QA/QC protocol, or (b) Defendants demonstrate that recurring, chronic, or unusual equipment adjustment or servicing needs in relation to other types of continuous emission monitors cannot be resolved through reasonable expenditures of resources. If EPA determines that Defendants have demonstrated pursuant to this Paragraph that operation is no longer feasible, Defendants shall be entitled to discontinue operation of and remove the PM CEMS.

114. PM CEMS Operations Will Continue During Dispute Resolution or Proposals for Alternative Monitoring. Until EPA approves an alternative monitoring plan, or until the conclusion of any proceeding under Section XV (Dispute Resolution), Defendants shall continue to operate the PM CEMS. If EPA has not issued a decision regarding an alternative monitoring plan within 120 days, Defendants may initiate action under Section XV (Dispute Resolution).

E. PM Reporting.

115. Defendants shall comply with the reporting requirements for PM as described in Section XI (Periodic Reporting) and Appendix B.

F. General PM Provisions.

116. Although stack testing shall be used to determine compliance with the PM Emission Rate established by this Consent Decree, data from the PM CEMS shall be used, at a minimum, to monitor progress in reducing PM emissions.

VII. PROHIBITION ON NETTING CREDITS OR OFFSETS FROM REQUIRED CONTROLS

117. Emission reductions that result from actions required to be taken by Defendants after the Date of Entry of this Consent Decree to comply with the requirements of this Consent Decree shall not be considered as a creditable contemporaneous emission decrease for the purpose of obtaining a netting credit or offset under the Clean Air Act's Nonattainment NSR and PSD programs.

118. Nothing in this Consent Decree is intended to preclude the emission reductions generated under this Consent Decree from being considered by a State or EPA as creditable contemporaneous emission decreases for the purpose of attainment demonstrations submitted pursuant to § 110 of the Act, 42 U.S.C. § 7410, or in determining impacts on NAAQS, PSD increment, or air quality related values, including visibility, in a Class I area.

VIII. ENVIRONMENTAL MITIGATION PROJECTS

119. Defendants shall implement the Environmental Mitigation Projects ("Projects") described in Appendix A to this Consent Decree and fund the categories of Projects described in Subsection B, below, in compliance with the approved plans and schedules for such Projects and other terms of this Consent Decree. In funding and/or implementing all such Projects in Appendix A and Subsection B, Defendants shall expend moneys and/or implement Projects valued at no less than $36 million for the Projects identified in Appendix A and $24 million for the payments to the States to fund Projects within the categories set forth in Subsection B. Defendants shall fund and/or implement such Projects over a period of no later than five (5) years from the Date of Entry. Defendants may propose establishing one or more qualified settlement funds within the meaning of Treas. Reg. §1.468B-1 in conjunction with one or more

Mitigation Projects. Any such trust would be established pursuant to a trust agreement in a form to be mutually agreed upon by the affected Parties. Nothing in the foregoing is intended by the United States to be a determination or opinion regarding whether such trust would meet the requirements of Treas. Reg. §1.468B-1 or is otherwise appropriate.

A. Requirements for Projects Described in Appendix A ($36 million).

120. Defendants shall maintain, and present to EPA upon request, all documents to substantiate the Project Dollars expended to implement the Projects described in Appendix A, and shall provide these documents to EPA within thirty (30) days of a request for the documents.

121. All plans and reports prepared by Defendants pursuant to the requirements of this Section of the Consent Decree and required to be submitted to EPA shall be publicly available from Defendants without charge.

122. Defendants shall certify, as part of each plan submitted to EPA for any Project, that Defendants are not otherwise required by law to perform the Project described in the plan, that Defendants are unaware of any other person who is required by law to perform the Project, and that Defendants will not use any Project, or portion thereof, to satisfy any obligations that it may have under other applicable requirements of law, including any applicable renewable portfolio standards.

123. Defendants shall use good faith efforts to secure as much benefit as possible for the Project Dollars expended, consistent with the applicable requirements and limits of this Consent Decree.

124. If Defendants elect (where such an election is allowed) to undertake a Project by contributing funds to another person or entity that will carry out the Project in lieu of Defendants, but not including Defendants' agents or contractors, that person or instrumentality

must, in writing: (a) identify its legal authority for accepting such funding; and (b) identify its legal authority to conduct the Project for which Defendants contribute the funds. Regardless of whether Defendants elect (where such election is allowed) to undertake a Project by itself or to do so by contributing funds to another person or instrumentality that will carry out the Project, Defendants acknowledge that they will receive credit for the expenditure of such funds as Project Dollars only if Defendants demonstrate that the funds have been actually spent by either Defendants or by the person or instrumentality receiving them, and that such expenditures met all requirements of this Consent Decree.

125. Defendants shall comply with the reporting requirements for Appendix A Projects as described in Section XI (Periodic Reporting) and Appendix B.

126. Within sixty (60) days following the completion of each Project required under this Consent Decree (including any applicable periods of demonstration or testing), Defendants shall submit to the United States a report that documents the date that the Project was completed, Defendants' results of implementing the Project, including the emission reductions or other environmental benefits achieved, and the Project Dollars expended by Defendants in implementing the Project.

B. Mitigation Projects to be Conducted by the States ($24 million).

127. The States, by and through their respective Attorneys General, shall jointly submit to Defendants Projects within the categories identified in this Subsection B for funding in amounts not to exceed $4.8 million per calendar year for no less than five (5) years following the Date of Entry of this Consent Decree beginning as early as calendar year 2008. The funds for these Projects will be apportioned by and among the States, and Defendants shall not have approval rights for the Projects or the apportionment. Defendants shall pay proceeds as

designated by the States in accordance with the Projects submitted for funding each year within seventy-five (75) days after being notified in writing by the States. Notwithstanding the $4.8 million and 5-year limitation above, if the total costs of the projects submitted in any one or more years are less than $4.8 million, the difference between that amount and $4.8 million will be available for funding by Defendants of new or previously submitted projects in the following years, except that all amounts not designated by the States within ten (10) years after the Date of Entry of this Consent Decree shall expire.

128. Categories of Projects. The States agree to use money funded by Defendants to implement Projects that pertain to energy efficiency and/or pollution reduction. Such projects may include, but are not limited by, the following:

a. Retrofitting land and marine vehicles (e.g., automobiles, off-road and on-road construction and other vehicles, trains, ferries) and transportation terminals and ports, with pollution control devices, such as particulate matter traps, computer chip reflashing, and battery hybrid technology;

b. Truck-stop and marine port electrification;

c. Purchase and installation of photo-voltaic cells on buildings;

d. Projects to conserve energy use in new and existing buildings, including appliance efficiency improvement projects, weatherization projects, and projects intended to meet EPA's Green Building guidelines (see http://www.epa.gov/greenbuilding/pubs/enviro-issues.htm) and/or the Leadership in Energy and Environmental Design (LEED) Green Building Rating System (see http://www.usgbc.org/DisplayPage.aspx?CategoryID=19), and projects to collect information in rental markets to assist in design of efficiency and conservation programs;

e. Construction associated with the production of energy from wind, solar, and biomass;

f. "Buy back" programs for dirty old motors (e.g., automobile, lawnmowers, landscape equipment);

g. Programs to remove and/or replace oil-fired home heating equipment to allow use of ultra-low sulfur oil, and outdoor wood-fired boilers;

h. Purchase and retirement of SO_2 and NO_x allowances; and

i. Funding program to improve modeling of mobile source sector.

IX. CIVIL PENALTY

129. Within thirty (30) days after the Date of Entry, Defendants shall pay to the United States a civil penalty in the amount of $15,000,000. The civil penalty shall be paid by Electronic Funds Transfer ("EFT") to the United States Department of Justice, in accordance with current EFT procedures, referencing USAO File Number 1999v01542 and DOJ Case Number 90-5-2-1-06893 and the civil action case name and consolidated case numbers of this action. The costs of such EFT shall be Defendants' responsibility. Payment shall be made in accordance with instructions provided to Defendants by the Financial Litigation Unit of the U.S. Attorney's Office for the Southern District of Ohio. Any funds received after 2:00 p.m. EDT shall be credited on the next business day. At the time of payment, Defendants shall provide notice of payment, referencing the USAO File Number, the DOJ Case Number, and the civil action case name and consolidated case numbers, to the Department of Justice and to EPA in accordance with Section XVIII (Notices) of this Consent Decree.

130. Failure to timely pay the civil penalty shall subject Defendants to interest accruing from the date payment is due until the date payment is made at the rate prescribed by 28 U.S.C. § 1961, and shall render Defendants liable for all charges, costs, fees, and penalties established by law for the benefit of a creditor or of the United States in securing payment.

131. Payment made pursuant to this Section is a penalty within the meaning of Section 162(f) of the Internal Revenue Code, 26 U.S.C. § 162(f), and is not a tax-deductible expenditure for purposes of federal law.

X. RESOLUTION OF CIVIL CLAIMS AGAINST DEFENDANTS

A. Resolution of the United States' Civil Claims.

132. Claims Based on Modifications Occurring Before the Date of Lodging of this Consent Decree. Entry of this Decree shall resolve all civil claims of the United States against Defendants that arose from any modifications commenced at any AEP Eastern System Unit prior to the Date of Lodging of this Consent Decree, including but not limited to, those modifications alleged in the Notices of Violation and complaints filed in *AEP I* and *AEP II*, under any or all of: (a) Parts C or D of Subchapter I of the Clean Air Act, 42 U.S.C. §§ 7470-7492, 7501-7515; (b) Section 111 of the Clean Air Act, 42 U.S.C. § 7411, and 40 C.F.R. § 60.14; (c) the federally-approved and enforceable Indiana State Implementation Plan, Kentucky State Implementation Plan, Ohio State Implementation Plan, Virginia State Implementation Plan, and West Virginia State Implementation Plan; or (d) Sections 502(a) and 504(a) of Title V of the Clean Air Act, 42 U.S.C §§ 7611(a) and 7611(c), but only to the extent that such claims are based on Defendants' failure to obtain an operating permit that reflects applicable requirements imposed under Parts C or D of Subchapter I, or Section 111 of the Clean Air Act.

133. Claims Based on Modifications after the Date of Lodging of This Consent Decree. Entry of this Consent Decree also shall resolve all civil claims of the United States against Defendants that arise based on a modification commenced before December 31, 2018, or solely for Rockport Unit 2, before December 31, 2019, for all pollutants, except Particulate Matter, regulated under Parts C or D of Subchapter I of the Clean Air Act, and under regulations promulgated thereunder, as of the Date of Lodging of this Consent Decree, and:

a. where such modification is commenced at any AEP Eastern System Unit after the Date of Lodging of this Consent Decree; or

b. where such modification is one this Consent Decree expressly directs Defendants to undertake.

The term "modification" as used in this Paragraph shall have the meaning that term is given under the Clean Air Act and under the regulations in effect as of the Date of Lodging of this Consent Decree, as alleged in the complaints in *AEP I* and *AEP II*.

134. Reopener. The resolution of the United States' civil claims against Defendants, as provided by this Subsection A, is subject to the provisions of Subsection B of this Section.

B. Pursuit by the United States of Civil Claims Otherwise Resolved by Subsection A.

135. Bases for Pursuing Resolved Claims for the AEP Eastern System. If Defendants violate: (a) the Eastern System-Wide Annual Tonnage Limitations for NO_x required pursuant to Paragraph 67; (b) the Eastern System-Wide Annual Tonnage Limitations for SO_2 required pursuant to Paragraph 86; or (c) operate a Unit more than ninety (90) days past a date established in this Consent Decree without completing the required installation, upgrade, or commencing Continuous Operation of any emission control device required pursuant to Paragraphs 68, 69, 87, 102, and 103 then the United States may pursue any claim at any AEP Eastern System Unit that is otherwise resolved under Subsection A (Resolution of United States' Civil Claims), subject to (a) and (b) below.

a. For any claims based on modifications undertaken at any Unit in the AEP Eastern System that is not an Improved Unit for the pollutant in question, claims may be pursued only where the modification(s) on which such claim is based was commenced within the five (5) years preceding the violation or failure specified in this Paragraph.

b. For any claims based on modifications undertaken at an Improved Unit, claims may be pursued only where the modification(s) on which such claim is based was commenced: (1) after the Date of Lodging of this Consent Decree and (2) within the five (5) years preceding the violation or failure specified in this Paragraph.

136. Additional Bases for Pursuing Resolved Claims for Modifications at an Improved Unit. Solely with respect to an Improved Unit, the United States may also pursue claims arising

from a modification (or collection of modifications) at an Improved Unit that has otherwise been resolved under Subsection A (Resolution of the United States' Civil Claims) if the modification (or collection of modifications) at the Improved Unit on which such claim is based (a) was commenced after the Date of Lodging of this Consent Decree and (b) individually (or collectively) increased the maximum hourly emission rate of that Unit for NO_x or SO_2 (as measured by 40 C.F.R. § 60.14 (b) and (h)) by more than ten percent (10%).

137. Any Other Unit can become an Improved Unit for NO_x if (a) it is equipped with an SCR, and (b) the operation of such SCR is incorporated into a federally-enforceable non-Title V permit or site-specific amendment to the state implementation plan and incorporated into a Title V permit applicable to that Unit. Any Other Unit can become an Improved Unit for SO_2 if (a) it is equipped with an FGD, and (b) the operation of such FGD is incorporated into a federally-enforceable non-Title V permit or site-specific amendment to the state implementation plan and incorporated into a Title V permit applicable to that Unit.

138. <u>Additional Bases for Pursuing Resolved Claims for Modifications at Other Units.</u>

a. Solely with respect to Other Units, <u>i.e.</u>, a Unit that is not an Improved Unit under the terms of this Consent Decree, the United States may also pursue claims arising from a modification (or collection of modifications) at an Other Unit that has otherwise been resolved under Subsection A (Resolution of the United States' Civil Claims), if the modification (or collection of modifications) at the Other Unit on which the claim is based was commenced within the five (5) years preceding any of the following events:

1. a modification (or collection of modifications) at such Other Unit commenced after the Date of Lodging of this Consent Decree increases the maximum hourly

emission rate for such Other Unit for the relevant pollutant (NO_x or SO_2) (as measured by 40 C.F.R. § 60.14(b) and (h));

2. the aggregate of all Capital Expenditures made at such Other Unit exceed $125/KW on the Unit's Boiler Island (based on the generating capacities identified in Paragraph 7) during the period from the Date of Entry of this Consent Decree through December 31, 2015. (Capital Expenditures shall be measured in calendar year 2007 constant dollars, as adjusted by the McGraw-Hill Engineering News-Record Construction Cost Index); or

3. a modification (or collection of modifications) at such Other Unit commenced after the Date of Lodging of this Consent Decree results in an emissions increase of NO_x and/or SO_2 at such Other Unit, and such increase: (i) presents, by itself, or in combination with other emissions or sources, "an imminent and substantial endangerment" within the meaning of Section 303 of the Act, 42 U.S.C. §7603; (ii) causes or contributes to violation of a NAAQS in any Air Quality Control Area that is in attainment with that NAAQS; (iii) causes or contributes to violation of a PSD increment; or (iv) causes or contributes to any adverse impact on any formally-recognized air quality and related values in any Class I area. The introduction of any new or changed NAAQS shall not, standing alone, provide the showing needed under Subparagraphs (3)(ii) or (3)(iii) of this Paragraph, to pursue any claim for a modification at an Other Unit resolved under Subparagraph A of this Section.

b. Solely with respect to Other Units at the plant listed below, the United States may also pursue claims arising from a modification (or collection of modifications) at such Other Units commenced after the Date of Lodging of this Consent Decree if such modification (or collection of modifications) results in an emissions increase of SO_2 at such Other Unit, and such increase causes the emissions at the plant at issue to exceed the Plant-Wide Annual Rolling

Average Tonnage Limitation for SO_2 at Clinch River listed in the table below for year 2010-2014 and/or 2015 and beyond:

Plant	**Year**	**SO_2 Tons Limit**
Clinch River	2010 - 2014	21,700
Clinch River	2015 and each year thereafter	16,300

C. Resolution of Past Claims of the States and Citizen Plaintiffs and Reservation of Rights.

139. The States and Citizen Plaintiffs agree that this Consent Decree resolves all civil claims that have been alleged in their respective complaints or could have been alleged against Defendants prior to the Date of Lodging of this Consent Decree for violations of: (a) Parts C or D of Subchapter I of the Clean Air Act, 42 U.S.C. §§ 7470-7492, 7501-7515, and (b) Section 111 of the Act, 42 U.S.C. § 7411, and 40 C.F.R § 60.14, at Units within the AEP Eastern System.

140. The States and Citizen Plaintiffs expressly do not join in giving the Defendants the covenant provided by the United States through Paragraph 133 of this Consent Decree, do not release any claims under the Clean Air Act and its implementing regulations arising after the Date of Lodging of this Consent Decree, and reserve their rights, if any, to bring any actions against the Defendants pursuant to 42 U.S.C. § 7604 for any claims arising after the Date of Lodging of this Consent Decree.

141. Notwithstanding Paragraph 140, the States and Citizen Plaintiffs release Defendants from any civil claim that may arise under the Clean Air Act for Defendants' performance of activities that this Consent Decree expressly directs Defendants to undertake,

except to the extent that such activities would cause a significant increase in the emission of a criteria pollutant other than SO_2, NO_x, or PM.

142. Retention of Authority Regarding NAAQS Exceedences. Nothing in this Consent Decree shall be construed to affect the authority of the United States or any state under applicable federal statutes or regulations and applicable state statutes or regulations to impose appropriate requirements or sanctions on any Unit in the AEP Eastern System, including, but not limited to, the Units at the Clinch River plant, if the United States or a state determines that emissions from any Unit in the AEP Eastern System result in violation of, or interfere with the attainment and maintenance of, any ambient air quality standard.

XI. PERIODIC REPORTING

143. Beginning on March 31, 2008, and continuing annually thereafter on March 31 until termination of this Consent Decree, and in addition to any other express reporting requirement in this Consent Decree, Defendants shall submit to the Unites States, the States, and the Citizen Plaintiffs a progress report in compliance with Appendix B of this Consent Decree.

144. In any periodic progress report submitted pursuant to this Section, Defendants may incorporate by reference information previously submitted under their Title V permitting requirements, provided that Defendants attach the Title V permit report, or the relevant portion thereof, and provide a specific reference to the provisions of the Title V permit report that are responsive to the information required in the periodic progress report.

145. In addition to the progress reports required pursuant to this Section, Defendants shall provide a written report to the United States, the States, and the Citizen Plaintiffs of any violation of the requirements of this Consent Decree within fifteen (15) days of when Defendants knew or should have known of any such violation. In this report, Defendants shall explain the

cause or causes of the violation and all measures taken or to be taken by Defendants to prevent such violations in the future.

146. Each report shall be signed by Defendants' Vice President of Environmental Services or his or her equivalent or designee of at least the rank of Vice President, and shall contain the following certification:

> This information was prepared either by me or under my direction or supervision in accordance with a system designed to assure that qualified personnel properly gather and evaluate the information submitted. Based on my evaluation, or the direction and my inquiry of the person(s) who manage the system, or the person(s) directly responsible for gathering the information, I hereby certify under penalty of law that, to the best of my knowledge and belief, this information is true, accurate, and complete. I understand that there are significant penalties for submitting false, inaccurate, or incomplete information to the United States.

147. If any SO_2 or NO_x Allowances are surrendered to any third party pursuant to this Consent Decree, the third party's certification pursuant to Paragraphs 83 and 95 shall be signed by a managing officer of the third party and shall contain the following language:

> I certify under penalty of law that,_____________ [name of third party] will not sell, trade, or otherwise exchange any of the allowances and will not use any of the allowances to meet any obligation imposed by any environmental law. I understand that there are significant penalties for submitting false, inaccurate, or incomplete information to the United States.

XII. REVIEW AND APPROVAL OF SUBMITTALS

148. Defendants shall submit each plan, report, or other submission required by this Consent Decree to the Plaintiffs specified, whenever such a document is required to be submitted for review or approval pursuant to this Consent Decree. The Plaintiff(s) to whom the report is submitted, as required, may approve the submittal or decline to approve it and provide written comments explaining the bases for declining such approval as soon as reasonably practicable. Such Plaintiff(s) will endeavor to coordinate their comments into one document when explaining their bases for declining such approval. Within sixty (60) days of receiving written comments from any of the Plaintiff(s), Defendants shall either: (a) revise the submittal consistent with the written comments and provide the revised submittal to the Plaintiff(s); or (b) submit the matter for dispute resolution, including the period of informal negotiations, under Section XV (Dispute Resolution) of this Consent Decree.

149. Upon receipt of Plaintiffs' or Plaintiff's (as the case may be) final approval of the submittal, or upon completion of the submittal pursuant to dispute resolution, Defendants shall implement the approved submittal in accordance with the schedule specified therein.

XIII. STIPULATED PENALTIES

150. For any failure by Defendants to comply with the terms of this Consent Decree, and subject to the provisions of Sections XIV (Force Majeure) and XV (Dispute Resolution), Defendants shall pay, within thirty (30) days after receipt of written demand to Defendants by the United States, the following stipulated penalties to the United States:

Consent Decree Violation	**Stipulated Penalty (Per Day, Per Violation, Unless Otherwise Specified)**
a. Failure to pay the civil penalty as specified in Section IX (Civil Penalty) of this Consent Decree	$10,000 per day
b. Failure to comply with any applicable 30-Day Rolling Average Emission Rate, 30-Day Rolling Average Removal Efficiency, Emission Rate for PM, or Other SO_2 Measures where the violation is less than 5% in excess of the limits set forth in this Consent Decree	$2,500 per day per violation
c. Failure to comply with any applicable 30-Day Rolling Average Emission Rate, 30-Day Rolling Average Removal Efficiency, Emission Rate for PM, or Other SO_2 Measures where the violation is equal to or greater than 5% but less than 10% in excess of the limits set forth in this Consent Decree	$5,000 per day per violation
d. Failure to comply with any applicable 30-Day Rolling Average Emission Rate, 30-Day Rolling Average Removal Efficiency, Emission Rate for PM, or Other SO_2 Measures where the violation is equal to or greater than 10% in excess of the limits set forth in this Consent Decree	$10,000 per day per violation

Consent Decree Violation	**Stipulated Penalty (Per Day, Per Violation, Unless Otherwise Specified)**
e. Failure to comply with the Eastern System-Wide Annual Tonnage Limitation for SO_2	\$5,000 per ton for the first 1000 tons, and \$10,000 per ton for each additional ton above 1000 tons, plus the surrender, pursuant to the procedures set forth in Paragraphs 82 and 83, of NO_x Allowances in an amount equal to two times the number of tons by which the limitation was exceeded
f. Failure to comply with the Plant-Wide Annual Rolling Tonnage Limitation for SO_2 at Clinch River	\$40,000 per ton, plus the surrender, pursuant to the procedures set forth in Paragraphs 95 and 96, of SO_2 Allowances in an amount equal to two times the number of tons by which the limitation was exceeded
g. Failure to comply with the Eastern System-Wide Annual Tonnage Limitation for NO_x	\$5,000 per ton for the first 1000 tons, and \$10,000 per ton for each additional ton above 1000 tons, plus the surrender, pursuant to the procedures set forth in Paragraphs 82 and 83, of NO_x Allowances in an amount equal to two times the number of tons by which the limitation was exceeded
h. Failure to install, commence operation, or Continuously Operate a pollution control device required under this Consent Decree	\$10,000 per day per violation during the first 30 days, \$32,500 per day per violation thereafter
i. Failure to Retire, Retrofit, or Re-power a Unit by the date specified in this Consent Decree	\$10,000 per day per violation during the first 30 days, \$32,500 per day per violation thereafter

Consent Decree Violation	**Stipulated Penalty (Per Day, Per Violation, Unless Otherwise Specified)**
j. Failure to install or operate CEMS as required in this Consent Decree	$1,000 per day per violation
k. Failure to conduct performance tests of PM emissions, as required in this Consent Decree	$1,000 per day per violation
l. Failure to apply for any permit required by Section XVI (Permits)	$1,000 per day per violation
m. Failure to timely submit, modify, or implement, as approved, the reports, plans, studies, analyses, protocols, or other submittals required in this Consent Decree	$750 per day per violation during the first ten days, $1,000 per day per violation thereafter
n. Using NO_x Allowances except as permitted by Paragraphs 75, 76, and 78	The surrender of NO_x Allowances in an amount equal to four times the number of NO_x Allowances used in violation of this Consent Decree
o. Failure to surrender NO_x Allowances as required by Paragraphs 75 and 79	(a) $32,500 per day plus (b) $7,500 per NO_x Allowance not surrendered
p. Failure to surrender SO_2 Allowances as required by Paragraph 93	(a) $32,500 per day plus (b) $1,000 per SO_2 Allowance not surrendered
q. Failure to demonstrate the third party surrender of an SO_2 Allowance or NO_x Allowance in accordance with Paragraphs 95-96 and 82-83.	$2,500 per day per violation
r. Failure to implement any of the Environmental Mitigation Projects described in Appendix A in compliance with Section VIII (Environmental Mitigation Projects) of this Consent Decree	The difference between the cost of the Project, as identified in Appendix A, and the dollars Defendants spent to implement the Project

Consent Decree Violation	**Stipulated Penalty (Per Day, Per Violation, Unless Otherwise Specified)**
s. Failure to fund an Environmental Mitigation Project, as submitted by the States, in compliance with Section VIII (Environmental Mitigation Projects) of this Consent Decree	$1,000 per day per violation during the first 30 days, $5,000 per day per violation thereafter
t. Failure to Continuously Operate required Other NO_x Pollution Controls required in Paragraph 69	$10,000 per day during the first 30 days, and $32,500 each day thereafter
u. Failure to comply with the Plant-Wide Annual Tonnage Limitation for SO_2 at Kammer	$40,000 per ton, plus the surrender, pursuant to the procedures set forth in Paragraphs 95 and 96 of SO_2 Allowances in an amount equal to two times the number of tons by which the limitation was exceeded
v. Any other violation of this Consent Decree	$1,000 per day per violation

151. Violation of an Emission Rate or 30-Day Rolling Average Removal Efficiency that is based on a 30-Day Rolling Average is a violation on every day on which the average is based. Where a violation of a 30-Day Rolling Average Emission Rate or 30-Day Rolling Average Removal Efficiency (for the same pollutant and from the same source) recurs within periods of less than thirty (30) days, Defendants shall not pay a daily stipulated penalty for any day of the recurrence for which a stipulated penalty has already been paid.

152. All stipulated penalties shall begin to accrue on the day after the performance is due or on the day a violation occurs, whichever is applicable, and shall continue to accrue until performance is satisfactorily completed or until the violation ceases, whichever is applicable. Nothing in this Consent Decree shall prevent the simultaneous accrual of separate stipulated penalties for separate violations of this Consent Decree.

153. Defendants shall pay all stipulated penalties to the United States within thirty (30) days of receipt of written demand to Defendants from the United States, and shall continue to make such payments every thirty (30) days thereafter until the violation(s) no longer continues, unless Defendants elect within twenty (20) days of receipt of written demand to Defendants from the United States to dispute the accrual of stipulated penalties in accordance with the provisions in Section XV (Dispute Resolution) of this Consent Decree.

154. Stipulated penalties shall continue to accrue as provided in accordance with Paragraph 152 during any dispute, with interest on accrued stipulated penalties payable and calculated at the rate established by the Secretary of the Treasury, pursuant to 28 U.S.C. § 1961, but need not be paid until the following:

a. If the dispute is resolved by agreement, or by a decision of Plaintiffs pursuant to Section XV (Dispute Resolution) of this Consent Decree that is not appealed to the Court, accrued stipulated penalties agreed or determined to be owing, together with accrued interest, shall be paid within thirty (30) days of the effective date of the agreement or of the receipt of Plaintiffs' decision;

b. If the dispute is appealed to the Court and Plaintiffs prevail in whole or in part, Defendants shall, within sixty (60) days of receipt of the Court's decision or order, pay all accrued stipulated penalties determined by the Court to be owing, together with interest accrued on such penalties determined by the Court to be owing, except as provided in Subparagraph c, below;

c. If the Court's decision is appealed by any Party, Defendants shall, within fifteen (15) days of receipt of the final appellate court decision, pay all accrued stipulated penalties determined to be owing, together with interest accrued on such stipulated penalties determined to be owing by the appellate court.

Notwithstanding any other provision of this Consent Decree, the accrued stipulated penalties agreed by the Plaintiffs and Defendants, or determined by the Plaintiffs through Dispute Resolution, to be owing may be less than the stipulated penalty amounts set forth in Paragraph 150.

155. All stipulated penalties shall be paid in the manner set forth in Section IX (Civil Penalty) of this Consent Decree.

156. Should Defendants fail to pay stipulated penalties in compliance with the terms of this Consent Decree, the United States shall be entitled to collect interest on such penalties, as provided for in 28 U.S.C. § 1961.

157. The stipulated penalties provided for in this Consent Decree shall be in addition to any other rights, remedies, or sanctions available to Plaintiffs by reason of Defendants' failure to comply with any requirement of this Consent Decree or applicable law, except that for any violation of the Act for which this Consent Decree provides for payment of a stipulated penalty, Defendants shall be allowed a credit for stipulated penalties paid against any statutory penalties also imposed for such violation.

XIV. FORCE MAJEURE

158. For purposes of this Consent Decree, including, but not limited to, Paragraphs 67 and 86, a "Force Majeure Event" shall mean an event that has been or will be caused by circumstances beyond the control of Defendants or any entity controlled by Defendants that delays compliance with any provision of this Consent Decree or otherwise causes a violation of any provision of this Consent Decree despite Defendants' best efforts to fulfill the obligation. "Best efforts to fulfill the obligation" include using best efforts to anticipate any potential Force Majeure Event and to address the effects of any such event (a) as it is occurring and (b) after it has occurred, such that the delay or violation is minimized to the greatest extent possible.

159. Notice of Force Majeure Events. If any event occurs or has occurred that may delay compliance with or otherwise cause a violation of any obligation under this Consent Decree, as to which Defendants intend to assert a claim of Force Majeure, Defendants shall notify the Plaintiffs in writing as soon as practicable, but in no event later than twenty-one (21) business days following the date Defendants first knew, or by the exercise of due diligence should have known, that the event caused or may cause such delay or violation. In this notice, Defendants shall reference this Paragraph of this Consent Decree and describe the anticipated length of time that the delay or violation may persist, the cause or causes of the delay or violation, all measures taken or to be taken by Defendants to prevent or minimize the delay or violation, the schedule by which Defendants propose to implement those measures, and Defendants' rationale for attributing a delay or violation to a Force Majeure Event. Defendants shall adopt all reasonable measures to avoid or minimize such delays or violations. Defendants shall be deemed to know of any circumstance which Defendants or any entity controlled by Defendants knew or should have known.

160. Failure to Give Notice. If Defendants materially fail to comply with the notice requirements of this Section, the Plaintiffs may void Defendants' claim for Force Majeure as to the specific event for which Defendants have failed to comply with such notice requirement.

161. Plaintiffs' Response. The Plaintiffs shall notify Defendants in writing regarding Defendants' claim of Force Majeure as soon as reasonably practicable. If the Plaintiffs agree that a delay in performance has been or will be caused by a Force Majeure Event, the Parties shall stipulate to an extension of deadline(s) for performance of the affected compliance requirement(s) by a period equal to the delay actually caused by the event, or the extent to which Defendants may be relieved of stipulated penalties or other remedies provided under the terms of this Consent Decree. Such agreement shall be reduced to writing, and signed by all Parties. If the agreement results in a material change to the terms of this Consent Decree, an appropriate modification shall be made pursuant to Section XXII (Modification). If such change is not material, no modification of this Consent Decree shall be required.

162. Disagreement. If Plaintiffs do not accept Defendants' claim of Force Majeure, or if the Plaintiffs and Defendants cannot agree on the length of the delay actually caused by the Force Majeure Event, or the extent of relief required to address the delay actually caused by the Force Majeure Event, the matter shall be resolved in accordance with Section XV (Dispute Resolution) of this Consent Decree.

163. Burden of Proof. In any dispute regarding Force Majeure, Defendants shall bear the burden of proving that any delay in performance or any other violation of any requirement of this Consent Decree was caused by or will be caused by a Force Majeure Event. Defendants shall also bear the burden of proving that Defendants gave the notice required by this Section and the burden of proving the anticipated duration and extent of any delay(s) attributable to a

Force Majeure Event. An extension of one compliance date based on a particular event may, but will not necessarily, result in an extension of a subsequent compliance date.

164. Events Excluded. Unanticipated or increased costs or expenses associated with the performance of Defendants' obligations under this Consent Decree shall not constitute a Force Majeure Event.

165. Potential Force Majeure Events. The Parties agree that, depending upon the circumstances related to an event and Defendants' response to such circumstances, the kinds of events listed below are among those that could qualify as Force Majeure Events within the meaning of this Section: construction, labor, or equipment delays; Malfunction of a Unit or emission control device; unanticipated coal supply or pollution control reagent delivery interruptions; acts of God; acts of war or terrorism; and orders by a government official, government agency, other regulatory authority, or a regional transmission organization, acting under and authorized by applicable law, that directs Defendants to operate an AEP Eastern System Unit in response to a local or system-wide (state-wide or regional) emergency (which could include unanticipated required operation to avoid loss of load or unserved load). Depending upon the circumstances and Defendants' response to such circumstances, failure of a permitting authority to issue a necessary permit in a timely fashion may constitute a Force Majeure Event where the failure of the permitting authority to act is beyond the control of Defendants and Defendants have taken all steps available to it to obtain the necessary permit, including, but not limited to: submitting a complete permit application; responding to requests for additional information by the permitting authority in a timely fashion; and accepting lawful permit terms and conditions after expeditiously exhausting any legal rights to appeal terms and conditions imposed by the permitting authority.

166. As part of the resolution of any matter submitted to this Court under Section XV (Dispute Resolution) of this Consent Decree regarding a claim of Force Majeure, the Plaintiffs and Defendants by agreement, or this Court by order, may in appropriate circumstances extend or modify the schedule for completion of work under this Consent Decree to account for the delay in the work that occurred as a result of any delay agreed to by the Plaintiffs or approved by the Court. Defendants shall be liable for stipulated penalties for their failure thereafter to complete the work in accordance with the extended or modified schedule (provided that Defendants shall not be precluded from making a further claim of Force Majeure with regard to meeting any such extended or modified schedule).

XV. DISPUTE RESOLUTION

167. The dispute resolution procedure provided by this Section shall be available to resolve all disputes arising under this Consent Decree, provided that the Party invoking such procedure has first made a good faith attempt to resolve the matter with the other Parties.

168. The dispute resolution procedure required herein shall be invoked by one Party giving written notice to the other Parties advising of a dispute pursuant to this Section. The notice shall describe the nature of the dispute and shall state the noticing Party’s position with regard to such dispute. The Parties receiving such a notice shall acknowledge receipt of the notice, and the Parties in dispute shall expeditiously schedule a meeting to discuss the dispute informally not later than fourteen (14) days following receipt of such notice.

169. Disputes submitted to dispute resolution under this Section shall, in the first instance, be the subject of informal negotiations among the disputing Parties. Such period of informal negotiations shall not extend beyond thirty (30) days from the date of the first meeting among the disputing Parties’ representatives unless they agree in writing to shorten or extend

this period. During the informal negotiations period, the disputing Parties may also submit their dispute to a mutually agreed upon alternative dispute resolution (ADR) forum if the Parties agree that the ADR activities can be completed within the 30-day informal negotiations period (or such longer period as the Parties may agree to in writing).

170. If the disputing Parties are unable to reach agreement during the informal negotiation period, the Plaintiffs shall provide Defendants with a written summary of their position regarding the dispute. The written position provided by Plaintiffs shall be considered binding unless, within forty-five (45) days thereafter, Defendants seek judicial resolution of the dispute by filing a petition with this Court. The Plaintiffs may respond to the petition within forty-five (45) days of filing. In their initial filings with the Court under this Paragraph, the disputing Parties shall state their respective positions as to the applicable standard of law for resolving the particular dispute.

171. The time periods set out in this Section may be shortened or lengthened upon motion to the Court of one of the Parties to the dispute, explaining the Party's basis for seeking such a scheduling modification.

172. This Court shall not draw any inferences nor establish any presumptions adverse to any disputing Party as a result of invocation of this Section or the disputing Parties' inability to reach agreement.

173. As part of the resolution of any dispute under this Section, in appropriate circumstances the disputing Parties may agree, or this Court may order, an extension or modification of the schedule for the completion of the activities required under this Consent Decree to account for the delay that occurred as a result of dispute resolution. Defendants shall be liable for stipulated penalties for their failure thereafter to complete the work in accordance

with the extended or modified schedule, provided that Defendants shall not be precluded from asserting that a Force Majeure Event has caused or may cause a delay in complying with the extended or modified schedule.

174. The Court shall decide all disputes pursuant to applicable principles of law for resolving such disputes. In their initial filings with the Court under Paragraph 170, the disputing Parties shall state their respective positions as to the applicable standard of law for resolving the particular dispute.

XVI. PERMITS

175. Unless expressly stated otherwise in this Consent Decree, in any instance where otherwise applicable law or this Consent Decree requires Defendants to secure a permit to authorize construction or operation of any device contemplated herein, including all preconstruction, construction, and operating permits required under state law, Defendants shall make such application in a timely manner. Defendants shall provide Notice to Plaintiffs under Section XVIII (Notices), for each Unit that Defendants submit an application for any permit described in this Paragraph 175.

176. Notwithstanding the previous Paragraph, nothing in this Consent Decree shall be construed to require Defendants to apply for or obtain a PSD or Nonattainment NSR permit for physical changes in, or changes in the method of operation of, any AEP Eastern System Unit that would give rise to claims resolved by Paragraph 132 and 133, subject to Paragraphs 134 through 138, or Paragraphs 139 and 141 of this Consent Decree.

177. When permits are required as described in Paragraph 175, Defendants shall complete and submit applications for such permits to the appropriate authorities to allow time for all legally required processing and review of the permit request, including requests for additional

information by the permitting authorities. Any failure by Defendants to submit a timely permit application for any Unit in the AEP Eastern System shall bar any use by Defendants of Section XIV (Force Majeure) of this Consent Decree, where a Force Majeure claim is based on permitting delays.

178. Notwithstanding the reference to Title V permits in this Consent Decree, the enforcement of such permits shall be in accordance with their own terms and the Act. The Title V permits shall not be enforceable under this Consent Decree, although any term or limit established by or under this Consent Decree shall be enforceable under this Consent Decree regardless of whether such term or limit has or will become part of a Title V permit, subject to the terms of Section XXVI (Conditional Termination of Enforcement Under Decree) of this Consent Decree.

179. Within three (3) years from the Date of Entry of this Consent Decree, and in accordance with federal and/or state requirements for modifying or renewing a Title V permit, Defendants shall amend any applicable Title V permit application, or apply for amendments to their Title V permits, to include a schedule for any Unit-specific performance, operational, maintenance, and control technology requirements established by this Consent Decree including, but not limited to, required emission rates or other limitations. For Units subject to a requirement to Retire, Retrofit, or Re-power, Defendants shall apply to modify, renew, or obtain any applicable Title V permit to include a schedule for any Unit-specific performance, operation, maintenance, and control technology requirements established by this Consent Decree including, but not limited to, required emission rates or other limitations, within (12) twelve months of making such election to Retire, Retrofit, or Re-power.

180. Within one (1) year from commencement of operation of each pollution control device to be installed, upgraded, and/or operated under this Consent Decree, Defendants shall apply to include the requirements and limitations enumerated in this Consent Decree into federally-enforceable non-Title V permits and/or site-specific amendments to the applicable state implementation plans to reflect all new requirements applicable to each Unit in the AEP Eastern System, the Plant-Wide Annual Rolling Average Tonnage Limitation for SO_2 at Clinch River, and the Plant-Wide Annual Tonnage Limitation for SO_2 at Kammer.

181. Defendants shall provide the United States with a copy of each application for a federally-enforceable non-Title V permit or amendment to a state implementation plan, as well as a copy of any permit proposed as a result of such application, to allow for timely participation in any public comment period.

182. Prior to termination of this Consent Decree, Defendants shall obtain enforceable provisions in their Title V permits for the AEP Eastern System that incorporate (a) any Unit-specific requirements and limitations of this Consent Decree, such as performance, operational, maintenance, and control technology requirements, (b) the Plant-Wide Annual Rolling Average Tonnage Limitation for SO_2 at Clinch River and the Plant-Wide Annual Tonnage Limitation for SO_2 at Kammer, and (c) the Eastern System-Wide Annual Tonnage Limitations for SO_2 and NO_x. If Defendants do not obtain enforceable provisions for the Eastern System-Wide Annual Tonnage Limitations for SO_2 and NO_x in such Title V permits, then the requirements in Paragraphs 86 and 67 shall remain enforceable under this Consent Decree and shall not be subject to termination.

183. If Defendants sell or transfer to an entity unrelated to Defendants ("Third-Party Purchaser") part or all of Defendants' Ownership Interest in a Unit in the AEP Eastern System,

Defendants shall comply with the requirements of Section XIX (Sales or Transfers of Operational or Ownership Interests) with regard to that Unit prior to any such sale or transfer unless, following any such sale or transfer, Defendants remain the holder of the Title V permit for such facility.

XVII. INFORMATION COLLECTION AND RETENTION

184. Any authorized representative of the United States, including attorneys, contractors, and consultants, upon presentation of credentials, shall have a right of entry upon the premises of any facility in the AEP Eastern System at any reasonable time for the purpose of:

a. monitoring the progress of activities required under this Consent Decree;

b. verifying any data or information submitted to the United States in accordance with the terms of this Consent Decree;

c. obtaining samples and, upon request, splits of any samples taken by Defendants or their representatives, contractors, or consultants; and

d. assessing Defendants' compliance with this Consent Decree.

185. Defendants shall retain, and instruct their contractors and agents to preserve, all non-identical copies of all records and documents (including records and documents in electronic form) now in their or their contractors' or agents' possession or control (with the exception of their contractors' copies of field drawings and specifications), and that directly relate to Defendants' performance of their obligations under this Consent Decree until six (6) years following completion of performance of such obligations. This record retention requirement shall apply regardless of any corporate document retention policy to the contrary.

186. All information and documents submitted by Defendants pursuant to this Consent Decree shall be subject to any requests under applicable law providing public disclosure of

documents unless (a) the information and documents are subject to legal privileges or protection or (b) Defendants claim and substantiate in accordance with 40 C.F.R. Part 2 that the information and documents contain confidential business information.

187. Nothing in this Consent Decree shall limit the authority of EPA to conduct tests and inspections at Defendants' facilities under Section 114 of the Act, 42 U.S.C. § 7414, or any other applicable federal or state laws, regulations, or permits.

XVIII. NOTICES

188. Unless otherwise provided herein, whenever notifications, submissions, or communications are required by this Consent Decree, they shall be made in writing and addressed as follows:

As to the United States:

Chief, Environmental Enforcement Section
Environment and Natural Resources Division
U.S. Department of Justice
P.O. Box 7611, Ben Franklin Station
Washington, DC 20044-7611
DJ# 90-5-2-1-06893

and

Director, Air Enforcement Division
Office of Enforcement and Compliance Assurance
U.S. Environmental Protection Agency
Ariel Rios Building [Mail Code 2242A]
1200 Pennsylvania Avenue, N.W.
Washington, DC 20460

and

Air Enforcement & Compliance Assurance Branch
U.S. EPA Region V
77 W. Jackson St.
Mail Code AE17J
Chicago, IL 60604

and

Air Protection Division Director
U.S. EPA Region III
1650 Arch Street
Philadelphia, PA 19103

<u>As to the State of Connecticut:</u>

Office of the Attorney General
Environmental Department
P.O. Box 120
Hartford, Connecticut
06141-0120

<u>As to the State of Maryland:</u>

Frank Courtright
Program Manager
Air Quality Compliance Program
Maryland Department of the Environment
1800 Washington Blvd.
Baltimore, Maryland 21230
fcourtright@mde.state.md.us

<u>As to the Commonwealth of Massachusetts:</u>

Frederick D. Augenstern, Assistant Attorney General
Office of the Attorney General
1 Ashburton Place, 18th floor
Boston, Massachusetts 02108
fred.augenstern@state.ma.us

and

Douglas Shallcross, Esquire
Department of Environmental Protection
Office of General Counsel
1 Winter Street
Boston, Massachusetts 02108
Douglas.Shallcross@state.ma.us

<u>As to the State of New Hampshire:</u>

Director, Air Resources Division
New Hampshire Department of Environmental Services
29 Hazen Dive
Concord, New Hampshire 03302-0095

<u>As to the State of New Jersey:</u>

Kevin P. Auerbacher
Section Chief
Environmental Enforcement Section
R.J. Hughes Justice Complex
25 Market Street
P.O. Box 093
Trenton, New Jersey 08625-0093

<u>As to the State of New York:</u>

Robert Rosenthal
Assistant Attorney General
New York State Attorney General's Office
The Capitol
Albany, New York 12224

<u>As to the State of Rhode Island:</u>

Tricia K. Jedele
Special Assistant Attorney General
150 South Main Street
Providence, RI 02903
(401) 274-4400, Ext. 2400
tjedele@riag.ri.gov

<u>As to the State of Vermont:</u>

Environmental Division
Office of the Attorney General
109 State Street
Montpelier, Vermont 05609-1001

and

Director
Air Pollution Control Division
Department of Environmental Conservation
Agency of Natural Resources
Building 3 South
103 South Main Street
Waterbury, Vermont 05671-0402

<u>As to the Citizen Plaintiffs:</u>

Nancy S. Marks
Natural Resources Defense Council, Inc.
40 West 20th Street
New York, New York 10011
(212) 727-4414
nmarks@nrdc.org

and

Albert F. Ettinger
Environmental Law and Policy Center
35 East Wacker Dr. Suite 1300
Chicago, Illinois 60601-2110
(312) 673-6500
aettinger@elpc.org

<u>As to Defendants</u>:

Vice President, Environmental Services
American Electric Power Service Corporation
1 Riverside Plaza
Columbus, OH 43215
jmmcmanus@aep.com

and

General Counsel
American Electric Power
1 Riverside Plaza
Columbus, OH 43215
jbkeane@aep.com

189. All notifications, communications, or submissions made pursuant to this Section shall be sent as follows: (a) by overnight mail or overnight delivery service to the United States;

and (b) by electronic mail to all Plaintiffs, if practicable, but if not practicable, then by overnight mail or overnight delivery service to the States and Citizen Plaintiffs. All notifications, communications, and transmissions sent by overnight delivery service shall be deemed submitted on the date they are delivered to the delivery service.

190. Any Party may change either the notice recipient or the address for providing notices to it by serving all other Parties with a notice setting forth such new notice recipient or address.

XIX. SALES OR TRANSFERS OF OPERATIONAL OR OWNERSHIP INTERESTS

191. If Defendants propose to sell or transfer an Operational or Ownership Interest to an entity unrelated to Defendants ("Third Party"), they shall advise the Third Party in writing of the existence of this Consent Decree prior to such sale or transfer, and shall send a copy of such written notification to the Plaintiffs pursuant to Section XVIII (Notices) of this Consent Decree at least sixty (60) days before such proposed sale or transfer.

192. No sale or transfer of an Operational or Ownership Interest shall take place before the Third Party and Plaintiffs have executed, and the Court has approved, a modification pursuant to Section XXII (Modification) of this Consent Decree making the Third Party a party to this Consent Decree and jointly and severally liable with Defendants for all the requirements of this Decree that may be applicable to the transferred or purchased Interests.

193. This Consent Decree shall not be construed to impede the transfer of any Interests between Defendants and any Third Party so long as the requirements of this Consent Decree are met. This Consent Decree shall not be construed to prohibit a contractual allocation – as between Defendants and any Third Party – of the burdens of compliance with this Decree,

provided that both Defendants and such Third Party shall remain jointly and severally liable for the obligations of the Consent Decree applicable to the transferred or purchased Interests.

194. If the Plaintiffs agree, the Plaintiffs, Defendants, and the Third Party that has become a party to this Consent Decree pursuant to Paragraph 192, may execute a modification that relieves Defendants of liability under this Consent Decree for, and makes the Third Party liable for, all obligations and liabilities applicable to the purchased or transferred Interests. Notwithstanding the foregoing, however, Defendants may not assign, and may not be released from, any obligation under this Consent Decree that is not specific to the purchased or transferred Interests, including the obligations set forth in Section VIII (Environmental Mitigation Projects), Paragraphs 86 and 67, and Section IX (Civil Penalty). Defendants may propose and the Plaintiffs may agree to restrict the scope of the joint and several liability of any purchaser or transferee for any obligations of this Consent Decree that are not specific to the transferred or purchased Interests, to the extent such obligations may be adequately separated in an enforceable manner.

195. Defendants may propose and Plaintiffs may agree to restrict the scope of joint and several liability of any purchaser or transferee for any AEP Eastern System obligations to the extent such obligations may be adequately separated in an enforceable manner using the methods provided by or approved under Section XVI (Permits).

196. Paragraphs 191-195 of this Consent Decree do not apply if an Interest is sold or transferred solely as collateral security in order to consummate a financing arrangement (not including a sale-leaseback), so long as Defendants: (a) remain the operator (as that term is used and interpreted under the Clean Air Act) of the subject AEP Eastern System Unit(s); (b) remain

subject to and liable for all obligations and liabilities of this Consent Decree; and (c) supply Plaintiffs with the following certification within thirty (30) days of the sale or transfer:

> "Certification of Change in Ownership Interest Solely for Purpose of Consummating Financing. We, the Chief Executive Officer and General Counsel of American Electric Power ("AEP"), hereby jointly certify under Title 18 U.S.C. Section 1001, on our own behalf and on behalf of AEP, that any change in AEP's Ownership Interest in any AEP Eastern System Unit that is caused by the sale or transfer as collateral security of such Ownership Interest in such Unit(s) pursuant to the financing agreement consummated on [insert applicable date] between AEP and [insert applicable entity]: a) is made solely for the purpose of providing collateral security in order to consummate a financing arrangement; b) does not impair AEP's ability, legally or otherwise, to comply timely with all terms and provisions of the Consent Decree entered in *United States, et al. v. American Electric Power Service Corp., et al.*, Civil Action No. C2-99-1250 ("AEP I") and *United States, et al. v. American Electric Power Service Corp., et al.*, Civil Action Nos. C2-04-1098 and C2-05-360 ("AEP II"); c) does not affect AEP's operational control of any Unit covered by that Consent Decree in a manner that is inconsistent with AEP's performance of its obligations under the Consent Decree; and d) in no way affects the status of AEP's obligations or liabilities under that Consent Decree."

XX. EFFECTIVE DATE

197. The effective date of this Consent Decree shall be the Date of Entry.

XXI. RETENTION OF JURISDICTION

198. The Court shall retain jurisdiction of this case after the Date of Entry of this Consent Decree to enforce compliance with the terms and conditions of this Consent Decree and to take any action necessary or appropriate for its interpretation, construction, execution, modification, or adjudication of disputes. During the term of this Consent Decree, any Party to this Consent Decree may apply to the Court for any relief necessary to construe or effectuate this Consent Decree.

XXII. MODIFICATION

199. The terms of this Consent Decree may be modified only by a subsequent written agreement signed by the Plaintiffs and Defendants. Where the modification constitutes a material change to any term of this Decree, it shall be effective only upon approval by the Court.

XXIII. GENERAL PROVISIONS

200. This Consent Decree is not a permit. Compliance with the terms of this Consent Decree does not guarantee compliance with all applicable federal, state, or local laws or regulations. The limitations and requirements set forth herein do not relieve Defendants from any obligation to comply with other state and federal requirements under the Clean Air Act at any Units covered by this Consent Decree, including the Defendants' obligation to satisfy any state modeling requirements set forth in a state implementation plan.

201. This Consent Decree does not apply to any claim(s) of alleged criminal liability.

202. In any subsequent administrative or judicial action initiated by any of the Plaintiffs for injunctive relief or civil penalties relating to the facilities covered by this Consent Decree, Defendants shall not assert any defense or claim based upon principles of waiver, res judicata, collateral estoppel, issue preclusion, claim preclusion, or claim splitting, or any other defense based upon the contention that the claims raised by any of the Plaintiffs in the subsequent proceeding were brought, or should have been brought, in the instant case; provided, however, that nothing in this Paragraph affects the validity of Paragraphs Paragraph 132 and 133, subject to Paragraphs 134 through 138, or Paragraphs 139 and 141.

203. Except as specifically provided by this Consent Decree, nothing in this Consent Decree shall relieve Defendants of their obligation to comply with all applicable federal, state, and local laws and regulations. Subject to the provisions in Section X (Resolution of Civil

Claims Against Defendants), nothing contained in this Consent Decree shall be construed to prevent or limit the rights of the Plaintiffs to obtain penalties or injunctive relief under the Act or other federal, state, or local statutes, regulations, or permits.

204. At any time prior to termination of this Consent Decree, Defendants may request approval from Plaintiffs to implement other control technology for SO_2 or NO_x than what is required by this Consent Decree. In seeking such approval, Defendants must demonstrate that such alternative control technology is capable of achieving pollution reductions equivalent to an FGD (for SO_2) or SCR (for NO_x) at the Units in the AEP Eastern System at which Defendants seek approval to implement such other control technology for SO_2 or NO_x. Approval of such a request is solely at the discretion of the Plaintiffs.

205. Nothing in this Consent Decree is intended to, or shall, alter or waive any applicable law (including but not limited to any defenses, entitlements, challenges, or clarifications related to the Credible Evidence Rule, 62 Fed. Reg. 8314 (Feb. 24, 1997)) concerning the use of data for any purpose under the Act generated either by the reference methods specified herein or otherwise.

206. Each limit and/or other requirement established by or under this Consent Decree is a separate, independent requirement.

207. Performance standards, emissions limits, and other quantitative standards set by or under this Consent Decree must be met to the number of significant digits in which the standard or limit is expressed. For example, an Emission Rate of 0.100 is not met if the actual Emission Rate is 0.101. Defendants shall round the fourth significant digit to the nearest third significant digit, or the third significant digit to the nearest second significant digit, depending upon whether the limit is expressed to three or two significant digits. For example, if an actual

Emission Rate is 0.1004, that shall be reported as 0.100, and shall be in compliance with an Emission Rate of 0.100, and if an actual Emission Rate is 0.1005, that shall be reported as 0.101, and shall not be in compliance with an Emission Rate of 0.100. Defendants shall report data to the number of significant digits in which the standard or limit is expressed.

208. This Consent Decree does not limit, enlarge, or affect the rights of any Party to this Consent Decree as against any third parties.

209. This Consent Decree constitutes the final, complete, and exclusive agreement and understanding among the Parties with respect to the settlement embodied in this Consent Decree, and supersedes all prior agreements and understandings among the Parties related to the subject matter herein. No document, representation, inducement, agreement, understanding, or promise constitutes any part of this Consent Decree or the settlement it represents, nor shall they be used in construing the terms of this Consent Decree.

210. Except for Citizen Plaintiffs, each Party to this action shall bear its own costs and attorneys' fees. Defendants shall reimburse the Citizen Plaintiffs' attorneys' fees and costs, pursuant to 42 U.S.C. § 7604(d), and the agreement between counsel for Defendants and Citizen Plaintiffs within thirty (30) days of the Date of Entry of this Consent Decree.

XXIV. SIGNATORIES AND SERVICE

211. Each undersigned representative of the Parties certifies that he or she is fully authorized to enter into the terms and conditions of this Consent Decree and to execute and legally bind to this document the Party he or she represents.

212. This Consent Decree may be signed in counterparts, and such counterpart signature pages shall be given full force and effect.

213. Each Party hereby agrees to accept service of process by mail with respect to all matters arising under or relating to this Consent Decree and to waive the formal service requirements set forth in Rule 4 of the Federal Rules of Civil Procedure and any applicable Local Rules of this Court including, but not limited to, service of a summons.

XXV. PUBLIC COMMENT

214. The Parties agree and acknowledge that final approval by the United States and the entry of this Consent Decree is subject to the procedures of 28 C.F.R. § 50.7, which provides for notice of lodging of this Consent Decree in the Federal Register, an opportunity for public comment, and the right of the United States to withdraw or withhold consent if the comments disclose facts or considerations which indicate that the Consent Decree is inappropriate, improper, or inadequate. The Defendants shall not oppose entry of this Consent Decree by this Court or challenge any provision of this Consent Decree unless the United States has notified the Defendants, in writing, that the United States no longer supports entry of the Consent Decree.

XXVI. CONDITIONAL TERMINATION OF ENFORCEMENT UNDER DECREE

215. Termination as to Completed Tasks. As soon as Defendants complete a construction project or any other requirement of this Consent Decree that is not ongoing or recurring, Defendants may, by motion to this Court, seek termination of the provision or provisions of this Consent Decree that imposed the requirement.

216. Conditional Termination of Enforcement Through the Consent Decree. After Defendants:

a. have successfully completed construction, and have maintained Continuous Operation, of all pollution controls as required by this Consent Decree;

b. have obtained final Title V permits (i) as required by the terms of this Consent Decree; (ii) that cover all Units in this Consent Decree; and (iii) that include as enforceable permit terms all of the Unit performance and other requirements specified in this Consent Decree; and

c. certify that the date is later than December 31, 2022;

then Defendants may so certify these facts to the Plaintiffs and this Court. If the Plaintiffs do not object in writing with specific reasons within forty-five (45) days of receipt of Defendants' certification, then, for any Consent Decree violations that occur after the filing of notice, the Plaintiffs shall pursue enforcement of the requirements contained in the Title V permit through the applicable Title V permit and not through this Consent Decree.

217. Resort to Enforcement under this Consent Decree. Notwithstanding Paragraph 216, if enforcement of a provision in this Consent Decree cannot be pursued by a Party under the applicable Title V permit, or if a Consent Decree requirement was intended to be part of a Title V Permit and did not become or remain part of such permit, then such requirement may be enforced under the terms of this Consent Decree at any time.

XXVII. FINAL JUDGMENT

218. Upon approval and entry of this Consent Decree by the Court, this Consent Decree shall constitute a final judgment among the Parties.

SO ORDERED, THIS _____ DAY OF ________________, 2007.

____
HONORABLE EDMUND A. SARGUS, JR.
UNITED STATES DISTRICT COURT JUDGE

____
HONORABLE GREGORY L. FROST
UNITED STATES DISTRICT COURT JUDGE

APPENDIX A
ENVIRONMENTAL MITIGATION PROJECTS

In compliance with and in addition to the requirements in Section VIII of this Consent Decree (Environmental Mitigation Projects), Defendants shall comply with the requirements of this Appendix to ensure that the benefits of the $36 million in federally directed Environmental Mitigation Projects are achieved.

I. National Parks Mitigation

A. Within 45 days from the Date of Entry, Defendants shall pay to the National Park Service the sum of $2 million to be used in accordance with the Park System Resource Protection Act, 16 U.S.C. § 19jj, for the restoration of land, watersheds, vegetation, and forests using adaptive management techniques designed to improve ecosystem health and mitigate harmful effects from air pollution. This may include reforestation or restoration of native species and acquisition of equivalent resources and support for collaborative initiatives with state and local agencies and other stakeholders to develop plans to assure resource protection over the long-term. Projects will focus on one or more of the following Class I areas alleged in the underlying action to have been injured by emissions from Defendants facilities: Shenandoah National Park, Mammoth Cave National Park, and Great Smoky Mountains National Park.

B. Payment of the amount specified in the preceding paragraph shall be made to the Natural Resource Damage and Assessment Fund managed by the United States Department of the Interior. Instructions for transferring funds will be provided to the Defendants by the National Park Service. Notwithstanding Section I.A of this Appendix, payment of funds by Defendants is not due until ten (10) days after receipt of payment instructions.

C. Upon payment of the required funds into the Natural Resource Damage and Assessment Fund, Defendants shall have no further responsibilities regarding the implementation of any project selected by the National Park Service in connection with this provision of the Consent Decree.

II. Overall Environmental Mitigation Project Schedule and Budget

A. Within 120 days of the Date of Entry, as further described below, Defendants shall submit plans to EPA for review and approval for completing the remaining $34 million in federally directed Environmental Mitigation Projects specified in this Appendix over a period of not more than five (5) years from the Date of Entry. EPA will consult with the Citizen Plaintiffs, through their counsel, prior to approving or commenting on any proposed plan. The Parties agree that Defendants are entitled to spread their payments for Environmental Mitigation Projects evenly over the five-year period commencing upon the Date of Entry. Defendants are not, however, precluded from accelerating payments to better effectuate a proposed mitigation plan, provided however, Defendants shall not be entitled to any reduction in the nominal amount of the required payments by virtue of the early expenditures. EPA may, but is not required to, approve a proposed Project budget that results in a back-loading of some expenditures. EPA shall determine prior to approval that all Projects are consistent with federal law.

B. Defendants may, at their election, consolidate the plans required by this Appendix into a single plan.

C. In addition to the requirements set forth below, Defendants shall submit within 120 days of the Date of Entry, a summary-level budget and Project time-line that covers all of the Projects proposed.

D. Beginning March 31, 2008, and continuing on March 31 of each year thereafter until completion of each Project (including any applicable periods of demonstration or testing), Defendants shall provide the United States and Citizen Plaintiffs with written reports detailing the progress of each Project, including Project Dollars.

E. Within 60 days following the completion of each Project required under Appendix A, Defendants shall submit to the United States and Citizen Plaintiffs a report that documents the date that the Project was completed, the results of implementing the Project, including the emission reductions or other environmental benefits achieved, and the Project Dollars expended by Defendants in implementing the Project.

F. Upon approval of the plans required by this Appendix by EPA, Defendants shall complete the Environmental Mitigation Projects according to the approved plans. Nothing in this Consent Decree shall be interpreted to prohibit Defendants from completing Environmental Mitigation Projects before the deadlines specified in the schedule of an approved plan.

III. Acquisition and Restoration of Ecologically Significant Areas in Indiana, Kentucky, North Carolina, Ohio, Pennsylvania, Virginia, and West Virginia

A. Within 120 days of the Date of Entry, and on each anniversary of the initial submission for the following four (4) years, Defendants shall submit a plan to EPA for review and approval, in consultation with the Citizen Plaintiffs, for acquisition and/or restoration of ecologically significant areas in Indiana, Kentucky, North Carolina, Ohio, Pennsylvania, Virginia, and West Virginia ("Land Acquisition and Restoration"). Defendants shall spend no less than a total of $10 million in Project Dollars on Land Acquisition and Restoration over the five year period provided under this Appendix for completion of federally directed Environmental Mitigation Projects.

B. Defendants' proposed plan shall:

1. Describe the proposed Land Acquisition and Restoration projects in sufficient detail to allow the reader to ascertain how each proposed action meets the requirements set out below. For purposes of this Appendix and Section VIII (Environmental Mitigation Projects) of this Consent Decree, land acquisition means purchase of interests in land, including fee ownership, easements, or other restrictions that run with the land that provide for perpetual protection of the acquired land. Restoration may include, by way of illustration, direct reforestation (particularly of tree species that may be affected by acidic deposition) and soil enhancement. Any restoration action must also incorporate the acquisition of an interest in the restored lands sufficient to ensure perpetual protection of the restored land. Any proposal for acquisition of land must identify fully all owners of the interests in the land. Every proposal for acquisition of land must identify the ultimate holder of the interests to be acquired and provide a basis for concluding that the proposed holder of title is appropriate for long-term protection of the ecological or environmental benefits sought to be achieved through the acquisition.

2. Describe generally the ecological significance of the area to be acquired or restored. In particular, identify the environmental/ecological benefits expected as a result of the proposed action. In proposing areas for acquisition and restoration, Defendants shall focus on those areas that are in most need of conservation action or that promise the greatest conservation return on investment.

3. Describe the expected cost of the Land Acquisition and Restoration, including the fair market value of any areas to be acquired.

4. Identify any person or entity other than Defendants that will be involved in the land acquisition or restoration action. Defendants shall describe the third-party's role in the action and the basis for asserting that such entity is able and suited to perform the intended role. For purposes of this Section of the Appendix, third-parties shall only include non-profits; federal, state, and local agencies; or universities. Any proposed third-party must be legally authorized to perform the proposed action or to receive Project Dollars.

5. Include a schedule for completing and funding each portion of the project.

C. Performance - Upon approval of the plan by EPA, after consultation with the Citizen Plaintiffs, Defendants shall complete the Land Acquisition and Restoration project according to the approved plan and schedule.

IV. Nitrogen Impact Mitigation in the Chesapeake Bay

A. Within 120 days of Date of Entry, Defendants shall submit a plan to EPA for review and approval, in consultation with the Citizen Plaintiffs, for the mitigation of adverse impacts on the Chesapeake Bay associated with nitrogen ("Chesapeake Bay Mitigation Project"). Defendants shall spend no less than a total of $3 million in Project Dollars on the Chesapeake Bay Mitigation Project.

B. Defendant's proposed plan shall:

1. Describe proposed Project(s) that reduce nitrogen loading in the Chesapeake Bay or otherwise mitigate the adverse effects of nitrogen in the Chesapeake Bay. Projects that may be approved include, by way of illustration, creation of forested stream buffers on agricultural land or other land cover to establish a "buffer zone" to keep livestock out of the adjoining waterway and to filter runoff before it enters the waterway.

2. Describe generally the expected environmental benefit of the proposed Chesapeake Bay Mitigation Project. The key criteria for selection of components of the Project are the magnitude of the expected ecological/environmental benefit(s) in relation to the cost and the relative permanence of the expected benefit(s). Expected loadings benefits should be quantified to the extent practicable.

3. Describe the expected cost of each element of the Chesapeake Bay Mitigation Project, including the fair market value of any interests in land to be acquired.

4. Identify any person or entity other than Defendants that will be involved in any aspect of the Chesapeake Bay Mitigation Project. Defendants shall describe the third-party's role in the action and the basis for asserting that such entity is able and suited to perform the intended role. For purposes of this Section of the Appendix, third-parties shall only include non-profits; federal, state, and local agencies; or universities. Any proposed third-party must be legally authorized to perform the proposed action or to receive Project Dollars.

5. Include a schedule for completing and funding each portion of the Project.

C. Performance - Upon approval of the plan for Chesapeake Bay Mitigation by EPA, Defendants shall complete the Project according to the approved plan and schedule.

V. Mobile Source Emission Reduction Projects

A. Within 120 days of the Date of Entry, Defendants shall submit a plan to EPA for review and approval, in consultation with the Citizen Plaintiffs, for the completion of Projects to reduce emissions from Defendants' fleet of barge tugboats on the Ohio River, diesel trains at or near power plants, Defendants' fleet of motor vehicles in certain eastern states, and/or truck stops in certain eastern states ("Mobile Source Projects"). Defendants shall spend no less than a total of $21 million in Project Dollars on one or more of the three Mobile Source Projects specified in this Section, in accordance with the plans for such Projects approved by EPA, after consultation with the Citizen Plaintiffs. The key criteria for selection of components of the Mobile Source Projects are the magnitude of the expected environmental benefit(s) in relation to the cost.

B. Diesel Tug/Train Project

1. Defendants are among the leading barge operators in the country, with operations on the Ohio River, the Mississippi River, and the Gulf Coast. Barges are propelled by tugboats, which generally use a type of marine diesel fuel known as No. 2 distillate fuel oil. Tugboats that switch to ultra-low sulfur diesel fuel ("ULSD") reduce emissions of NO_X, PM, volatile organic compounds ("VOCs"), and other air pollutants. All marine diesel fuel must be ULSD by June 1, 2012, pursuant to EPA's Nonroad Diesel Rule (see "Control of Emissions of Air Pollution from Nonroad Diesel Engines and Fuels; Final Rule," 69 Fed. Reg. 38,958 (June 29, 2004)). Defendants also receive coal by diesel trains.

2. As part of the plan for Mobile Source Projects, Defendants may elect to achieve accelerated emission reductions from their tugboat fleet on the Ohio River ("Ohio River Tug Fleet") and/or their diesel powered trains used at or near their power plants, as one of the three possible mobile source Projects under this Consent Decree ("Diesel Tug/Train Project").

3. The Diesel Tug/Train Project shall require one or more of the following:

a. The accelerated retrofitting or re-powering of Tugs with engines that require the use of ULSD. Selection of this Project is expressly conditioned upon identification of satisfactory technology and an agreement between EPA and Defendants on how to credit Project Dollars towards this project.

b. The retrofitting or repowering of the marine engines in the Ohio River Tug Fleet with diesel oxidation catalysts ("DOCs"), diesel particulate filters ("DPFs"), or other equivalent advanced technologies that reduce emissions of PM and VOCs from marine engines in tugboats (collectively "DOC/DPFs"). Defendants shall only install DOCs/DPFs that have received applicable approvals or verifications, if any, from the relevant regulatory agencies for reducing emissions from tugboat engines. Defendants must maintain any DOCs/DPFs installed as part of the Tug Project for the useful life of the equipment (as defined in the proposed Plan), even after the completion of the Tug Project. Project Dollars may be spent on DOCs/DPFs within 5 years of the Date of Entry, in accordance with the approved schedule for the mitigation projects in this Appendix.

c. The accelerated use of ULSD for the Ohio River Tug Fleet, from the Date of Entry through January 1, 2012. Notwithstanding any other provision of this Consent Decree, including this Appendix, Defendants shall only receive credit for the incremental cost of ULSD as compared to the cost of the fuel Defendants would otherwise utilize.

d. Emission reduction measures for diesel powered trains. Such measures may include retro-fitting with, or conversion to, Multiple Diesel Engine GenSets that are EPA Tier III Off-Road certified; Diesel Electric Hybrid; Anti-idling controls/strategies and Auto Shut-Off capabilities. Selection of this Project is expressly conditioned upon identification of satisfactory technology and an agreement between EPA and Defendants on how to credit Project Dollars towards this project.

4. The proposed plan for the Diesel Tug/Train Project shall:

a. Describe the expected cost of the project, including the costs for any equipment, material, labor costs, and the proposed method for accounting for the cost of each element of the Diesel Tug/Train Project, including the incremental cost of ULSD.

b. Describe generally the expected environmental benefit of the project, including any expected fuel efficiency improvements and quantify emission reductions expected.

c. Include a schedule for completing each portion of the Diesel Tug/Train Project.

5. Performance - Upon approval of the Diesel Tug/Train Project plan by EPA, Defendants shall complete the project according to the approved plan and schedule.

C. Hybrid Vehicle Fleet Project

1. AEP has a fleet of approximately 11,000 motor vehicles in the eleven states where it operates, including vehicles in Indiana, Ohio, Michigan, Virginia, West Virginia, and Kentucky. These motor vehicles are generally powered by conventional diesel or gasoline engines and include vehicles such as diesel "bucket" trucks. The use of hybrid engine technologies in Defendants' motor vehicles, such as diesel-electric engines, will improve fuel efficiency and reduce emissions of NO_X, PM, VOCs, and other air pollutants.

2. As part of the plan for Mobile Source Projects, Defendants may elect to spend Project Dollars on the replacement of conventional motor vehicles in their fleet with newly manufactured Hybrid Vehicles ("Hybrid Vehicle Fleet Project").

3. The proposed plan for the Hybrid Vehicle Fleet Project shall:

   a. Propose the replacement of conventional gasoline or diesel powered motor vehicles (such as bucket trucks) with Hybrid Vehicles. For purposes of this subsection of this Appendix, "Hybrid Vehicle" means a vehicle that can generate and utilize electric power to reduce the vehicle's consumption of fossil fuel. Any Hybrid Vehicle proposed for inclusion in the Hybrid Fleet Project shall meet all applicable engine standards, certifications, and/or verifications.

   b. Provide for Hybrid Vehicles replacement in that portion of Defendants' fleet in Indiana, Ohio, Michigan, West Virginia, Virginia, and/or Kentucky. Notwithstanding any other provision of this Consent Decree, including this Appendix, Defendants shall only receive credit toward Project Dollars for the incremental cost of Hybrid Vehicles as compared to the cost of a newly manufactured, similar motor vehicle.

   c. Prioritize the replacement of diesel-powered vehicles in Defendants' fleet.

   d. Provide a method to account for the costs of the Hybrid Vehicles, including the incremental costs of such vehicles as compared to conventional gasoline or diesel motor vehicles.

   e. Certify that Defendants will use the Hybrid Vehicles for their useful life (as defined in the proposed plan).

   f. Include a schedule for completing each portion of the Project.

g. Describe generally the expected environmental benefits of the Project, including any fuel efficiency improvements, and quantify emission reductions expected.

4. Performance - Upon approval by EPA of the plan for the Hybrid Vehicle Fleet Project, after consultation with the Citizen Plaintiffs, Defendants shall complete the Project according to the approved plan.

D. Truck Stop Electrification

1. Long-haul truck drivers typically idle their engines at night at rest areas to supply heat or cooling in their sleeper cab compartments, and to maintain vehicle battery charge while electrical appliances such as televisions, computers, and microwaves are in use. Modifications to rest areas to provide parking spaces with electrical power, heat, and air conditioning will allow truck drivers to turn their engines off. Truck stop electrification reduces idling time and therefore reduces diesel fuel usage, and thus reduces emissions of PM, NO_x, and VOCs.

2. As part of the plan for Mobile Source Projects, Defendants may elect to achieve emission reductions by truck stop electrification, which shall include, where necessary, techniques and infrastructure needed to support such a program ("Truck Stop Electrification Project").

3. The proposed plan for the Truck Stop Electrification Project shall:

a. Identify truck stops in one or more of the following States for Electrification: Ohio, Indiana, Kentucky, North Carolina, Pennsylvania, West Virginia, and Virginia. EPA may give preference to electrification Projects that are co-located, if possible, along the same transportation corridor.

b. Describe the level of expected usage of the planned electrification facilities, air quality in the vicinity of the proposed Projects, proximity of the proposed Project to population centers, and whether the owner or some other entity is willing to pay for some portion of the work.

c. Provide for the construction of truck stop electrification stations with established technologies and equipment.

d. Account for hardware procurement and installation costs at the recipient truck stops.

e. Include a schedule for completing each portion of the Project.

f. Describe generally the expected environmental benefits of the Project and quantify emission reductions expected.

4. Performance - Upon approval of the plan for the Truck Stop Electrification Project by EPA, after consultation with the Citizen Plaintiffs, Defendants shall complete the Project according to the approved plan.

APPENDIX B

REPORTING REQUIREMENTS

I. Annual Reporting Requirements

In accordance with the dates specified below, for periods on and after the Date of Entry, Defendants shall submit annual reports to the United States, the States, and the Citizen Plaintiffs, electronically and in hard copy, as required by Paragraph 143 and certified as required by Paragraph 146. In such annual reports, Defendants shall include the following information:

A. Eastern System-Wide Annual Tonnage Limitations for SO_2 and NO_x

Beginning on March 31, 2010, for the Eastern System-Wide Annual Tonnage Limitations for NO_x, and March 31, 2011, for the Eastern System-Wide Annual Tonnage Limitations for SO_2, and annually thereafter, Defendants shall report the following information: (a) the total actual annual tons of the pollutant emitted from each Unit (or for Units vented to a common stack, from each combined stack) within the AEP Eastern System, as defined in Paragraph 7, during the prior calendar year; (b) the total actual annual tons of the pollutant emitted from the AEP Eastern System during the prior calendar year; (c) the difference, if any, between the applicable Eastern System-Wide Annual Tonnage Limitation for the pollutant in that calendar year and the amount reported in subparagraph (b); and (d) the annual average emission rate, expressed as a lb/mmBTU for NO_x, for each Unit within the AEP Eastern System and for the entire AEP Eastern System during the prior calendar year. Data reported pursuant to this subsection shall be based upon the CEMS data submitted to the Clean Air Markets Division.

B. Plant-Wide Annual Rolling Average Tonnage Limitation for SO_2 at Clinch River

Beginning on March 31, 2011, and continuing annually thereafter, Defendants shall report: (a) the actual tons of SO_2 emitted from all Units at the Clinch River plant on an annual rolling average basis as defined in Paragraphs 47 and 88 for the prior calendar year; and (b) the applicable Plant-Wide Annual Rolling Average Tonnage Limitation for SO_2 at the Clinch River plant for the prior calendar year. For calendar years other than 2010 and 2015, Defendants shall also report the 12-month rolling average emissions for each month.

C. Plant-Wide Tonnage Limitation for SO_2 at Kammer

Beginning on March 31, 2011, and continuing annually thereafter, Defendants shall report: (a) the actual tons of SO_2 emitted from all Units at the Kammer plant as specified in Paragraph 48 for the prior calendar year; and (b) the Plant-Wide Tonnage Limitation for SO_2 at the Kammer plant for that calendar year.

D. Reporting Requirements for Excess NO_x Allowances

1. <u>Reporting Requirements for Unrestricted Excess NO_x Allowances</u>

Beginning on March 31, 2010, and continuing annually through March 31, 2016, Defendants shall report the number of Unrestricted Excess NO_x Allowances available each year between 2009 through 2015, and how or whether such allowances were used so that Defendants account for each Unrestricted Excess NO_x Allowance for each year during 2009 through 2015. No later than March 31, 2016, Defendants shall report: (a) the cumulative number of unused Unrestricted Excess NO_x Allowances subject to surrender pursuant to Paragraph 75 and calculated pursuant to Paragraph 74, and (b) the total number of unused Unrestricted Excess NO_x Allowances that they surrendered.

2. <u>Reporting Requirements for Restricted Excess NO_x Allowances</u>

a. Beginning on March 31, 2010, and continuing annually through March 31, 2016, Defendants shall report: (a) the number of Restricted Excess NOx Allowances available each year between 2009 through 2015; (b) the actual emissions from any New and Newly Permitted Unit during each year; (c) the actual NOx emissions from the five natural gas plants listed in Paragraph 76 during each year; (d) the amount, if any, of Restricted Excess NOx Allowances that are not subject to surrender each year because of Defendants' investment in renewable energy as defined in Paragraph 77 and the data supporting Defendants' calculation; and (e) the difference between the cumulative total of Restricted Excess NO_x Allowances available from each year and any prior year and the actual emissions reported under (b) and (c), above, for that year and any Restricted Excess NO_x Allowances not subject to surrender reported under (d), above. No later than March 31, 2016, Defendants shall report: (a) the cumulative number of unused Restricted Excess NO_x Allowances subject to surrender calculated pursuant to Paragraphs 76 and 77, and (b) the total number of unused Restricted Excess NO_x Allowances that they surrendered.

b. No later than March 31, 2017, and continuing annually thereafter, Defendants shall report: (a) the number of Restricted Excess NO_x Allowances available in the prior year; (b) the actual emissions from any New and Newly Permitted Unit during such year; (c) the actual emissions from the five natural gas plants listed in Paragraph 76 during such year; (d) the amount, if any, of Restricted Excess NO_x Allowances that are not subject to surrender for such year because of Defendants' investment in renewable energy as defined in Paragraph 77 and the data supporting Defendants' calculation; (e) the number of Restricted Excess NO_x Allowances subject to surrender for such year calculated pursuant to Paragraphs 76 and 77; and (f) the total number of unused Restricted Excess NO_x Allowances that they surrendered for such year.

E. Reporting Requirements for Excess SO_2 Allowances

Beginning on March 31, 2011, and continuing annually thereafter, Defendants shall report: (a) the number of Excess SO_2 Allowances subject to surrender calculated pursuant to Paragraph 93, and (b) the total number of Excess SO_2 Allowances that they surrendered.

F. Continuous Operation of Pollution Controls required by Paragraphs 68, 69, 87, and 102

On March 31 of the year following Defendants' obligation pursuant to this Consent Decree to commence Continuous Operation of an SCR, FGD, ESP, or Additional NO_x Pollution Controls, Defendants shall report the date that they commenced Continuous Operation of each such pollution control as required by this Consent Decree. Beginning on March 31, 2008, and continuing annually thereafter, Defendants shall report, for any SCR, FGD, ESP, or Additional NO_x Pollution Controls required to Continuously Operate during that year, the duration of any period during which that pollution control did not Continuously Operate, including the specific dates and times that such pollution control did not operate, the reason why Defendants did not Continuously Operate such pollution control, and the measures taken to reduce emissions of the pollutant controlled by such pollution control.

G. Installation of SO_2 and NO_x Pollution Controls

Beginning on March 31, 2008, and continuing annually thereafter, Defendants shall report on the progress of construction of NO_x and SO_2 pollution controls required by this Consent Decree including: (1) if construction is not underway, any available information concerning the construction schedule, including the dates of any major contracts executed during the prior calendar year, and any major components delivered during the prior calendar year; (2) if construction is underway, the estimated percent of installation as of the end of the prior calendar year, the current estimated construction completion date, and a brief description of completion of significant milestones during the prior calendar year, including a narrative description of the current construction status (e.g. foundations completed, absorber installation proceeding all material on-site, new stack erection completed, etc.); and (3) once construction is complete, the dates the equipment was placed in service and any acceptance testing was performed during the prior calendar year.

H. Installation and Operation of PM CEMS

Beginning on March 31, 2013, for Cardinal Units 1 and 2 and a third Unit identified pursuant to Paragraph 110, and continuing annually thereafter for all periods of operation of PM CEMS as required by this Consent Decree, Defendants shall report the data recorded by the PM CEMS, expressed in lb/mmBTU on a 3-hour rolling average basis in electronic format for the prior calendar year, in accordance with Paragraph 107.

I. Other SO_2 Measures

Commencing in the first annual report Defendants submit pursuant to Paragraph 143, and continuing annually thereafter, Defendants shall submit all data necessary to determine Defendants' compliance with the annual average coal content specified in the table in Paragraph 90.

J. 1-Hour Average NO_x Emission Rate and 30-Day Rolling Average Emission Rates for SO_2 and NO_x

1. Beginning on March 31 of the year following Defendants' obligation pursuant to this Consent Decree to first comply with an applicable 1-Hour Average NO_x Emission Rate and/or 30-Day Rolling Average Emission Rate for SO_2 and NO_x, and continuing annually thereafter, Defendants shall report all 1-Hour Average Emission Rate results and/or 30-Day Rolling Average Emission Rate results to determine compliance with such emission rate, as defined in Paragraph 4 or 5, as appropriate. Defendants shall also report: (a) the date and time that the Unit initially combusts any fuel after shutdown; (b) the date and time after startup that the Unit is synchronized with a utility electric distribution system; (c) the date and time that the fire is extinguished in a Unit; and (d) for the fifth and subsequent Cold Start Up Period that occurs within any 30-Day period, the earlier of the date and time that is either (i) eight hours after the unit is synchronized with a utility electric distribution system, or (ii) the flue gas has reached the SCR operational temperature range specified by the catalyst manufacturer.

2. Within the first report that identifies a 1-Hour Average NO_x Emission Rate or 30-Day Rolling Average Emission Rate for SO_2 or NO_x, Defendants shall include at least five (5) example calculations (including hourly CEMS data in electronic format for the calculation) used to determine the 1-Hour Average NO_x Emission Rate and the 30-Day Rolling Average Emission Rate for SO_2 or NO_x for five (5) randomly selected days. If at any time Defendants change the methodology used in determining the 1-Hour Average NO_x Emission Rate or the 30-Day Rolling Average Emission Rate for SO_2 or NO_x, Defendants shall explain the change and the reason for using the new methodology.

K. 30-Day Rolling Average Removal Efficiency for SO_2

1. Beginning on March 31 of the year following Defendants' obligation pursuant to this Consent Decree to first comply with a 30-Day Rolling Average Removal Efficiency, and continuing annually thereafter, Defendants shall report all 30-Day Rolling Average Removal Efficiency results to determine compliance with such removal efficiency as defined in Paragraph 6 or, for Conesville Units 5 and 6, as specified in Appendix C.

2. Within the first report that identifies a 30-Day Rolling Average Removal Efficiency for SO_2, Defendants shall include at least five (5) example calculations (including hourly CEMS data in electronic format for the calculation) used to determine the 30-Day Rolling Average Removal Efficiency for five (5) randomly selected days. If

at any time Defendants change the methodology used in determining the 30-Day Rolling Average Removal Efficiency, Defendants shall explain the change and the reason for using the new methodology.

L. PM Emission Rates

Beginning on March 31, 2010, for Cardinal Units 1 and 2, and beginning on March 31, 2013 for Muskingum River Unit 5, and continuing annually thereafter, Defendants shall report the PM Emission Rate as defined in Paragraph 51, for Cardinal Unit 1, Cardinal Unit 2, and Muskingum River Unit 5. For all such Units, Defendants shall attach a copy of the executive summary and results of any stack test performed during the calendar year covered by the annual report.

M. Environmental Mitigation Projects

1. Mitigation Projects to be Conducted by the States

Defendants shall report the disbursement of funds as required in Paragraph 127 of the Consent Decree in the next annual progress report that Defendants submit pursuant to Paragraph 143 following such disbursement of funds.

2. Appendix A Projects

Beginning March 31, 2008, and continuing on March 31 of each year thereafter until completion of each Project (including any applicable periods of demonstration or testing), Defendants shall provide the United States and Citizen Plaintiffs with written reports detailing the progress of each Project, including Project Dollars.

N. Other Unit becoming an Improved Unit

If Defendants decide to make an Other Unit an Improved Unit, Defendants shall so state in the next annual progress report they submit pursuant to Paragraph 143 after making such decision, and comply with the reporting requirements specified in Section I.G of this Appendix and any other reporting or notice requirements in accordance with the Consent Decree.

II. Deviation Reports

Beginning March 31, 2008, and continuing annually thereafter, Defendants shall report a summary of all deviations from the requirements of the Consent Decree that occurred during the prior calendar year, identifying the date and time that the deviation occurred, the date and time the deviation was corrected, the cause and any corrective actions taken for each deviation, if necessary, and the date that the deviation was initially reported under Paragraph 145. In addition to any express requirements in Section I, above, or in the Consent Decree, such deviations required to be reported include, but are not limited to, the following requirements: the 1-Hour Average NO_x Emission Rate, the

30-Day Rolling Average Emission Rates for SO_2 and NO_x, the 30-Day Rolling Average Removal Efficiency for SO_2, and the PM Emission Rate.

III. Submissions Pending Review

In each annual report Defendants submit pursuant to Paragraph 143, Defendants shall include a list of all plans or submissions made pursuant to this Consent Decree during the calendar year covered by the annual report, the date(s) such plans or submissions were submitted to one or more Plaintiffs for review and/or approval, and shall identify which, if any, are still pending review and approval by Plaintiffs upon the date of submission of the annual report.

IV. Other Information Necessary To Determine Compliance

To the extent that information not expressly identified above is necessary to determine Defendants' compliance with the requirements of this Consent Decree during a reporting period, and has not otherwise been submitted in accordance with the provisions of the Consent Decree, Defendants shall provide such information as part of the annual report required pursuant to Section XI of the Consent Decree.

APPENDIX C

MONITORING STRATEGY AND CALCULATION OF THE 30-DAY ROLLING AVERAGE REMOVAL EFFICIENCY FOR CONESVILLE UNITS 5 AND 6

I. Monitoring Strategy

1. The SO_2 monitoring system for Conesville Units 5 & 6 will consist of two separate FGD inlet monitors in each of the two FGD inlet ducts for each Unit, and one FGD outlet monitor in the combined flow from the outlets of the FGD modules for each Unit, prior to the common stack.

2. Due to space constraints and potential interferences, monitors are currently located in the inlet duct for one FGD module on each Unit and at the combined outlet from both FGD modules for each Unit prior to entering the stack using best engineering judgment.

3. On or before December 31, 2008, Defendants shall submit a monitoring plan to EPA for approval that will propose where to site and install an additional inlet monitor in each of the unmonitored FGD inlet ducts for each Unit, and include a requirement that Defendants submit a complete certification application for the Conesville Units 5 & 6 monitoring system to EPA and the state permitting authority.

4. The Monitoring Plan will incorporate the applicable procedures and quality assurance testing found in 40 C.F.R. Part 75, subject to the following:

   a. The PS-2 siting criteria will not be applied to these monitoring systems; however, the majority of the procedures in Section 8.1.3.2 of PS-2 will be followed. Sampling of at least nine (9) sampling points selected in accordance with PS-1 will be performed prior to the initial RATA. If the resultant SO_2 emission rates for any single sampling point calculated in accordance with Equation 19.7 are all within 10% or 0.02 lb/mmBtu of the mean of all nine (9) sampling points, the alternative traverse point locations (0.4, 1.2, and 2.0 meters from the duct wall) will be representative and may be used for all subsequent RATAs.

   b. The required relative accuracy test audit will be performed in accordance with the procedures of 40 C.F.R. Part 75, except that the calculations will be performed on an SO_2 emission rate basis (i.e., lb/mmBtu).

   c. The criteria for passing the relative accuracy test audit will be the same criteria that 40 C.F.R. Part 75 requires for relative accuracy or alternative performance specification as provided for NO_x emission rates.

d. "Diluent capping" (i.e., 5% CO_2) will be applied to the SO_2 emission rate for any hours where the measured CO_2 concentration rounds to zero.

e. Results of quality assurance testing, data gathered by the inlet and outlet monitoring systems, and the resultant 30-day Rolling Average Removal Efficiencies for these monitoring systems are not required to be reported in the quarterly reports submitted to EPA's Clean Air Markets Division for purposes of 40 C.F.R. Part 75. Results will be maintained at the facility and available for inspection, and the 30-day Rolling Average Removal Efficiency will be reported in accordance with the requirements of the Consent Decree and Appendix B. Equivalent data retention and reporting requirements will be incorporated into the applicable permits for these Units.

f. Missing Data Substitution of 40 C.F.R Part 75 will not be implemented.

g. Initial performance testing will be performed before the effective date of the 30-Day Rolling Average Removal Efficiency requirements, and the results will be reported to Plaintiffs as part of the annual report submitted in accordance with Appendix B.

II. Calculation of 30-Day Rolling Average Removal Efficiency

1. Removal efficiency shall be calculated by the equation:

$$[SO_2 \text{ emission rate}_{\text{Inlet}} - SO_2 \text{ emission rate}_{\text{Outlet}}] / SO_2 \text{ emission rate}_{\text{Inlet}} * 100$$

2. Inlet and outlet emission rates shall be calculated using the methodology specified in 40 C.F.R. Part 60 Appendix B – Method 19. Inlet emission rates will be based on the average of the valid recorded values calculated for each of the inlet FGD monitors at each Unit. Measurements are made on a wet basis, so Equation 19.7 will be utilized to determine the hourly SO_2 emission rate at each location. To make the conversion between the measured wet SO_2 and CO_2 concentrations and an emission rate in pounds per million BTU, an electronic Data System will perform Equation 19.7 using the SO_2 ppm conversion factor from Table 19-1 of Method 19 and the Fc factor for the applicable fuel (currently bituminous coal) in Table 19-2 of Method 19. The resulting equation will be:

$$\text{Emission rate (lb } SO_2\text{/mmBtu)} = 1.660 \times 10^{-7} * SO_2 \text{ (in ppm)} * Fc * 100 / CO_2 \text{ (in \%)}$$

3. The electronic data system will calculate the hourly average SO_2 and CO_2 concentration in accordance with 40 C.F.R. Part 75 quality control/quality assurance requirements and will compute and retain these SO_2 emission rates for every operating hour meeting the minimum data capture requirements in accordance with 40 C.F.R. Part 75. Prior to the

calculation of the SO_2 emission rate, hourly SO_2 and CO_2 concentrations will be rounded to the nearest tenth (i.e., 0.1 ppm or 0.1 % CO_2) and the resulting SO_2 emission rate will be rounded to the nearest thousandth (i.e., 0.001 lb/mmBtu).

4. From these hourly SO_2 emission rates, SO_2 removal efficiencies will be calculated for each hour when the Unit is firing fossil fuel, and the hourly SO_2 and CO_2 monitors meet the QA/QC requirements of Part 75. Hourly SO_2 removal efficiencies will be computed by taking the hourly inlet SO_2 emission rate minus the outlet SO_2 emission rate, dividing the result by inlet SO_2 emission rate and multiplying by 100. The resulting removal efficiency will be rounded to the nearest tenth (i.e., 95.1%). Daily SO_2 removal efficiencies will be calculated by taking the sum of Hourly SO_2 removal efficiencies and dividing by the number of valid monitored hours for each Operating Day. The resulting daily removal efficiencies will be rounded to the nearest tenth (i.e., 95.1%).

5. The 30-Day Rolling Average Removal Efficiency will be computed by taking the current Operating Day's daily SO_2 removal efficiency (as described in Paragraph 4 of this Appendix C) plus the previous 29 Operating Days' daily SO_2 removal efficiency, and dividing the sum by 30. In the event that a daily SO_2 removal efficiency is not available for an Operating Day, Defendants shall exclude that Operating Day from the calculation of the 30-Day Rolling Average Removal Efficiency. The resulting 30-day Rolling Average Removal Efficiency will be rounded to the nearest tenth of a percent (i.e., a value of 95.04% rounds down to 95.0%, and a value of 95.05% rounds up to 95.1%).

IN THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF OHIO
EASTERN DIVISION

UNITED STATES OF AMERICA Plaintiff, and STATE OF NEW YORK, ET AL, Plaintiff-Intervenors, v. AMERICAN ELECTRIC POWER SERVICE CORP., ET AL., Defendants.	JUDGE EDMUND A. SARGUS, JR. Magistrate Judge Terence P. Kemp Civil Action No C2-99-1250 (Consolidated with C2-99-1182)
UNITED STATES OF AMERICA Plaintiff, v. AMERICAN ELECTRIC POWER SERVICE CORP., ET AL., Defendants.	Magistrate Judge Norah McCann King Civil Action No C2-05-360

OHIO CITIZEN ACTION, ET AL., Plaintiffs, v. AMERICAN ELECTRIC POWER SERVICE CORP., ET AL., Defendants.	)	Magistrate Judge Norah McCann King Civil Action No. C2-04-1098

JOINT MODIFICATION TO CONSENT DECREE
WITH ORDER MODIFYING CONSENT DECREE

WHEREAS On December 10, 2007, this Court entered a Consent Decree in the above-captioned matters.

WHEREAS Paragraph 199 of the Consent Decree provides that the terms of the Consent Decree may be modified only by a subsequent written agreement signed by the Plaintiffs and Defendants. Material modifications shall be effective only upon written approval by the Court.

WHEREAS pursuant to Paragraph 87 of the Consent Decree, by no later than December 31, 2009, American Electric Power is required, *inter alia*, to install and continuously operate a Flue Gas Desulfurization System (FGD) on Amos Unit 1.

WHEREAS pursuant to Paragraph 87 of the Consent Decree, by no later than December 31, 2010, American Electric Power is required, *inter alia*, to install and continuously operate a FGD on Amos Unit 2.

WHEREAS American Electric Power has requested to modify the schedules for the installation and continuous operation of the FGD at Amos Units 1 from December 31, 2009 to December 31, 2010 and for the installation and continuous operation of the FGD at Amos Unit 2 from December 31, 2010 to April 1, 2010.

WHEREAS Amos Unit 2 was shutdown on October 19, 2009 and shall remain shutdown until it is restarted with the FGD.

WHEREAS the Plaintiffs have agreed to American Electric Power's requested modification in exchange for American Electric Power agreeing to comply with an enforceable combined annual cap for the calendar year 2010 at Amos Units 1 and 2 of 32,005 tons of Sulfur Dioxide (SO_2).

WHEREAS all Parties have obtained the necessary approvals to modify the schedule for the installation and continuous operation of the FGDs at Amos Units 1 and 2, and for the enforceable combined annual cap for the calendar year 2010 at Amos Units 1 and 2 of 32,005 tons of SO_2.

For good cause shown, the Parties hereby seek to modify the Consent Decree in this matter, and move that the Court sign and enter the following Order:

1. Modify the dates for installing and continuously operating FGD's at Amos Unit 1 and Amos Unit 2, as listed in the table in Paragraph 87 of the Consent Decree as follows:

87. No later than the dates set forth in the table below, Defendants shall install and Continuously Operate an FGD on each Unit identified therein, or, if indicated in the table, Retire, Retrofit, or Re-power such Unit:

Unit	SO_2 Pollution Control	Date	Modified Date
Amos Unit ~~1~~ 2	FGD	~~December 31, 2009~~	April 2, 2010
Amos Unit ~~2~~ 1	FGD	December 31, 2010	

The remainder of the table in Paragraph 87 of the Consent Decree shall remain the same.

2. Modify Section V (SO_2 Emission Reductions and Controls), to insert Paragraph 88B as follows:

88B. Calendar Year 2010 Combined Annual Cap for Amos Units 1 and 2.

For the calendar year 2010 Defendants shall limit their combined annual SO_2 emissions from Amos Units 1 and 2 to 32,005 tons of SO_2.

3. Modify Section XIII (Stipulated Penalties), by adding item w to the table of "Stipulated Penalties" as follows:

Consent Decree Violation	Stipulated Penalty (Per Day, Per Violation, Unless Otherwise Specified)
w. Failure to comply with the year 2010 combined annual cap for Amos Units 1 and 2	$5,000 per ton for the first 1000 tons, and $10,000 per ton for each additional ton above 1000 tons

4. Except as specifically provided in this Order, all other terms and conditions of the Consent Decree remain unchanged and in full effect.

SO ORDERED, THIS 5th DAY OF April, 2010.

[redacted]

HONORABLE EDMUND A. SARGUS, JR.
UNITED STATES DISTRICT COURT JUDGE

IN THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF OHIO
EASTERN DIVISION

UNITED STATES OF AMERICA, Plaintiff, and STATE OF NEW YORK, ET AL., Plaintiff-Intervenors, v. AMERICAN ELECTRIC POWER SERVICE CORP., ET AL., Defendants.	Consolidated Cases: Civil Action No. C2-99-1182 Civil Action No. C2-99-1250 JUDGE EDMUND A. SARGUS, JR. Magistrate Judge Terence P. Kemp
OHIO CITIZEN ACTION, ET AL., Plaintiffs, v. AMERICAN ELECTRIC POWER SERVICE CORP., ET AL., Defendants.	
UNITED STATES OF AMERICA Plaintiff, v. AMERICAN ELECTRIC POWER SERVICE CORP., ET AL., Defendants.	JUDGE EDMUND A. SARGUS, JR. Magistrate Judge Norah McCann King Civil Action No C2-05-360

JOINT MODIFICATION TO CONSENT DECREE
WITH ORDER MODIFYING CONSENT DECREE

WHEREAS On December 10, 2007, this Court entered a Consent Decree in the above-captioned matters.

WHEREAS Paragraph 199 of the Consent Decree provides that the terms of the Consent Decree may be modified only by a subsequent written agreement signed by the Plaintiffs and Defendants. Material modifications shall be effective only upon written approval by the Court.

WHEREAS pursuant to Paragraph 87 of the Consent Decree (Docket # 363), as modified by a Joint Modification to Consent Decree With Order Modifying Consent Decree filed on April 5, 2010 (Docket # 371), no later than December 31, 2010, American Electric Power is required, *inter alia*, to install and continuously operate a Flue Gas Desulfurization System (FGD) on Amos Unit 1.

WHEREAS American Electric Power has requested to modify the schedule for the installation and continuous operation of the FGD at Amos Units 1 from December 31, 2010 to February 15, 2011.

WHEREAS Amos Unit 1 was shutdown on September 3, 2010 and shall remain shutdown until it is restarted with the FGD.

WHEREAS all the Parties have obtained the necessary approvals to modify the schedule for the installation and continuous operation of the FGD at Amos Unit 1.

For good cause shown, the Parties hereby seek to modify the Consent Decree in this matter, and move that the Court sign and enter the following Order:

1. Modify the date for installing and continuously operating an FGD at Amos Unit 1

as listed in the table in Paragraph 87 of the Consent Decree as follows:

87. No later than the dates set forth in the table below, Defendants shall install and Continuously Operate an FGD on each Unit identified therein, or, if indicated in the table, Retire, Retrofit, or Re-power such Unit:

Unit	SO_2 Pollution Control	Date	Modified Date
Amos Unit 1	FGD	~~December 31, 2010~~	February 15, 2011

The remainder of the table in Paragraph 87 of the Consent Decree shall remain the same.

2. Defendants shall not operate Amos Unit 1 until the FGD referenced in Paragraph 87 of the Consent Decree is installed and operating.

3. Except as specifically provided in this Order, all other terms and conditions of the Consent Decree remain unchanged and in full effect.

SO ORDERED, THIS 28th DAY OF December, 2010.

[redacted]

HONORABLE EDMUND A. SARGUS, JR.
UNITED STATES DISTRICT COURT JUDGE

Respectfully submitted,

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IN THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF OHIO
EASTERN DIVISION

UNITED STATES OF AMERICA Plaintiff, and STATE OF NEW YORK, ET AL., Plaintiff-Intervenors, v. AMERICAN ELECTRIC POWER SERVICE CORP., ET AL., Defendants.	Consolidated Cases: Civil Action No. C2-99-1182 Civil Action No. C2-99-1250 JUDGE EDMUND A. SARGUS, JR. Magistrate Judge Terence P. Kemp
OHIO CITIZEN ACTION, ET AL., Plaintiffs, v. AMERICAN ELECTRIC POWER SERVICE CORP., ET AL., Defendants.	Civil Action No. C2-04-1098 JUDGE EDMUND A. SARGUS, JR. Magistrate Judge Norah McCann King
UNITED STATES OF AMERICA Plaintiff, v. AMERICAN ELECTRIC POWER SERVICE CORP., ET AL., Defendants.	Civil Action No. C2-05-360 JUDGE EDMUND A. SARGUS, JR. Magistrate Judge Norah McCann King

THIRD JOINT MODIFICATION TO CONSENT DECREE WITH ORDER MODIFYING CONSENT DECREE

WHEREAS On December 10, 2007, this Court entered a Consent Decree in the above-captioned matters (Case No. 99-1250, Docket # 363; Case No. 99-1182, Docket # 508).

WHEREAS Paragraph 199 of the Consent Decree provides that the terms of the Consent Decree may be modified only by a subsequent written agreement signed by the Plaintiffs and Defendants. Material modifications shall be effective only upon written approval by the Court.

WHEREAS pursuant to Paragraph 87 of the Consent Decree, as modified by a Joint Modification to Consent Decree With Order Modifying Consent Decree, filed on April 5, 2010 (Case No. 99-1250, Docket # 371), and as modified by a second Joint Modification to Consent Decree With Order Modifying Consent Decree, filed on December 28, 2010 (Case No. 99-1250, Docket # 372), the Defendants are required, *inter alia*, to install and continuously operate a Flue Gas Desulfurization System (FGD) no later than December 31, 2015 on Big Sandy Unit 2, December 31, 2015 on Muskingum River Unit 5, December 31, 2017 on Rockport Unit 1, and December 31, 2019 on Rockport Unit 2.

WHEREAS, on October 31, 2012, the Defendants filed an Application for Judicial Interpretation of Consent Decree in Case No. 99-1182 (Docket # 528) and the related cases.

WHEREAS, the United States, the States and Citizen Plaintiffs filed a Memorandum in Opposition (Case No. 99-1182, Docket # 534), and Citizen Plaintiffs filed a Supplemental Memorandum in Opposition (Case No. 99-1250, Docket # 381) to the Defendants' Application.

WHEREAS all Parties made additional filings and the Application was scheduled for a hearing on December 17, 2012.

WHEREAS, the Parties have engaged in settlement discussions and have reached agreement on a modification to the Consent Decree as set forth herein.

WHEREAS, the Parties have agreed, and this Court by entering this Third Joint Modification finds, that this Third Joint Modification has been negotiated in good faith and at arm's length; that this settlement is fair, reasonable, and in the public interest, and consistent with the goals of the Clean Air Act, 42 U.S.C. §7401, *et seq*.; and that entry of this Third Joint Modification without further litigation is the most appropriate means of resolving this matter.

WHEREAS, the Parties agree and acknowledge that final approval of the United States and entry of this Third Joint Modification is subject to the procedures set forth in 28 CFR § 50.7, which provides for notice of this Third Joint Modification in the Federal Register, an opportunity for public comment, and the right of the United States to withdraw or withhold consent if the comments disclose facts or considerations which indicate that the Third Joint Modification is inappropriate, improper, or inadequate. No Party will oppose entry of this Third Joint Modification by this Court or challenge any provision of this Third Joint Modification unless the United States has notified the Parties, in writing, that the United States no longer supports entry of the Third Joint Modification.

NOW THEREFORE, for good cause shown, without admission of any issue of fact or law raised in the Application or the underlying litigation, the Parties hereby seek to modify the Consent Decree in this matter, and upon the filing of a Motion to Enter by the United States, move that the Court sign and enter the following Order:

1. Add a definition of "Cease Burning Coal" as new Paragraph 8A of the Consent Decree as follows:

<u>8A. "Cease Burning Coal" means that Defendants shall permanently cease burning coal for purposes of generating electricity from a Unit, and shall submit all necessary notifications or</u>

requests for permit amendments to reflect the permanent cessation of coal firing at the Unit.

2. Modify the definition of "Continuously Operate" in Paragraph 14 of the Consent Decree as follows:

14. "Continuously Operate" or "Continuous Operation" means that when an SCR, FGD, DSI, ESP, or Other NOx Pollution Controls are used at a Unit, except during a Malfunction, they shall be operated at all times such Unit is in operation, consistent with the technological limitations, manufacturer's specifications, and good engineering and maintenance practices for such equipment and the Unit so as to minimize emissions to the greatest extent practicable.

3. Add a new definition of "Dry Sorbent Injection" or "DSI" as new Paragraph18A of the Consent Decree as follows:

18A. "Dry Sorbent Injection" or "DSI" means a pollution control system in which a sorbent is injected into the flue gas path prior to the particulate pollution control device for the purpose of reducing SO_2 emissions. For purposes of the DSI systems required to be installed at the Rockport Units only, the DSI systems shall utilize a sodium based sorbent and be designed to inject at least 10 tons per hour of a sodium based sorbent. Defendants may utilize a different sorbent at the Rockport Units provided they obtain prior approval from Plaintiffs pursuant to Paragraph 148 of the Consent Decree.

4. Modify the definition of "Improved Unit" in Paragraph 28 of the Consent Decree as follows:

28. An "Improved Unit" for SO_2 means an AEP Eastern System Unit equipped with an FGD or scheduled under this Consent Decree to be equipped with an FGD, or required to be Retired, Retrofitted, Re-Powered, or Refueled.

The remainder of Paragraph 28 shall remain the same.

5. Add a definition of "Plant-Wide Annual Tonnage Limitation for SO_2 at Rockport" as new Paragraph 48A of the Consent Decree, as follows:

48A. "Plant-Wide Annual Tonnage Limitation for SO_2 at Rockport" means the sum of the tons of SO_2 emitted during all periods of operation from the Rockport Plant, including, without limitation, all SO_2 emitted during periods of startup, shutdown, and Malfunction, during the relevant calendar year (*i.e.*, January 1 – December 31).

6. Add a definition of "Refuel" as new Paragraph 53A of the Consent Decree, as follows:

53A. "Refuel" means, solely for purposes of this Consent Decree, the modification of a unit as necessary such that the modified unit generates electricity solely through the combustion of natural gas rather than coal, including the installation and Continuous Operation of the NO_x controls required by Section IV of this Consent Decree. Nothing herein shall prevent the reuse of any equipment at any existing unit or new emissions unit, provided that AEP applies for, and obtains, all required permits, including, if applicable, a PSD or Nonattainment NSR permit.

7. Modify the definition of "Retrofit" in Paragraph 56 of the Consent Decree as follows:

56. "Retrofit" means that the Unit must install and Continuously Operate both an SCR and an FGD, as defined in the Consent Decree. For purposes of the requirements in Paragraph 87 for the Rockport Units, "Retrofit" also means that the Unit will be equipped with a post-combustion wet- or dry-FGD system with a control technology vendor guaranteed design removal efficiency of 98% or more, and subject upon installation to a 30-Day Rolling Average Emissions Rate of 0.100 lb/mmBTU for SO_2, if the Unit burns coal with an uncontrolled SO_2 emissions rate of 3.0 lb/mmBTU or higher, or a 30-day Rolling Average Emission Rate of 0.060 lb/mmBTU if the

Unit burns coal with an uncontrolled SO_2 emissions rate below 3.0 lb/mmBTU. For the 600 MW listed in the table in Paragraph 68 and 87, "Retrofit" means that the Unit must meet a federally-enforceable 30-Day Rolling Average Emission Rate of 0.100 lb/mmBTU for NOx and a 30-Day Rolling Average Emission Rate of 0.100 lb/mmBTU for SO2, measured in accordance with the requirements of this Consent Decree.

8. Modify the Eastern System-Wide Annual Tonnage Limitations for SO_2 in the table in Paragraph 86 of the Consent Decree as follows:

86. Notwithstanding any other provision of this Consent Decree, except Section XIV (Force Majeure), during each calendar year specified in the table below, all Units in the AEP Eastern System, collectively, shall not emit SO_2 in excess of the following Eastern System-Wide Annual Tonnage Limitations:

Calendar Year(s)	**Eastern System-Wide Annual Tonnage Limitations for SO_2**	**Modified Eastern System-Wide Annual Tonnage Limitations for SO_2**
2016	~~260,000 tons~~	145,000 tons
2017	~~235,000 tons~~	145,000 tons
2018	~~184,000 tons~~	145,000 tons
2019~~, and each year thereafter~~ - 2021	~~174,000 tons~~	113,000 tons per year
2022 - 2025	~~174,000 tons~~	110,000 tons per year
2026 - 2028	~~174,000 tons~~	102,000 tons per year
2029, and each year thereafter	~~174,000 tons~~	94,000 tons per year

The remainder of the table in Paragraph 86 shall remain the same.

9. Modify the SO_2 pollution control requirements and compliance dates listed in the

table in Paragraph 87 of the Consent Decree for Big Sandy Unit 2, Muskingum River Unit 5, Rockport Units 1 and 2, and Tanners Creek Unit 4 as follows:

87. No later than the dates set forth in the table below, Defendants shall install and Continuously Operate an FGD on each Unit identified therein, or, if indicated in the table, Retire, Retrofit, ~~or~~ Re-power, or Refuel such Unit:

Unit	**SO_2 Pollution Control**	**Modified SO_2 Pollution Control**	**Date**	**Modified Date**
Big Sandy Unit 2	~~FGD~~	Retrofit, Retire, Re-power, or Refuel	December 31, 2015	NA
Muskingum River Unit 5	~~FGD~~	Cease Burning Coal and Retire Or Cease Burning Coal and Refuel	~~December 31, 2015~~	December 15, 2015 December 31, 2015, unless the Refueling project is not completed in which case the unit will be taken out of service no later than December 31, 2015 and will not restart until the Refueling project is completed. The Refueling project must be completed by June 30, 2017.
First Rockport Unit	~~FGD~~	Dry Sorbent Injection, and Retrofit, Retire, Re-power, or Refuel	~~December 31, 2017~~	April 16, 2015 December 31, 2025.
Second Rockport Unit	~~FGD~~	Dry Sorbent Injection, and	~~December 31, 2019~~	April 16, 2015 and

Unit	**SO_2 Pollution Control**	**Modified SO_2 Pollution Control**	**Date**	**Modified Date**
		Retrofit, Retire, Re-power, or Refuel		December 31, 2028.
Tanners Creek Unit 4	NA	Retire or Refuel	NA	June 1, 2015

The remainder of the table in Paragraph 87 of the Consent Decree shall remain the same, including the Joint Modifications previously made to the compliance deadlines for Amos Units 1 and 2.

10. Add a new Paragraph 89A establishing the Plant-Wide Annual Tonnage Limitations for SO_2 at Rockport, as follows:

89A. For each of the calendar years set forth in the table below, Defendants shall limit their total annual SO_2 emissions from Rockport Units 1 and 2 to Plant-Wide Annual Tonnage Limitations for SO_2 as follows:

Calendar Years	**Plant-Wide Annual Tonnage Limitations for SO_2**
2016 - 2017	28,000 tons per year
2018 - 2019	26,000 tons per year
2020 - 2025	22,000 tons per year
2026 - 2028	18,000 tons per year
2029, and each year thereafter	10,000 tons per year

11. Modify Paragraph 92 of the Consent Decree as follows:

92. Except as may be necessary to comply with this Section and Section XIII (Stipulated Penalties), Defendants may not use any SO_2 Allowances to comply with any requirements of this

Consent Decree, including by claiming compliance with any emission limitation, Eastern System-Wide Annual Tonnage Limitation, Plant-Wide Annual Rolling Average Tonnage Limitation for SO_2 at Clinch River, Plant-Wide Annual Tonnage Limitation for SO_2 at Kammer, or Plant-Wide Annual Tonnage Limitations for SO_2 at Rockport required by this Consent Decree by using, tendering, or otherwise applying SO_2 Allowances to achieve compliance or offset any emission above the limits specified in this Consent Decree.

12. Modify Paragraph 100 of the Consent Decree as follows:

100. To the extent an Emission Rate, 30-Day Rolling Average Removal Efficiency, Eastern System-Wide Annual Tonnage Limitation, or Plant-Wide Annual Tonnage Limitation for SO_2 is required under this Consent Decree, Defendants shall use CEMS in accordance with the reference methods specified in 40 C.F.R. Part 75 to determine the Emission Rate or annual emissions.

13. Modify Paragraph 104 of the Consent Decree as follows:

104. On or before the date established by this Consent Decree for Defendants to achieve and maintain 0.030 lb/mmBTU at Cardinal Unit 1, Cardinal Unit 2, and Muskingum River Unit 5, Defendants shall conduct a performance test for PM that demonstrates compliance with the PM Emission Rate required by this Consent Decree. Within forty-five (45) days of each such performance test, Defendants shall submit the results of the performance test to Plaintiffs pursuant to Section XVIII (Notices) of this Consent Decree. On and after the date that Muskingum River Unit 5 complies with the requirement to Cease Burning Coal pursuant to Paragraph 87 of this Consent Decree, Defendants shall no longer be obligated to comply with the performance testing requirements for Muskingum River Unit 5 contained in this Paragraph.

14. Modify Paragraph 105 of the Consent Decree as follows:

105. Beginning in calendar year 2010 for Cardinal Unit 1 and Cardinal Unit 2, and calendar year 2013 for Muskingum River Unit 5, and continuing in each calendar year thereafter, Defendants shall conduct a stack test for PM on each stack servicing Cardinal Unit 1, Cardinal Unit 2, and Muskingum River Unit 5. The annual stack test requirement imposed by this Paragraph may be satisfied by stack tests conducted by Defendants as required by their permits from the State of Ohio for any year that such stack tests are required under the permits. On and after the date that Muskingum River Unit 5 complies with the requirement to Cease Burning Coal pursuant to Paragraph 87 of this Consent Decree, Defendants shall no longer be obligated to comply with the stack testing requirements for Muskingum River Unit 5 contained in this Paragraph.

15. Modify Paragraph 119 of the Consent Decree as follows:

119. Defendants shall implement the Environmental Mitigation Projects described in Appendix A to this Consent Decree, shall fund the categories of Projects described in Subsection B, below, and shall implement the Citizen Plaintiffs' Renewable Energy Project and Citizen Plaintiffs' Mitigation Projects described in Subsection C, below, (collectively, the "Projects") in compliance with the approved plans and schedules for such Projects and other terms of this Consent Decree.

The remainder of Paragraph 119 shall remain the same.

16. Add a new Subsection C after Paragraph 128 of the Consent Decree as follows:

C. Citizen Plaintiffs' Renewable Energy Project and Citizen Plaintiffs' Mitigation Projects.

128A. Citizen Plaintiffs' Renewable Energy Project. Defendants shall implement a renewable energy project as described below during the period from 2013 through 2019.

a. If, during the period from 2013-2015, a renewable energy production tax credit of at least 2.2 cents/kwh for ten years is available for new wind electricity production facilities upon which construction is commenced within one year or more after enactment of the tax credit (or an alternative tax benefit is available that provides sufficient economic value so that the levelized cost to customers does not exceed the weighted average cost of any existing contracts with Indiana Michigan Power Company ("I&M") for 50 MW or greater of wind capacity, adjusted for inflation) I&M will secure 200 MW of new wind energy capacity from facilities located in Indiana or Michigan that qualify for the production tax credit or alternative tax benefit within two years after enactment. For the avoidance of doubt, so long as the energy production tax credit contained in the American Taxpayer Relief Act of 2012 allows projects that have commenced construction by December 31, 2013, and that are placed in service by December 31, 2014, to qualify for the energy production tax credit provided in that Act, then I&M shall be obligated to secure new renewable energy purchase agreements for 200 MW of new wind energy capacity.

b. If a renewable energy production tax credit or alternative tax benefit as described in subparagraph a., above, is not available during 2013-2015, but becomes available during 2016-2019 for new wind electricity production facilities on which construction is commenced within one year or more after the production tax credit or alternative tax benefit is enacted, I&M will use commercially reasonable efforts to secure 200 MW of new wind energy capacity from facilities located in Indiana or Michigan that qualify for the production tax credit or alternative tax benefit within two years after enactment.

c. If a renewable energy production tax credit or alternative tax benefit as described in subparagraph a., above, is not available during the period from 2013 – 2019 for new wind electricity production facilities on which construction is commenced within one year or more after the production tax credit or alternative tax benefit is enacted, I&M shall be relieved of its obligations to secure new wind energy capacity under this Paragraph 119A.

128B. Citizen Plaintiffs' Mitigation Projects. I&M will provide $2.5 million in mitigation funding as directed by the Citizen Plaintiffs for projects in Indiana that include diesel retrofits, health and safety home repairs, solar water heaters, outdoor wood boilers, land acquisition projects, and small renewable energy projects (less than 0.5 MW) located on customer premises that are eligible for net metering or similar interconnection arrangements on or before December 31, 2014. I&M shall make payments to fund such Projects within seventy-five (75) days after being notified by the Citizen Plaintiffs in writing of the nature of the Project, the amount of funding requested, the identity and mailing address of the recipient of the funds, payment instructions, including taxpayer identification numbers and routing instructions for electronic payments, and any other information necessary to process the requested payments. Defendants shall not have approval rights for the Projects or the amount of funding requested, but in no event shall the cumulative amount of funding provided pursuant to this Paragraph 128B exceed $2.5 million.

17. Modify Paragraph 127 of the Consent Decree as follows:

127. The States, by and through their respective Attorneys General, shall jointly submit to Defendants Projects within the categories identified in this Subsection B for funding in amounts not to exceed $4.8 million per calendar year for no less than five (5) years following the Date of Entry of this Consent Decree beginning as early as calendar year 2008, and for an additional

amount not to exceed $6.0 million in 2013. The funds for these Projects will be apportioned by and among the States, and Defendants shall not have approval rights for the Projects or the apportionment. Defendants shall pay proceeds as designated by the States in accordance with the Projects submitted for funding each year within seventy-five (75) days after being notified by the States in writing. Notwithstanding the maximum annual funding limitations above, if the total costs of the projects submitted in any one or more years is less than the maximum annual amount, the difference between the amount requested and the maximum annual amount for that year will be available for funding by the Defendants of new and previously submitted projects in the following years, except that all amounts not requested by and paid to the States within eleven (11) years after the Date of Entry of this Consent Decree shall expire.

18. Modify Paragraph 133 of the Consent Decree as follows:

133. Claims Based on Modifications after the Date of Lodging of This Consent Decree. Entry of this Consent Decree shall resolve all civil claims of the United States against Defendants that arise based on a modification commenced before December 31, 2018, or, solely for the first Rockport Unit, before December 31, 2025, or, solely for the second Rockport Unit, before December 31, 2028, for all pollutants, except Particulate Matter, regulated under Parts C or D of Subchapter I of the Clean Air Act, and under regulations promulgated thereunder, as of the Date of Lodging of this Consent Decree, and:

a. where such modification is commenced at any AEP Eastern System Unit after the Date of Lodging of this Consent Decree; or

b. where such modification is one this Consent Decree expressly directs Defendants to undertake.

The remainder of Paragraph 133 shall remain the same.

19. Modify the table in Paragraph 150 of the Consent Decree as follows:

Consent Decree Violation	**Stipulated Penalty (Per Day, Per Violation, Unless Otherwise Specified)**
x. Failure to comply with the Plant-Wide Annual Tonnage Limitation for SO_2 at Rockport	\$40,000 per ton, plus the surrender, pursuant to the procedures set forth in Paragraphs 95 and 96, of SO_2 Allowances in an amount equal to two times the number of tons by which the limitation was exceeded
y. Failure to fund a Citizen Plaintiffs' Mitigation Project as required by Paragraph 119B of this Consent Decree	\$1,000 per day per violation during the first 30 days, \$5,000 per day per violation thereafter
z. Failure to implement the Citizen Plaintiffs' Renewable Energy Project required by Paragraph 128A of this Consent Decree	\$10,000 per day per violation during the first 30 days, \$32,500 per day per violation thereafter

The remainder of the table in Paragraph 150 shall remain the same.

20. In addition to the requirements reflected in Appendix B (Reporting Requirements) to the Consent Decree, Defendants shall include in their Annual Report to Plaintiffs the following information:

O. Plant-Wide Annual Tonnage Limitation for SO_2 at Rockport

Beginning on March 31, 2017, and continuing annually thereafter, Defendants shall report: (a) the actual tons of SO_2 emitted from Units 1 and 2 at the Rockport Plant for the prior calendar year; (b) the Plant-Wide Annual Tonnage Limitation for SO_2 at the Rockport Plant for the prior calendar year as set forth in Paragraph 89A of the Consent Decree; and (c) for the annual reports for calendar years 2015 – 2028, Defendants shall report the daily average SO_2 emissions from the Rockport Plant expressed in lb/mmBTU, and the daily sorbent deliveries to the Rockport Plant by weight.

P. Citizen Plaintiffs' Renewable Energy Project

Beginning on March 31, 2014, and continuing each year thereafter until completion of the Citizen Plaintiffs' Renewable Energy Project, Defendants shall include a written report detailing the progress of the implementation of the Citizen Plaintiffs' Renewable Energy Project required by Paragraph 119A of the Consent Decree.

Q. Citizen Plaintiffs' Mitigation Projects

Beginning on March 31, 2013, and continuing each year until March 31, 2015, Defendants shall include a written report detailing the progress of implementation of the Citizen

Plaintiffs' Mitigation Projects required by Paragraph 119B of the Consent Decree.

R. By March 31, 2015, Defendants shall notify Plaintiffs of their intent to Retire or Refuel Muskingum River 5.

S. By March 31, 2024, Defendants shall notify Plaintiffs of their decision to Retrofit, Retire, Re-Power or Refuel the first Rockport Unit. If Defendants elect to Retrofit the Unit, Defendants shall provide with such notification, information regarding the removal efficiency guarantee requested from and obtained from the control technology vendor and the sulfur content of the fuel used to design the FGD, including any non-confidential information regarding the SO_2 control technology filed by Defendants with the public utility regulator.

T. By March 31, 2027, Defendants shall notify Plaintiffs of their decision to Retrofit, Retire, Re-power or Refuel the second Rockport Unit. If Defendants elect to Retrofit the Unit, Defendants shall provide with such notification, information regarding the removal efficiency guarantee requested from and obtained from the control technology vendor and the sulfur content of the fuel used to design the FGD, including any non-confidential information regarding the SO_2 control technology filed by Defendants with the public utility regulator.

U. If Defendants elect to Retrofit one or both of the Rockport Units, beginning in the annual reports submitted for calendar years 2026 and/or 2029, as applicable, Defendants shall report a 30-Day Rolling Average SO_2 Emission Rate for the Unit(s) that is (are) Retrofit in accordance with Paragraph 5 of the Consent Decree. In addition, Defendants shall report a 30-Day Rolling Average Uncontrolled Emission Rate for SO_2 for the Unit(s) that is(are) Retrofit based on daily as burned coal sampling and analysis or an inlet SO_2 CEMs upstream of the FGD.

The remainder of Appendix B shall remain the same.

21. Except as specifically provided in this Order, all other terms and conditions of the Consent Decree remain unchanged and in full effect.

SO ORDERED, THIS _____ DAY OF ________________, 2013.

HONORABLE EDMUND A. SARGUS, JR.
UNITED STATES DISTRICT COURT JUDGE

Respectfully submitted,

FOR THE UNITED STATES OF AMERICA:

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FAITH BUGEL
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Chicago, Illinois 60601-2110

---

[1] Environment America is the same entity that signed on to the original Consent Decree as United States Public Interest Research Group.

LOCAL COUNSEL FOR SIERRA CLUB, NATURAL RESOURCES DEFENSE COUNCIL, INC., OHIO CITIZEN ACTION, CITIZENS ACTION COALITION OF INDIANA, HOOSIER ENVIRONMENTAL COUNCIL, OHIO VALLEY ENVIRONMENTAL COALITION, WEST VIRGINIA ENVIRONMENTAL COUNCIL, CLEAN AIR COUNCIL, IZAAK WALTON LEAGUE OF AMERICA, ENVIRONMENT AMERICA[1], NATIONAL WILDLIFE FEDERATION, INDIANA WILDLIFE FEDERATION AND LEAGUE OF OHIO SPORTSMEN:

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[1] Environment America is the same entity that signed on to the original Consent Decree as United States Public Interest Research Group.

FOR DEFENDANTS AMERICAN ELECTRIC POWER SERVICE CORPORATION, ET AL.:

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EXHIBIT RCS-19

(https://www.rtoinsider.com/)

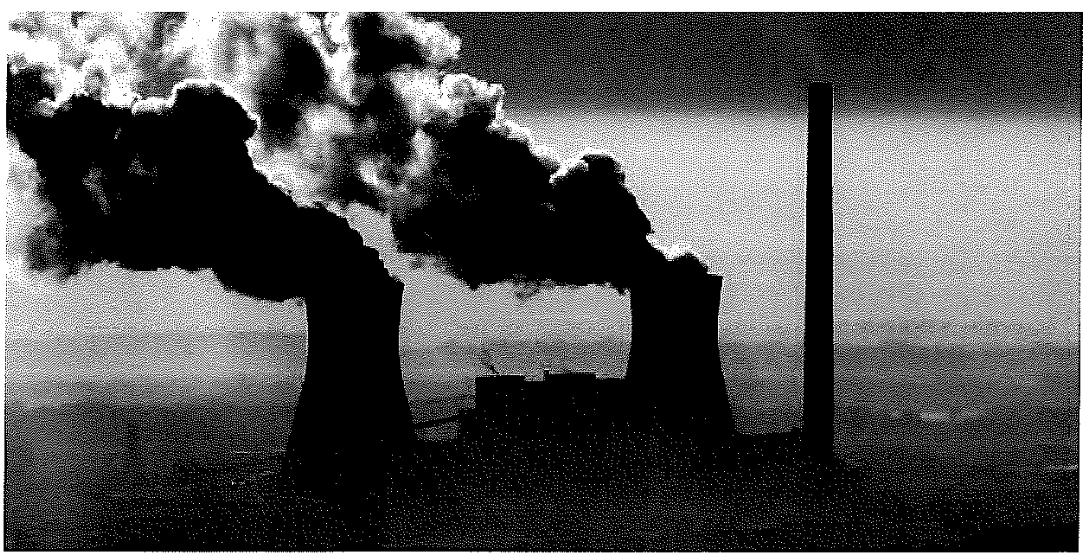
AEP Must Install Scrubbers at Indiana Coal Plant, Court Rules

April 18, 2017

By Amanda Durish Cook

American Electric Power must bear the billion-dollar cost of installing scrubbers at the Rockport Generating Station in Indiana, an appellate court said, ruling in favor of the plant's owners in a dispute over a lease contract.

A three-judge panel for the 6th U.S. Circuit Court of Appeals ruled April 14 that it's the duty of plant operator AEP Generating — not the plant owners' trustee, Wilmington Trust — to install court-ordered emissions-reducing technology at the coal-fired Rockport Unit 2 (No. 16-3496 (http://www.opn.ca6.uscourts.gov/opinions.pdf/17a0084p-06.pdf)). The decision overturns an earlier district court ruling.



(https://rtoinsider-zsrx6nrpbzrf.netdna-ssl.com/wp-content/uploads/Rockport-1-and-2-John-Blair-Alt-FI.jpg)

Rockport Generating Station Units 1 and 2 | © John Blair

Rockport Unit 2 supplies about half of the output of the 2,620-MW plant on the Ohio River in southern Indiana.

Wilmington Trust charged that AEP subsidiaries Indiana Michigan Power and AEP Generating are responsible for the costs of a selective catalytic reduction (SCR) device on Rockport 2 for NOx control. Under a consent decree to settle Clean Air Act violations with EPA and several other parties, the approximate $1.4 billion SCR for Rockport 2 is required by Dec. 31, 2019.

Indiana Michigan Power and AEP Generating jointly operate the two Rockport units despite the fact that AEP sold Rockport Unit 2 to a group of investors in 1989. The investors in turn leased the unit back to the AEP subsidiaries for 33 years, ending Dec. 7, 2022.

In 2013, EPA and other parties agreed to modify the consent decree to allow AEP to instead install a less expensive emissions control by April 16, 2015, and then either install the expensive scrubber, retire the plant or switch it to another fuel by the end of 2028, six years after the current lease expires.

Wilmington Trust filed suit against AEP soon after, claiming the modified consent decree breached the lease by imposing an impermissible lien and by taking an action "that materially adversely affected the economic useful life of Rockport 2."

Clauses in the complex contract prohibit AEP from taking action that "will materially adversely affect the operation, safety, capacity, economic useful life or any other aspect of Unit 2" and from creating or incurring liens, except in certain circumstances.

The appellate judges found that AEP's financial promises to Rockport would be empty after the lease expires and said AEP's settlements with EPA were its own responsibility. They said applying a temporary fix and pushing back a permanent solution would make Rockport's owners essentially "responsible for the costs associated with either upgrading Rockport 2 or shutting it down." The lease states that the operating AEP subsidiaries are responsible for "installing, owning and operating" major environmental controls to comply with regulations.

"AEP traded away Rockport 2's long-term value in exchange for a more favorable settlement of claims against their other interests," the judges said of the 2013 consent decree modification. AEP had argued that deferring the scrubber's installation was not only good for itself, but also for the owners, as either party would have several more years of profit before a scrubber was required. The judges rejected the argument, saying the plant's owners were not part of the modification.

It's unclear if AEP's lease will be extended. Completed in 1989, Rockport 2 has an expected useful life anywhere through 2034 to 2049, according to the order.

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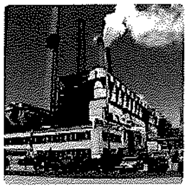

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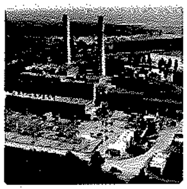

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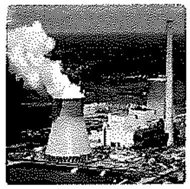

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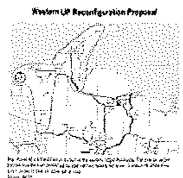

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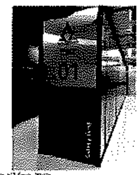

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Comment

EXHIBIT RCS-20

RECOMMENDED FOR FULL-TEXT PUBLICATION
Pursuant to Sixth Circuit I.O.P. 32.1(b)

File Name: 17a0119p.06

UNITED STATES COURT OF APPEALS

FOR THE SIXTH CIRCUIT

WILMINGTON TRUST COMPANY, a Delaware corporation, acting in its capacity as owner trustee of AEGCO Trust 1, AEGCO Trust 2, AEGCO Trust 5, I&M Trust 1, I&M Trust 2, and I&M Trust 5, and not in their individual capacities,

Plaintiff-Appellant,

v.

AEP GENERATING COMPANY, an Ohio corporation; INDIANA MICHIGAN POWER COMPANY, an Indiana corporation,

Defendants-Appellees.

No. 16-3496

Appeal from the United States District Court
for the Southern District of Ohio at Columbus.
No. 2:13-cv-01213—Edmund A. Sargus, Jr., Chief District Judge.

Argued: March 9, 2017

Decided and Filed: June 8, 2017

Before: CLAY, SUTTON, and GRIFFIN, Circuit Judges.

COUNSEL

ARGUED: Richard P. Bress, LATHAM & WATKINS LLP, Washington, D.C., for Appellant. David L. Elsberg, QUINN EMANUEL URQUHART & SULLIVAN, LLP, New York, New York, for Appellees. **ON BRIEF:** Richard P. Bress, Edward J. Shapiro, Drew C. Ensign, Benjamin W. Snyder, LATHAM & WATKINS LLP, Washington, D.C., Stephen E. Chappelear, Russell J. Kutell, FROST BROWN TODD LLC, Columbus, Ohio, for Appellant. David L. Elsberg, Sanford I. Weisburst, Peter E. Calamari, Rollo Baker, QUINN EMANUEL URQUHART & SULLIVAN, LLP, New York, New York, for Appellees.

AMENDED OPINION

GRIFFIN, Circuit Judge. Nearly twenty years after defendants built, sold, and leased back a coal-burning power plant, they committed to either make over a billion dollars of emission control improvements to the plant, or shut it down. Defendants did so by way of a consent decree, resolving various lawsuits involving alleged Clean Air Act violations at their other power plants. The genesis of this dispute is what happened next: they successfully obtained a modification to the consent decree providing that these improvements need not be made until after their lease expired, thus pushing their commitments to improve the air quality of the plant's emissions to the plant's owners (represented here by plaintiff, their trustee). The district court held this encumbrance did not violate the terms of the parties' contracts governing the sale and leaseback arrangement, and that plaintiff's breach of contract claims precluded it from maintaining an alternative cause of action for breach of the covenant of good faith and fair dealing. We affirm in part, reverse in part, and remand for further proceedings consistent with this opinion.

I.

Affiliates American Electric Power and Indiana Michigan Power Company (collectively, AEP or defendants) sell, transmit, and distribute electric power. In the 1980s, they built two large coal-burning power plants in Rockport, Indiana, dubbed "Rockport 1" and "Rockport 2." Among the largest of their kind in the country, these units are efficient, low-cost, and "relatively young." Defendants completed Rockport 2, the focus of this litigation, in 1989, and it has an expected economic useful life of forty-five to sixty years—through 2034 to 2049.

A.

Defendants financed Rockport 2's construction through a sophisticated sale and leaseback arrangement with investor-owned trusts (collectively, owners). Finalized in 1989, the arrangement largely functions as follows: each investor formed a pair of trusts (one for each defendant); each trust purchased a portion of defendants' interest in Rockport 2; and each trust leased the interest back to defendants for a period of thirty-three years—through December 7, 2022. As a result, the owners receive annual rent payments, tax and accounting benefits, and, as important here, the value of Rockport 2 after the lease expires (what the parties call its "residual value").

With this complex deal came several interlocking instruments. Two sections from two of these instruments are at the core of the owners' claims, each providing some protection to the plant's residual value. First, Section 6.01(j) of the Participation Agreement broadly prohibits AEP from "tak[ing] any action . . . which will materially adversely affect the operation, safety, capacity, economic useful life or any other aspect of Unit 2 . . . ." Second, Section 7 of the Facility Lease provides that AEP "shall not directly or indirectly create, incur or suffer to exist any Lien"[1] on Rockport 2, "except Permitted Liens." There are seventeen types of Permitted Liens, with "clause (x)" being the focal point of this appeal:

> rights reserved to or vested in any Governmental Authority to condemn or appropriate the Undivided Interest, Unit 2, any Modification, the Unit 2 Site, the Unit 2 Site Interest, the Common Facilities, the Easements, the Rockport Plant Site or the Rockport Plant, or to control or regulate any of the foregoing or the use thereof in any manner[.]

B.

Beginning in 1999, the United States Environmental Protection Agency, many states, and private environmental organizations commenced numerous environmental lawsuits against several AEP affiliates, including defendant Indiana Michigan Power Company. These lawsuits, consolidated in the Southern District of Ohio, alleged AEP's affiliates modified thirteen power plants across the country without installing certain pollution controls in violation of the Clean Air Act. There was no allegation of misfeasance at Rockport, and the owners were not involved.

The parties to these lawsuits resolved the claims by way of a consent decree approved by the district court in 2007. Of import, the consent decree required AEP to modify both Rockport plants (notwithstanding the lack of alleged violations at these facilities). For Rockport 2, AEP

[1]The Facility Lease separately defines Liens, and the parties do not dispute defendants' actions, as set forth here, encumbered Rockport 2 with a Lien under the Facility Lease's definition.

agreed to install emissions-limiting devices by December 31, 2019. One of these devices, a scrubber, reduces sulfur dioxide emissions and costs approximately $1.4 billion.

Defendants later sought to alter this agreement. Initially, they requested permission to install a substantially less expensive pollution control system in place of the scrubber. Following opposition from various plaintiffs, the parties agreed to modify the consent decree in 2013. Regarding Rockport 2, AEP agreed to install the less expensive system by April 16, 2015, and "Retrofit, Retire, Re-power, or Refuel" it by December 31, 2028. "Retrofit" means installing a scrubber, "Retire" means "permanently shut down and cease to operate the Unit," "Re-power" means replacing the coal-burning technology, and "Refuel" means converting it to natural gas.

The effect of the modification is substantial. By pushing the "Retrofit, Retire, Re-power, or Refuel" requirement to 2028 (six years *after* the expiration of the Facility Lease), the owners are now responsible for the costs associated with either upgrading Rockport 2 or shutting it down.

C.

Plaintiff, the owners' trustee, commenced this litigation in the Southern District of New York a few months after the entry of the amended consent decree. It alleged three causes of action that are relevant for our purposes: (1) breach of the Facility Lease by imposing an impermissible Lien; (2) breach of Section 6.01(j) of the Participation Agreement by taking an action that materially adversely affected the economic useful life of Rockport 2; and (3) breach of the covenant of good faith and fair dealing by curtailing Rockport 2's economic useful life. The New York district court transferred the case to the Southern District of Ohio pursuant to 28 U.S.C. § 1404(a).

On January 13, 2015, the district court dismissed the Facility Lease claim, holding that the consent decree's requirements, as modified, constituted a Permitted Lien under Section 7. On March 28, 2016, the district court dismissed the Participation Agreement claim, reasoning the Permitted Lien's specific authorization governed over the Participation Agreement's more generalized prohibition, and concurrently denied the owners' motion for partial summary judgment. It also dismissed the good faith and fair dealing claim as duplicative of the express breach of contract claims. Following voluntary dismissal of the remaining claims, the district court entered judgment in favor of defendants. Plaintiff filed a timely notice of appeal.

II.

A.

We review the district court's dismissal of the owners' claims—under both Rule 12(c) and 12(b)(6)—de novo. *Florida Power Corp. v. FirstEnergy Corp.*, 810 F.3d 996, 999–1000 (6th Cir. 2015). We take as true all well-pleaded material allegations in the opposing party's pleadings, and affirm the district court's grant of the motion only if the moving party is entitled to judgment as a matter of law. *Id.*

We review the district court's decision on the owners' motion for summary judgment de novo. *Thomas M. Cooley Law Sch. v. Kurzon Strauss, LLP*, 759 F.3d 522, 526 (6th Cir. 2014). "Summary judgment is proper when, viewing the evidence in the light most favorable to the nonmoving party, there is no genuine dispute as to any material fact and the moving party is entitled to judgment as a matter of law." *Id.*

B.

New York law governs this dispute pursuant to the terms of the applicable instruments' choice of law provisions. "Under New York contract jurisprudence, the intent of the parties controls and if an agreement is complete, clear and unambiguous on its face, it must be enforced according to the plain meaning of its terms." *Beardslee v. Inflection Energy, LLC*, 31 N.E.3d 80, 84 (N.Y. 2015) (internal quotations and brackets omitted). "This principle is particularly important in the context of real property transactions, where commercial certainty is a paramount concern, and where the instrument was negotiated between sophisticated, counseled business people negotiating at arm's length." *S. Rd. Assocs., LLC v. Int'l Bus. Machines Corp.*, 826 N.E.2d 806, 809 (N.Y. 2005).

"Whether a contract is ambiguous is a question of law." *Banos v. Rhea*, 33 N.E.3d 471, 475 (N.Y. 2015). "An agreement is unambiguous if the language it uses has a definite and precise meaning, unattended by danger of misconception in the purport of the agreement itself, and concerning which there is no reasonable basis for a difference of opinion. Ambiguity in a contract arises when the contract, read as a whole, fails to disclose its purpose and the parties' intent, or when specific language is susceptible of two reasonable interpretations." *Ellington v. EMI Music, Inc.*, 21 N.E.3d 1000, 1003 (N.Y. 2014) (internal quotations, citations, and brackets omitted). An ambiguous contract usually "presents a question of fact that may not be resolved by the court on a motion for summary judgment." *Five Corners Car Wash, Inc. v. Minrod Realty Corp.*, 20 N.Y.S.3d 578, 579–80 (N.Y. App. Div. 2015) (citation omitted). However, "it is the responsibility of the court to interpret" an ambiguous contract when the parties, as here, do not offer extrinsic evidence with respect to the ambiguity's meaning. *Cellutech, Inc. v. Watertown Indus. Ctr. Local Dev. Corp.*, 839 N.Y.S.2d 890, 891 (N.Y. App. Div. 2007); *see also Mallad Const. Corp. v. Cty. Fed. Sav. & Loan Ass'n*, 298 N.E.2d 96, 99 (N.Y. 1973).

Courts must review the "entire contract," considering "particular words . . . not as if isolated from the context, but in the light of the obligation as a whole and the intention of the parties as manifested thereby." *Riverside S. Planning Corp. v. CRP/Extell Riverside, L.P.*, 920 N.E.2d 359, 363 (N.Y. 2009) (brackets omitted). That is, "[f]orm should not prevail over substance and a sensible meaning of words should be sought." *Id.* (citation omitted). "Although all portions of a contract should be read together to determine its meaning, courts may not distort the meaning of words, under the guise of interpretation, so as to create a new contract." *Banos*, 33 N.E.3d at 476 (internal citation omitted). In reading a contract as a whole, a court must not render any provision meaningless. *Beal Sav. Bank v. Sommer*, 865 N.E.2d 1210, 1213 (N.Y. 2007). Finally, a court reads together related instruments executed at the same time. *In re Herzog*, 93 N.E.2d 336, 339 (N.Y. 1950).

III.

The crux of this dispute is whether AEP's commitment to have a scrubber installed at Rockport 2 after the lease expires constitutes an exception to Section 7's "no lien" provision under Permitted Lien clause (x). To fit within this exception, the scrubber mandate must (1) be a right "reserved to or vested in any Governmental Authority"[2] that (2) involves the power "to condemn or appropriate" or "to control or regulate" Rockport 2 "in any manner." The district court broadly construed clause (x), reasoning "the word 'vested' is not limited or modified by any restriction on how the Governmental Authority may come to acquire the power to regulate or control Rockport 2. As such, the only reasonable reading of the definition is that it could include powers of Governmental Authorities such as the EPA to negotiate and settle by agreement with the Defendants." This reading conflicts with clause (x)'s plain meaning and the Facility Lease as a whole.

First, the district court conflated the Facility Lease's careful use of verb tense. "Reserved to or vested in" plainly connotes a current ability to exercise a present or future right. *Compare Vested*, Black's Law Dictionary (6th ed. 1990) ("Fixed; accrued; settled; absolute; complete. . . . Rights are 'vested' when right to enjoyment, present or prospective, has become property of some particular person or persons as present interest[.]"), *and Vested Right*, Black's Law Dictionary (6th ed. 1990) ("Immediate or fixed right to present or future enjoyment and one that does not depend on an event that is uncertain."), *and Reserved*, Black's Law Dictionary (6th ed. 1990) ("Retained, kept or set apart[.]"), *with Vest*, Black's Law Dictionary (6th ed. 1990) ("[T]o give an immediate, fixed right of present or future enjoyment."), *and Reserve*, Black's Law Dictionary (6th ed. 1990) ("To keep back . . . for future or special use[.]"). Therefore, "reserved to or vested in" means existing rights to act in the present or future at the time of the Facility Lease's execution, but excludes rights that vest in the future.[3]

Based on this plain language reading, we look to what rights the EPA (as a Governmental Authority) had to condemn, appropriate, control, or regulate Rockport 2 when the parties finalized the sale and leaseback arrangement. At that time, the EPA had the general power to commence proceedings to enforce the Clean Air Act and to settle such proceedings through a consent decree. 42 U.S.C. § 7413(b), (g). And it exercised this power by initiating and

[2]"Governmental Authority" means "any Federal, state, county, municipal, foreign, international, regional or other governmental authority, agency, board, body, instrumentality or court."

[3]Indeed, Section 8 of the Facility Lease differentiates between "vesting" and "shall vest" in the context of securing title to certain property after a condition precedent, reflecting that the parties further appreciated the temporal difference between these two terms.

ultimately settling enforcement litigation against various AEP affiliates for alleged Clean Air Act violations at *other* coal-burning power plants. But it did not do so with respect to Rockport 2. Rather, having made no allegations regarding the owners' plant, the EPA gained the ability to impose the scrubber requirement only by virtue of the consent decree agreed to by its lessees—one whereby AEP traded away Rockport 2's long-term value in exchange for a more favorable settlement of claims against their other interests.

For defendants to prevail, therefore, they must show the Facility Lease expressly allowed them to "create" a right for the EPA to condemn, appropriate, control, or regulate Rockport 2 independent of its abilities under the Clean Air Act. The district court found such support in Section 7's prefatory language: "The Lessee shall not directly or indirectly create, incur or suffer to exist any Lien . . . except Permitted Liens." This language, reasoned the district court, "suggests that the Defendants may take actions to 'create' Permitted Liens."

This is only half-right. True enough, the Permitted Lien's definition allows AEP to create Liens, like those arising during the normal course of regular operations. This would include, for example, those Liens made "in connection with any Modification or arising in the ordinary course of business" under Permitted Lien clause (v) or replacement parts under Permitted Lien clauses (xv) and (xvi). However, the district court's untethered interpretation ignores Section 7's "suffer to exist" preface and the "reserved to or vested in" clause. Given the latter's plain meaning, AEP cannot create clause (x) liens and instead may allow them only to suffer to exist; to read "create" as an all-encompassing right, as the district court did, renders these other phrases superfluous. *See Beal*, 865 N.E.2d at 1213 (courts must not render any provision meaningless); *see also Bombay Realty Corp. v. Magna Carta, Inc.*, 790 N.E.2d 1163, 1165 (N.Y. 2003) ("All parts of a contract must be read in harmony to determine its meaning."). In sum, the "create" language of Section 7 does not support defendants' position that the Facility Lease permitted them *to vest*—i.e., create after the fact—additional powers in the EPA not already provided at the time of the parties' agreement.

Second, the district court failed to construe the Facility Lease as a whole. New York contract law focuses both on the forest and the trees when determining a contract's meaning. It does so, however, under the proviso of not breathing life into certain terms so as to rewrite contractual obligations: "Although all portions of a contract should be read together to determine its meaning, courts may not distort the meaning of words, under the guise of interpretation, so as to create a new contract." *Banos*, 33 N.E.3d at 476 (internal citations omitted); *see also Beardslee*, 31 N.E.3d at 84 ("Courts may not by construction add or excise terms, nor distort the meaning of those used and thereby make a new contract for the parties under the guise of interpreting the writing." (alterations and citations omitted)).

Yet, this is exactly what the district court did when it broadly construed clause (x). By reading the Facility Lease to allow AEP to settle litigation regarding alleged Clean Air Act violations at other plants by way of a consent decree affecting Rockport 2 and then encumber the owners' interests in Rockport 2 via the 2013 modification, the district court gave AEP carte blanche authority to avoid the very "Permitted Lien" clause that covers judgments and awards against defendants' interests in Rockport 2—clause (vii). Under that clause, AEP can pass a judgment Lien to the owners only if they appeal in good faith, set aside adequate reserves, and ensure that the Lien does not "involve any danger of the foreclosure, forfeiture or loss" of Rockport 2, or any use thereof. The district court's view of clause (x) renders this provision nugatory. *Beal Sav. Bank*, 865 N.E.2d at 1213; *cf. Gallo v. Moen, Inc.*, 813 F.3d 265, 269 (6th Cir. 2016) (warning against construing contract language "to find 'elephants in mouseholes'") (quoting *Whitman v. Am. Trucking Ass'ns*, 531 U.S. 457, 468 (2001)).

Nor does the district court's buttressing of its Permitted Lien reading with reference to the modification provisions in Section 8 of the Facility Lease withstand scrutiny. Section 8(c) contemplates AEP would have to expend capital to operate and maintain Rockport 2 during the lease, including making either mandatory or permissive "Modifications":

> The Lessee, at its expense . . . shall participate in the making of any Modification required by the Operating Agreement or, subject to Section 8(h), by any Applicable Law or Governmental Action. In addition, the Lessee, at its expense . . . , from time to time may participate in the making of any Modification that the Lessee may deem desirable in the conduct of its business; provided, however, that the Lessee shall not have the right to participate in the making of any such optional modification that will materially diminish the value or utility of Unit 2 or materially reduce its remaining useful life.

(Emphasis omitted.) Section 8(d)(iii) additionally provides that in the case of "Severable Modifications" that are "required by the Operating Agreement or by Applicable Law or Governmental Action," the owners (assuming they did not finance it) have the option to either rent or purchase that modification at the end of the lease. One specific type of Severable Modification enumerated by the Facility Lease is the installation of a scrubber "that is required by Applicable law." Because the Facility Lease defines "Applicable Law" as including "decrees" and "orders," the district court reasoned the 2013 modification's scrubber mandate "would be a Severable Modification."

This reasoning is not convincing. It is true the plain language of Section 8 shows the parties contemplated AEP might have to install a scrubber at Rockport 2 during the lease. But the modification provision of Section 8(c) only becomes applicable if AEP actually takes part in "the *making* of any Modification." (Emphasis added.) And Section 8(d) only speaks in terms of modifications that are installed at Rockport 2; under Section 8(d)(iii), AEP retains title to any unfinanced Severable Modification, and the owners have the option to either purchase or rent it for a certain value. The plain language of Section 8 only makes sense if AEP actually installs the scrubber. It does not apply to commitments to do so in the future.

We reject AEP's attempt to recast the lack of a current scrubber as something that is good for both parties. In AEP's view, because the 2013 modification "deferred the obligation to install the scrubber until 2028, and provided other options that could achieve the same emission reductions, the Owners have *several more years* (during which they may operate Rockport 2 without a scrubber) to evaluate which of [their] options is most economically and operationally advantageous under the regulatory and market conditions that then exist." AEP may very well be right that the modification is economically beneficial to the owners. However, that is a different agreement—one the owners were not a part of, and one that is outside the four corners of the Facility Lease.[4]

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[4]The same goes for AEP's request that we look outside the contract to what one of the owners said at the time of entry of the original consent decree. *See S. Rd. Assocs.*, 826 N.E.2d at 810 (when a contract is unambiguous, "extrinsic evidence such as the conduct of the parties may not be considered").

Accordingly, the district court erred in holding that the consent decree, as modified, constituted a "Permissible Lien" under Section 7 of the Facility Lease.[5]

IV.

On remand, we provide the following instructions.

First, the district court dismissed the owners' Section 7 claim relatively early on in this litigation pursuant to Rule 12(b)(6). Its reasoning in doing so served as the foundation for dismissing the Section 6.01(j) claim. Like the district court, the parties equally recognized the starring role the Permitted Lien exception plays in this case, devoting a majority of submissions and nearly all of oral argument to Section 7's particular language governing Permitted Liens. Given that section unambiguously supports the owners' position—language which "must be enforced according to the plain meaning of its terms," *Beardslee*, 31 N.E.3d at 84—we reverse the district court's dismissal of the owners' Section 7 claim.

Second, the owners sought partial summary judgment below on their Section 6.01(j) claim, requesting the district court "determine that . . . if Defendants' actions 'materially adversely affected' Lessors' Undivided Interests in Rockport 2 (a fact issue reserved for later determination), then Defendants breached Section 6.01(j)." The district court declined, and granted AEP's motion for partial judgment on the pleadings and motion to dismiss the Section 6.01(j) claim on the ground that Section 7's Permitted Lien exception excused AEP's alleged noncompliance with Section 6.01(j). Having resolved the Permitted Lien issue in the owners' favor, we reverse the district court's dismissal of the Section 6.01(j) claim, vacate the denial of partial summary judgment, and remand for further proceedings.

Finally, we affirm the district court's dismissal of plaintiff's breach of the covenant of good faith and fair dealing claim as duplicative of the breach of contract claims.

[5]We therefore need not consider the owners' alternative argument that the scrubber mandate does not fall within the "required by Applicable Law" exception, nor need we opine (as the district court did) on whether Section 7's Permitted Lien provision conflicts with Section 6.01(j).

V.

For these reasons, we affirm in part and reverse in part the district court's judgment, and remand for other proceedings consistent with this opinion.

EXHIBIT RCS-21

CHAPTER 7

COMPETITIVE PRICE AS A RATE REGULATION STANDARD

INTRODUCTION

In this chapter we consider the merits of a general standard of reasonable rates that has received at least verbal support from many sources: judges, public service commissioners, academic economists, and public utility representatives. This is the standard of the hypothetical competitive price. Regulation, it is said, is a substitute for competition. Hence its objective should be to compel a regulated enterprise, despite its possession of complete or partial monopoly, to charge rates approximating those which it would charge if free from regulation, but subject to the market forces of competition.

This is an intriguing proposition in view of the contention, familiar to economists, that, under a wide range of conditions, purely competitive prices are socially optimum prices. One of its possible virtues is that it may offer definite answers to two formidable sets of questions raised in the preceding chapters: first, questions as to the relevant definitions of "cost of service" and "value of service"; and second, questions as to the respective roles of cost factors and of value or demand factors in price determination. Should cost, for example, be taken to mean original cost or replacement cost, marginal cost or average cost, fixed cost or avoidable cost? Let these and similar questions be resolved by a comparison with the types of costs that govern competitive-price determination.

Should differences in rates of charge for different classes of service be based entirely on cost differences or should they depend in part on value differences (differences in the own price elasticity of demand for the respective services)? Again, let the answer depend on whether firms producing multiple products under competition can and do practice price discrimination. And so on with respect to all of the other debated issues of ratemaking policy.

During the years of rapid inflation, the defense of a purely competitive-price standard has come largely from representatives for investor interests or for the public-utility companies, who object to an original-cost rule of ratemaking on the ground that it unfairly deprives utility stockholders of the hedges against inflation said to be enjoyed by the owners of equities in unregulated enterprise. This is a forcible objection, the merits of which will be discussed in the chapters on the rate base and the fair rate of return. But one may surmise that the alternative of a purely competitive price norm would lose its charm for many of these writers were they to face the full implications of its adoption. In a dynamic economy, unrestrained rivalry is supposed to be a pretty tough game, sometimes leading to individual or corporate bankruptcy.

EXHIBIT RCS-22

**PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
CHARLESTON**

At a session of the PUBLIC SERVICE COMMISSION OF WEST VIRGINIA in the City of Charleston on the 30th day of December 2014.

CASE NO. 14-0546-E-PC

APPALACHIAN POWER COMPANY and
WHEELING POWER COMPANY,
public utilities.
Petition for acquisition of Mitchell Plant by Wheeling Power Company.

COMMISSION ORDER

Subject to certain terms, conditions and modifications imposed by the Commission, this Order adopts the Joint Stipulation and Agreement for Settlement (Joint Stipulation) recommending the transfer to Wheeling Power Company of an undivided fifty percent interest in the Mitchell Power Plant (Mitchell Plant), excluding the Conner Run Fly Ash Impoundment and Dam (Conner Run Impoundment) (the Mitchell Plant, excluding the Conner Run Impoundment, will be referred to as the Mitchell Settlement Interest), all as more fully described in this Order and the record in this proceeding.

INTRODUCTION

There have been innumerable variations of the theme that the "Mills grind slowly, but fine." In the legal profession, it is frequently quoted as "The Wheels of Justice turn slowly but exceedingly fine."[1]

For some time, the Commission has been considering and evaluating the power supply needs of the Appalachian Power Company (APCo) and Wheeling Power Company (WPCo) (collectively, Companies). Much of this consideration took place in the formerly consolidated Transfer and Merger Cases (see below for a brief history of those cases). The Commission's December 13, 2013 Order in those cases resolved a number of issues related to the power supply needs of the Companies by approving the transfer of a two-thirds interest in Unit No. 3 of the John E. Amos Plant (Amos 3), but it left a number of issues to be resolved, significant among which were the potential merger of APCo and WPCo and the location of a long-term source of power to serve WPCo's needs.

[1] "The mills of the gods grind slowly, but they grind exceeding fine." Sextus Empiricus, 3d Century Greek philosopher.

This proceeding presents the Commission with a proposal relating to the future capacity and energy requirements and resources of WPCo. The proposal in this case springs from the Commission requirement that APCo present an updated plan to serve the load of WPCo after a merger of APCo and WPCo. Companies stated that the merger of APCo and WPCo was not practicable at this time and proposed instead the transfer of a portion of the Mitchell Assets to WPCo to serve the power supply needs of WPCo in place of the current wholesale power contract between WPCo and AEP Generation Resources Inc. (Generation Resources) by which WPCo is currently served.

Much has transpired in this and related proceedings and in the electric industry generally since the filing of the original cases before this Commission involving the proposed transfer of Amos 3 and the fifty percent common ownership of the Mitchell Plant.[2] Unfortunately, what has transpired has not provided clarity or certainty to this proceeding. Significant uncertainties confronting the Commission, including the overlay of a volatile economy, the proposals involving Rule 111(d) promulgated by the EPA,[3] the dynamics of a significant political shift at the state and federal levels, the concerns with the electric infrastructure as highlighted by the polar vortex of 2014, and the future role generally of coal in electric generation, given the monumental impact and developments in recent gas exploration and development, have all led to a crystal ball that is at best murky.

It would be great if we had the opportunity to wait for crystal clarity and for all of these issues to resolve themselves. We do not. In fairness to the parties, and consistent with our statutory obligation, we are required to rule on the transaction now and not at some future, more "propitious" or more nearly perfect time. We can only exercise our best judgment and take a path that seems fair and reasonable and consistent with our statutory obligations. It is in that context that the Commission has examined this record, including the Joint Stipulation executed by virtually all of the parties (and objected to by none), relating to the possible sale of a fifty percent interest in the Mitchell plant to WPCo.

<u>The Need for Power to Serve the Load of WPCo</u>

WPCo is currently served by a wholesale contract with Generation Resources, but the Commission views this as an interim arrangement. It is not a long-term source of power for the WPCo load. December 13, 2013 Order in Case No. 12-1655-E-PC at 34. Accordingly, in order to address the issue of the long-term source of power for WPCo, the Commission directed APCo to file an updated plan to serve the WPCo load.

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[2] See, Case No. 12-1655-E-PC.

[3] The Environmental Protection Agency (EPA), on June 2, 2014, issued its proposed Carbon Pollution Emission Guidelines for Existing Stationary Sources: Electric Utility Generating Units, commonly referred to as the proposed Clean Power Plan, under Section 111(d) of the Clean Air Act.

In their Updated Plan filed March 4, 2014, in this case, in order to address the power supply needs of WPCo, Companies proposed the transfer to WPCo of 780 MW of generating capacity (800 MW nominal capacity) currently owned by Generation Resources and consisting of the Mitchell Assets of Generation Resources. Companies stated that further action respecting a merger was not practicable before a long-term source of power for the WPCo load was resolved. Updated Plan at 10-11.

The Commission has reviewed the evidence in this proceeding and in the Merger Case and the Transfer Case and reiterates its conclusions from its December 13, 2013 Order in Case No. 12-1655-E-PC that the Mitchell Assets would provide sufficient capacity to serve the WPCo load. December 13, 2013 Order in Case No. 12-1655-E;-PC at Finding of Fact No. 46.

PROCEDURAL BACKGROUND[4]

History of Case Nos. 11-1775-E-P and 12-1655-E-PC

On December 16, 2011, Companies filed a petition for a further evaluation of a possible merger of APCo and WPCo. That filing was docketed as Case No. 11-1775-E-P (Merger Case).

On December 18, 2012, APCo filed a Petition for Commission consent in advance, pursuant to W.Va. Code §24-2-12, of (i) an arrangement for the transfer to APCo of 1,647 MW of generating capacity (specifically, a two-thirds interest in Amos 3 and an undivided one-half interest in the Mitchell Plant), then owned by APCo affiliate, Ohio Power Company, and (ii) associated affiliated agreements. The Commission docketed that filing as Case No. 12-1655-E-PC (Transfer Case).

The Commission consolidated the cases and held several days of evidentiary hearings regarding the two petitions. Order of June 6, 2013, and hearings of July 16-18, 2013.

On December 13, 2013, the Commission (i) approved the acquisition by APCo of two-thirds of Amos 3, (ii) deferred ruling on the acquisition by APCo of one-half of the Mitchell Plant, and (iii) deferred ruling on the Merger Case pending APCo filing and receiving approval from this Commission of a capacity resource plan to include sufficient capacity to serve the WPCo load.

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4 Greater detail regarding the procedural backgrounds of these cases can be found at the December 13 and 30, 2013 Commission Orders in Case Nos. 11-1775-E-P and 12-1655-E-PC.
December 13, 2013 Order:
http://www.psc.state.wv.us/scripts/WebDocket/ViewDocument.cfm?CaseActivityID=385334.
December 30, 2013 Order:
http://www.psc.state.wv.us/scripts/WebDocket/ViewDocument.cfm?CaseActivityID=386223

The Commission also authorized a Base Rate Surcharge to be effective on the finalization of the transfer of the Amos 3 capacity to APCo, subject to certain conditions. The Commission required the parties to submit Base Rate Surcharge calculations and comments. The December 13, 2013 Order closed Case No. 12-1655-E-PC, but allowed Case No. 11-1775-E-P to remain open.

On December 30, 2013, after receiving filings regarding the Base Rate Surcharge from Companies, Commission Staff (Staff), and the Consumer Advocate Division (CAD), the Commission approved the Base Rate Surcharge, and closed Case No. 12-1655-E-PC.

Current Proceeding

On March 4, 2014, Companies filed a plan (Updated Plan) to serve the WPCo load by transferring an undivided fifty percent interest of Generation Resources in the Mitchell Plant and associated facilities (Mitchell Assets) from Generation Resources to WPCo at net book value (Mitchell Transfer). Companies stated that, according to the March 4, 2014 Updated Plan, (i) the WPCo supply contract with Generation Resources will terminate, coincident with the transfer, (ii) the substitution of the Mitchell Assets for the WPCo supply contract would move costs from Expanded Net Energy Cost (ENEC) rates to base rates and conceivably not result in an increase in excess of the ENEC decrease, (iii) the merger of APCo and WPCo should await final approval by all relevant regulatory bodies after approval of the WPCo power supply plan, and (iv) the transfer fulfills the requirements of W.Va. Code §24-2-12.

On April 8, 2014, the Commission, among other things, initiated Case No. 14-0546-E-PC as the new docket for processing this request by WPCo to have the Mitchell Assets transferred to WPCo. The parties to the Merger Case and the Transfer Case were made parties to the instant proceeding. These parties are Companies, CAD, Staff, West Virginia Energy Users Group (WVEUG), Sierra Club, West Virginia Citizen Action Group (WVCAG), West Virginia Oil & Natural Gas Association (WVONGA), West Virginia State Building & Construction Trades Council, AFL-CIO (the Council), and SWVA, Inc. (SWVA).

On July 21, 2014, the Commission issued an Order establishing the current procedural schedule that included an evidentiary hearing to begin September 17, 2014.

Hearing and Subsequent Filing of Joint Stipulation

On September 17, 2014, the Commission convened the scheduled evidentiary hearing. The parties indicated that they had substantially concluded negotiations among all parties and had reached a settlement in principle that encompassed all issues in the case. The parties asked for additional time to reduce the agreement to writing and file it with the Commission. The Commission directed the parties to file the written joint stipulation as soon as it was prepared.

On October 9, 2014, Companies filed the Joint Stipulation (attached to this Order as Appendix A), signed by all parties except SWVA (Stipulating Parties). The Companies and SWVA represented that SWVA does not object to the Joint Stipulation.

On October 21, 2014, the Commission convened a hearing on the Joint Stipulation.

Summary of the Joint Stipulation and Differences between the Transaction as Proposed and as Modified by the Joint Stipulation

The Joint Stipulation modifies the transfer proposed in the Companies' Updated Plan in several significant ways that will be discussed in more detail below. First, the Conner Run Impoundment is excluded from the interest in the Mitchell Plant to be transferred. Second, under that arrangement, WPCo will have no responsibility for future Conner Run Impoundment costs and will have no ownership interest in water discharged into the Conner Run Impoundment. Third, although the full Mitchell Settlement Interest will be conveyed to WPCo, only 82.5 percent of the Mitchell Settlement Interest will be included in the Companies' rates for a period of up to five years after the transfer. Fourth, there are provisions for the sharing of energy and capacity margins from PJM sales from the rate-based portion of the Mitchell Settlement Interest between Companies and their West Virginia customers during this five-year period. Fifth, Companies will issue a request for proposals (RFP) for certain future power supply needs, contribute to the Dollar Energy Fund, and take certain measures relating to energy efficiency and demand response (EE/DR). Sixth, the transfer will take place at the net book value of the Mitchell Settlement Interest at the time of transfer, and WPCo will remit $20 million to Generation Resources as a regulatory adjustment. WPCo will record a regulatory asset to be included in rate base and will be allowed to set rates based on a return on, and of, this $20 million amount. Costs associated with this regulatory asset will be recovered over the remaining depreciable life of the generating facilities associated with the Mitchell Settlement Interest. Companies and parties to this proceeding reached an agreement and together proposed in the Joint Stipulation a set of provisions that, in their entirety, represent the Stipulating Parties' recommended resolution of this proceeding.

On November 19, 2014, Companies filed a proposed order. Attached to the proposed order were two documents that had been referenced during the October 21, 2014 hearing, the (i) "Agreement to Effectuate the Terms of the Joint Stipulation and Agreement for Settlement" (Agreement to Effectuate) and (ii) revised "Mitchell Plant Operating Agreement" (Revised Operating Agreement). The Stipulating Parties requested that the Commission grant its consent and approval for WPCo to enter into the agreements.

On December 5, 2014, the Commission issued an Order. Because the Agreement to Effectuate and the Revised Operating Agreement required prior consent of the Commission as affiliated agreements under W.Va. Code §24-2-12, and because those documents had not been before the Commission during either of the previous hearings in this case, the Commission scheduled an additional hearing to review those agreements.

On December 11, 2014, the Commission convened a hearing for the primary purpose of reviewing these two agreements. During the course of that hearing the Commission heard testimony from WPCo witness Phillip J. Nelson and CAD witness Billy Jack Gregg. By letter filed December 12, 2014, CAD stated that it inadvertently neglected to move for the admission of CAD Exhibit WP-3 and moved its admission. The Commission considers all documents identified and marked during that hearing, including CAD Exhibit WP-3, admitted in the record.

DISCUSSION

Joint Stipulations in General

Chapter 24 of the West Virginia Code contemplates the use of joint stipulations in Commission proceedings. W.Va. Code §24-1-9(f). This Commission has stated repeatedly that it values stipulations and the efforts of parties to negotiate and reach stipulated results. Stipulations in most instances help us to expedite and resolve complex and difficult regulatory issues by suggesting fair, reasonable and frequently innovative solutions to those issues. For instance, in its January 28, 2010 Order in Bluefield Gas Company, Case No. 09-0681-G-42T, the Commission recognized the important role of stipulations:

> The Commission values stipulations and appreciates the efforts of parties to reach reasonable and just settlements in rate and other proceedings. Stipulations are a significant assistance to the Commission in carrying out its statutory duties and frequently resolve many cases in a prompt, fair, reasonable and expedited fashion based on the arms-length negotiations of the parties. This can reduce litigation costs for the benefit of all parties and the ratepayers.

Id. at 2, 3. By the same token, the Commission has an obligation to evaluate joint stipulations submitted to it in the context of the entire record in a proceeding. Although we do not frequently alter or change the substantive terms of a joint stipulation, we have on occasion done so, but we do that with some reluctance.[5] A joint stipulation is evidence of what the stipulating parties regard as a reasonable resolution of the case as among the parties, and is often persuasive to the Commission. The Commission will also review pre-existing and new issues raised by the Joint Stipulation.

[5] Appalachian Power Company and Wheeling Power Company, dba American Electric Power, Case No. 10-0699-E-42T (March 30, 2011).

Commission Evaluation of Transaction as Modified

Mitchell is a High-Value Asset with Significant Benefits for the Companies' West Virginia Customers and the State of West Virginia.

The Commission is not without prior experience and exposure to the concept of the significance the Mitchell Plant could play in the West Virginia operations of AEP. In its December 13, 2013 Order in the Transfer Case, the Commission concluded that the Mitchell Plant, like the Amos Plant, is a high-quality, environmentally-compliant, base-load coal plant that has performed well for the AEP system for decades. The Commission observed that the Mitchell Plant has ample coal supply options because of its location on the Ohio River and its close proximity to the Appalachian coal fields, substantially complies with current EPA standards with relatively minor upgrades (December 13, 2013 Commission Order at Findings of Fact Nos. 47 and 48), and is expected to continue to provide competitive generation well into the future. Id. at 29-30. The operational characteristics of the Mitchell Plant have not changed since the December 13, 2013 Order in the Transfer Case. Company Exh. JDL-D at 5. Although certain maintenance issues affected the Mitchell Plant performance in 2013 and early 2014, those issues have been resolved. CAD Exh. BJG-D at 12-15; Company Exh. JDL-R at 8.

Conner Run Impoundment and Indemnification

The inclusion of the Conner Run Impoundment in the Mitchell Transfer was an issue that was contested by the parties. Companies proposed that the Conner Run Impoundment should be included in the Mitchell Transfer. Company Exh. CRP-R at 9. CAD and Staff, however, argued that the Conner Run Impoundment should not be included in the Mitchell Transfer. CAD Exh. BJG-D at 42; Staff Exh. DWD-D at 13. In the Joint Stipulation, the Stipulating Parties proposed to the Commission that the Conner Run Impoundment not be included in the transfer. Further, the Stipulating Parties proposed that WPCo also have no ownership interest in any water (including any substances therein) that is discharged into the Conner Run Impoundment. Agreement to Effectuate at paragraph 2. At the hearing, witnesses for Companies and CAD testified that the provisions of the Joint Stipulation respecting the Conner Run Impoundment protect WPCo and its ratepayers from any future potential liability associated with the Conner Run Impoundment. October 21, 2014 Tr. at 31, 68 (Ferguson); Tr. at 82 (Gregg).

During the December 11, 2014 hearing, WPCo witness Nelson provided testimony further describing the mechanism by which the Conner Run Impoundment will be excluded from the Mitchell Assets transferred to WPCo. December 11, 2014 Transcript at 20-21.

The Commission understands the Stipulating Parties' resolution of the liability issues: that lack of ownership pre-transfer of Mitchell and lack of ownership of interest in the water discharged into the Conner Run Impoundment, post-transfer, equates to no liability for WPCo. Given, however, the concerns expressed in the record about the Conner Run Impoundment and in the interest of erring on the side of caution, the Commission believes a "belt and suspenders" approach would be better suited to protecting the ratepayers from the impact of any future liability regarding the Conner Run Impoundment. Specifically, the Commission will require that Companies submit appropriate agreements executed by an AEP corporate entity that will survive the transfer of the Mitchell Settlement Interest, that will indemnify WPCo and its ratepayers against any liability, including judgments, fines, penalties or other costs or expenses related to (i) the Mitchell Plant or its operations, including the Conner Run Impoundment, prior to the transfer of the Mitchell Settlement Interest to WPCo and (ii) any aspect of the Conner Run Impoundment subsequent to transfer of the Mitchell Settlement Interest to WPCo. The Commission is aware that indemnity agreements can be complex, contentious and complicated and can take on a life of their own. We will not undertake to dictate the terms of the indemnity agreements. The indemnification may be in a separate, standalone agreement or as a modification or addendum to the Agreement to Effectuate. The bottom line, however, is that the indemnity should fully protect WPCo and the WPCo ratepayers from any liability associated with the Mitchell Plant or its operations, including the Conner Run Impoundment, prior to the transfer of the Mitchell Settlement Interest to WPCo and any aspect of the Conner Run Impoundment subsequent to transfer of the Mitchell Settlement Interest to WPCo.

The Commission will, in this proceeding, promptly review the standalone document, or the modified agreement, submitted by WPCo, containing the indemnity provision as an affiliate agreement pursuant to W.Va. Code §24-2-12 and issue an Order at the close of that review. The Commission will attempt to complete that review within ten days of submission of those document or documents.

Transfer at Net Book Value and Regulatory Adjustment

The Stipulating Parties have agreed and proposed to the Commission that the Mitchell Settlement Interest be transferred at its net book value as of the date of transfer. The Stipulating Parties have also agreed and proposed to the Commission that on transfer WPCo will remit $20 million to Generation Resources as a regulatory adjustment. The Commission views the $20 million payment as a form of consideration for eliminating the Conner Run Impoundment and any future costs and liabilities related to the Conner Run Impoundment from the Mitchell Settlement Interest. WPCo will record a regulatory asset to be included in rate base and will be allowed to set rates based on a return on, and of, that $20 million amount. Costs associated with this regulatory asset will be recovered over the remaining depreciable life of the generating facilities associated with the Mitchell Settlement Interest. At the hearing on the Joint Stipulation, Company witness Ferguson described the treatment of this $20 million amount, and CAD witness Gregg testified that it was acceptable to CAD. Tr. at 32 (Ferguson); Tr. at 81 (Gregg). The Commission finds that these provisions of the Joint Stipulation are reasonable and will adopt them.

Reflection of the Mitchell Settlement Interest in Rates and Base Rate Surcharge

Initially, the parties disagreed regarding the details of transfer of the Mitchell Plant. Companies argued that the entire fifty percent interest of Generation Resources should be transferred. Companies also noted that Generation Resources would need to reevaluate the prospect of transferring a fraction of its interest in the Mitchell Plant, in the event that the transfer of only a fraction of its interest was approved. Company Exh. CRP-R at 9. Staff argued that 82.5 percent of Generation Resources' interest should be transferred. Staff Exh. TRE-D at 13. CAD and WVCAG argued that if any of the Mitchell Plant is to be transferred to WPCo, only fifty percent of Generation Resources' undivided interest should be transferred. CAD Exh. JRH-D at 6; WVCAG Exh. DAD-D at 4.

The Stipulating Parties have agreed and proposed to the Commission that the entire Mitchell Settlement Interest be transferred to WPCo. The Stipulating Parties have agreed and proposed to the Commission, however, that this entire interest not be reflected in rates immediately on transfer, but that 82.5 percent of the Mitchell Settlement Interest be reflected in rates on transfer and that the remaining 17.5 percent of the Mitchell Settlement Interest not be reflected in rates for a period of up to five years. During that period, under the Joint Stipulation submitted by the parties, costs and revenues, including energy, capacity and ancillary service revenue, associated with the remaining portion of the Mitchell Settlement Interest not reflected in rates (17.5%), will accrue to the benefit (or detriment) of WPCo shareholders. At the hearing on the Joint Stipulation, witnesses for Companies and CAD testified that resolution of this issue as set forth in the Joint Stipulation is reasonable. Tr. at 73 (Ferguson); Tr. at 81 (Gregg). CAD witness Gregg testified that this provision of the Joint Stipulation effectuates a phase-in of the capacity from Mitchell into rate base resulting in a better matching of capacity and load. Tr. at 86 (Gregg).

The Commission will adopt the Stipulating Parties' proposal. Additionally, the Commission will adopt the Stipulating Parties' proposal for a Base Rate Surcharge and offsetting reductions in ENEC charges. The Base Rate Surcharge will end when Companies' pending base rate request goes into effect. A comparable surcharge was implemented for the Amos 3 transfer. As with that surcharge, the Stipulating Parties' proposal for a Base Rate Surcharge associated with the Mitchell Transfer, as contained in the Joint Stipulation, is reasonable.

The Joint Stipulation, however, states that if at any time before January 1, 2020, Companies conclude that circumstances warrant that some or all of the remaining 17.5 percent of the Mitchell Settlement Interest should be reflected in rates, Companies must file a petition to seek approval of that action. Companies must file as a closed entry in the instant proceeding, a notice of intent not later than thirty days before the filing of that petition. The parties to the instant proceeding may take any position they choose with respect to that petition.

Energy and Capacity Margin Sharing

An important feature proposed in the Joint Stipulation involves the sharing of energy and capacity margins from PJM sales from the rate-based portion of the Mitchell Settlement Interest between the Companies' West Virginia customers and the shareholder(s) of WPCo. Such a sharing would end with the inclusion of the initially non-rate based portion of the Mitchell Settlement Interest in rates. The applicable energy and capacity margins would be calculated as set forth on Exhibits A & B to the Joint Stipulation, respectively. As indicated in footnote 1 to Exhibit A to the Joint Stipulation, energy margin sharing will be based on energy sales into the PJM energy market from the rate-based portion of the Mitchell Settlement Interest without any offset for load. Energy margins would be calculated as total energy market sales less fuel and fuel handling expense, emission allowances, and consumables. Tr. at 55-56 (Ferguson); Joint Stipulation at paragraph 25(i).

Sharing mechanisms, like that proposed by the Stipulating Parties, have not been traditional features of West Virginia ratemaking. At hearing, WPCo witness Ferguson testified that this settlement provision is reasonable and that its inclusion in the settlement proposal was a significant factor in helping the Stipulating Parties settle their divergent positions. Tr. at 45, 55-56 (Ferguson). The parties obviously agreed that the sharing mechanism was reasonable as part of an overall settlement. After deliberating, however, the Commission has concerns about possible scenarios where this sharing mechanism may expose ratepayers to net power supply costs on that portion of internal load that is supplied by Mitchell generation that exceed the actual variable cost of generation.[6] The Commission has no way of knowing whether the parties considered this possibility. Certainly, the Joint Stipulation does not address this potential issue. Although the Joint Stipulation did not directly address this circumstance, we want to be clear that the ratepayers will not experience a cost above the actual variable cost of generation because of the sharing mechanism. Accordingly, the Commission determines for purposes of the Joint Stipulation and the results of this Order, that the sharing mechanism proposed by the Stipulating Parties is reasonable and will be adopted, provided, however, the result of the sharing mechanism will be adjusted, if necessary, so that the sharing mechanism will not result in a net cost to the ratepayers that exceeds the actual variable cost of generation. The Commission further notes that the sharing mechanism proposed in the Joint Stipulation is based on 17.5 percent of the Mitchell Settlement Interest being excluded from rate base and will cease when none of the Mitchell Settlement Interest is excluded from rate base. The Joint Stipulation contemplates some other proportion of the plant being included in rate base, but does not address the impact of such a change on the sharing calculations. If the proportion of the plant excluded from rate base changes to some factor between 17.5 percent and zero, the Commission will consider adjusting the sharing appropriately in future rate proceedings.

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[6] We consider the variable cost of generation to be those same cost elements referenced in the Joint Stipulation for purposes of determining energy margins: fuel and fuel handling expense, consumables, and emission allowances.

The Need for a Request for Proposals (RFP)

The use and desirability of RFPs are issues that were explored in testimony in the Transfer Case and the instant proceeding. In these cases we have not required the use of an RFP. In the Joint Stipulation, the Stipulating Parties agreed that, as a condition of the Mitchell Transfer as modified, if WPCo or APCo require additional long-term capacity and energy to meet the future needs of West Virginia customers, on the next occasion after a final order is issued in this proceeding on which WPCo or APCo seek energy and capacity in excess of 100 MW for their West Virginia customers, APCo or WPCo would issue an RFP for such energy and capacity. The Joint Stipulation addresses the requirement of APCo and WPCo to obtain the next increment of needed energy and capacity above 100MW subject to the RFP process. It is not clear, however, whether the 17.5 percent share of the Mitchell capacity being designated as non-rate base during the initial five years after closing is subject to the RFP process if it is needed to address the load requirements of APCo or WPCo during that five-year period.[7] The Joint Stipulation is clear that before WPCo can seek rate base treatment for all or any portion of the 17.5 percent share of the Mitchell Settlement Interest, WPCo must notice the parties to this proceeding and seek approval for such action before the Commission. The parties to this proceeding are then free to take whatever position they choose. Because of this provision, the Commission clarifies that the acceptance of this settlement provision is conditioned as follows: should either APCo or WPCO have need for all or some portion of the 17.5 percent non-rate base portion of Mitchell to meet load growth, acquisition of that remaining Mitchell capacity is not subject to the RFP process. Any use of the 17.5 percent share of Mitchell as rate base and any agreements necessary for that portion of the Mitchell capacity to be available to APCo are subject to further Commission approval as provided in the Joint Stipulation. The Commission accepts the Stipulating Parties' proposal respecting the issuance of an RFP by APCo or WPCo for any additional energy or capacity of more than 100 MW, and above the 17.5 percent non-rate base portion of Mitchell, is subject to the RFP process. The Commission will require that any future RFP issued because of this Stipulation condition, be filed for review and approval by the Commission.

Energy Efficiency and Demand Response Programs

The Stipulating Parties agreed and proposed to the Commission that Companies commit to certain measures generally expanding their EE/DR programs subject to certain terms. Adoption of this proposal will continue the orderly improvement and increase in the Companies' EE/DR programs. The Commission accepts the Stipulating Parties' proposals respecting EE/DR programs.

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[7] For example, APCo may have a need for the additional power and propose to obtain some or all of the 17.5 percent share through a bilateral contract with WPCo.

Affiliate Agreements

Companies proposed that the Mitchell Transfer would be effected by means of a series of transactions designed to ensure that the transfer would be accomplished without producing unintended tax results. These transactions are described in detail in the Companies' Updated Plan. Updated Plan at 8-9, Exhibit A. In the final step, NEWCO Wheeling Inc. will merge with and into WPCo, with WPCo surviving the merger. Companies filed the form of the Agreement and Plan of Merger of WPCo and NEWCO Wheeling Inc. as Exhibit E to their Updated Plan and requested the Commission's consent and approval of that Agreement and Plan of Merger. No party has raised any concerns about this agreement that would accomplish the merger of WPCo and NEWCO Wheeling Inc. The Commission grants its consent and approval for WPCo to enter into the Agreement and Plan of Merger between WPCo and NEWCO Wheeling Inc.

An additional document, not previously submitted by Companies, was moved into evidence by CAD during the December 11, 2014 hearing: the Asset Contribution Agreement between Generation Resources and NEWCO Wheeling Inc. (marked and entered as WP-3). As described by CAD witness Gregg, WP-3 is the vehicle by which the assets that are transferred to WPCo by virtue of the merger will first be transferred to NEWCO Wheeling, Inc., and thence to WPCo via Exhibit E, described above. December 11, 2014 Transcript at 42-46. No party has raised any concerns regarding WP-3, and because the document constitutes an integral step in the transfer of assets from Generation Resources to WPCo, the Commission grants its consent and approval for WPCo to enter into the Asset Contribution Agreement between Generation Resources and NEWCO Wheeling Inc.

At the December 11, 2014 hearing, the parties also discussed two other affiliate agreements[8] that will be needed for the completion of the Mitchell Transfer, as modified by the Joint Stipulation, (1) the Revised Operating Agreement among WPCo, Kentucky Power Company, and American Electric Power Service Corporation and (2) the Agreement to Effectuate between WPCo and Generation Resources. Companies witness Ferguson and CAD witness Gregg testified that as of the date of the hearing, the parties were close to reaching agreement on versions of those agreements to propose to the Commission for its consent and approval. Tr. at 46 (Ferguson); Tr. at 81-83 (Gregg). The Stipulating Parties subsequently reached agreement on final versions of those agreements. On November 19, 2014, Companies filed copies of these agreements and, together with the other Stipulating Parties, requested that the Commission grant its consent and approval for WPCo to enter into these agreements as part of its order on the Joint Stipulation.

[8] The parties also discussed an Asset Contribution Agreement between Generation Resources and NEWCO Wheeling Inc. No request, however, has been made of this Commission for approval of this agreement because it is not an agreement between a West Virginia utility and one of its affiliates within the meaning of W.Va. Code §24-2-12.

The Commission grants its consent and approval for WPCo to enter into the Revised Operating Agreement and the Agreement to Effectuate. The terms and conditions of these agreements are reasonable, neither party thereto is given an undue advantage over the other, and they do not adversely affect the public in this State. The Revised Operating Agreement makes very few changes to the current, FERC-approved operating agreement. These changes are necessary to reflect the transfer of the Mitchell Settlement Interest to WPCo. Tr. at 82 (Gregg). The Agreement to Effectuate effects the terms of the Joint Stipulation.

As discussed and directed above, Companies will submit an indemnification provision as either a standalone agreement or as an amendment or addendum to the Agreement to Effectuate.

Motion for Protective Order

Companies stated that the direct testimony and certain exhibits thereto of CAD witness Gregg and the direct testimony of CAD witness James M. Van Nostrand contain confidential information, and no party has objected to protective treatment of this testimony and these exhibits. Until the Commission issues a decision on permanent protective treatment, it will grant interim protective treatment to the redacted portions of the written direct testimony and exhibits of Mr. Gregg and the direct testimony of Mr. Van Nostrand. The Commission will restrict disclosure of these documents to parties who execute a protective agreement and will keep these items segregated from the rest of the case file and under seal.

The Commission concludes that it is not necessary to resolve the issue of permanent protective treatment for any of the testimony or exhibits for which permanent protective treatment has been sought at this time. No entity has requested that the Commission provide copies of any information for which protective treatment is sought, and the parties to this proceeding have had access to the confidential information to prepare their respective positions. Thus, the Commission will continue to segregate and keep filed under seal the sensitive documents until such future time, if any, that the Commission receives a Freedom of Information (FOIA) request for the documents. Upon such filing, the Commission will notify Companies and provide them with the opportunity to argue whether such documents should be given permanent protective treatment.

The Merger of APCo and WPCo

As the Commission noted in its December 13, 2013 Order, the prospect of a merger of APCo and WPCo had been under consideration for some time. Circumstances have changed markedly since Companies initiated Case No. 11-1775-E-P in 2011. At the hearing on the Joint Stipulation, Staff witness Eads stated that he regarded the Mitchell Transfer, as modified by the Joint Stipulation, and the July 31, 2013 Order of the Virginia State Corporation Commission (VSCC) in Case No. PUE-2012-00141 as precluding further consideration of the merger of APCo and WPCo until the VSCC reconsiders its decision denying transfer of the Mitchell Plant. Tr. at 90 (Eads). The Commission concludes that it is appropriate to close Case No. 11-1775-E-P. If Companies wish to propose a merger of APCo and WPCo in the future, they may do so by filing a petition pursuant to Rule 10 of the Commission's Rules of Practice and Procedure. The Commission will consider any such request in a new docket.

Motion to Terminate Pro Hac Vice Admission

On December 17, 2014 Companies requested that the Commission terminate the pro hac vice admission of Yazen Alami, Esq., in Case Nos. 14-0546-E-PC and 11-1775-E-PC. Because separate pro hac vice admission is required for every case, the termination of the case marks the expiration of the admission. Rule 8.0 of the West Virginia Rules for the Admission to the Practice of Law. Because the Commission is closing both Case No. 14-0546-E-PC and 11-1775-E-PC with this Order, the motion to terminate is moot.

FINDINGS OF FACT

1. In the Updated Plan, filed March 4, 2014, Companies proposed a generation resource transaction that would transfer Generation Resources' entire interest in the Mitchell Plant and associated facilities to WPCo at net book value and thereby provide WPCo with 780 MW of generating capacity (800 MW of nominal capacity). Updated Plan. Companies proposed that the transfer be accomplished through a series of near-simultaneous transactions and requested the Commission's consent and approval for WPCo to enter into the Agreement and Plan of Merger with NEWCO Wheeling Inc. Id. The Companies also sought the implementation of a Base Rate Surcharge associated with the transfer of Generation Resources' interest in the Mitchell Plant and offsetting ENEC reductions. Id.

2. The Joint Stipulation, filed October 9, 2014, was executed by Companies, CAD, Sierra Club, the Council, WVCAG, WVONGA, WVEUG, and Staff, in resolution of all issues in the case. Joint Stipulation. SWVA did not execute the Joint Stipulation, but indicated that it did not object to the adoption of the Joint Stipulation. Id. (filing letter).

3. The Joint Stipulation does not resolve the issues of whether and when any merger of APCo and WPCo should take place. Id. Because of this Commission's approval of the Mitchell Transfer, as modified by the Joint Stipulation, and the July 31, 2013 Order of the VSCC, there is no current need for Case No. 11-1775-E-P to remain open. October 21, 2014 Tr. at 90 (Eads).

4. The significant differences between the Mitchell Transfer as proposed in the Updated Plan and as modified by the Joint Stipulation include the exclusion of the Conner Run Impoundment from the transfer, the exclusion from rate base of 17.5 percent

of the transferred Mitchell Settlement Interest for up to five years after the transfer, the sharing of energy and capacity margins from PJM sales from the rate-based portion of the Mitchell Settlement Interest, and the Companies' commitment to issuing a request for proposals (RFP) for certain future power supply needs, to contributing $250,000 in 2014 and $250,000 in 2015 to the Dollar Energy Fund, and to taking certain measures respecting energy efficiency and demand response.

5. The Agreement to Effectuate provides that WPCo will have no ownership interest in any water (including any substances therein) that is discharged into the Conner Run Impoundment.

6. The Mitchell Transfer, as modified by the Joint Stipulation, will take place at the net book value of the Mitchell Settlement Interest at the time of transfer, and WPCo will remit $20 million to Generation Resources as a regulatory adjustment. WPCo will record a regulatory asset to be included in rate base and will be allowed to set rates based on a return on, and of, that $20 million amount. Costs associated with this regulatory asset will be recovered over the remaining depreciable life of the generating facilities associated with the Mitchell Settlement Interest.

7. The Mitchell Transfer, as modified by the Joint Stipulation, provides benefits to the Companies' customers and to the State of West Virginia in the form of: resolution of a long-term power supply for the WPCo load; assistance to low-income customers; commitments to energy efficiency; commitments to expand funding for energy efficiency programs; and benefits of continued West Virginia coal production.

8. No parties objected to the Motion for Protective Order. No party has objected to protective treatment of redacted portions of the direct testimony of Mr. Gregg and certain accompanying exhibits and the direct testimony of Mr. Van Nostrand that, Companies state, contain confidential information.

9. No entity has requested that the Commission provide copies of any information for which protective treatment is sought, and the parties to this proceeding have had sufficient access to the confidential information to prepare their respective positions.

CONCLUSIONS OF LAW

1. A joint stipulation is a recommendation by the stipulating parties respecting what they regard as a reasonable settlement of the issues for consideration by the Commission.

2. Among other duties and responsibilities, the Legislature has given the Commission the authority and duty to regulate utilities to ensure fair regulation of utilities in the public interest; provide economical and reliable utility service; encourage development of utility resources in a manner consistent with state needs and productive

use of state resources, such as coal; ensure reasonable rates; and, encourage energy conservation and effective and efficient utility management. The Commission is charged with appraising and balancing the interests of current and future customers, the general interests of the State's economy and the interests of utilities in its deliberations and decisions. W.Va. Code §24-1-l(a) and (b).

3. The Commission should adopt the Joint Stipulation, subject to the terms, conditions and modifications described in this Order, because it is supported by the evidentiary record, and is fair, reasonable and in the public interest.

4. The Commission should require that Companies submit appropriate agreements executed by an AEP corporate entity that will survive the transfer of the Mitchell Settlement Interest, that will indemnify WPCo and its ratepayers against any liability, including judgments, fines, penalties or other costs or expenses related to (i) the Mitchell Plant or its operations, including the Conner Run Impoundment, prior to the transfer of the Mitchell Settlement Interest to WPCo and (ii) any aspect of the Conner Run Impoundment subsequent to transfer of the Mitchell Settlement Interest to WPCo.

5. The Commission should adopt the sharing mechanism proposed by the Stipulating Parties provided, however, the result of the sharing mechanism will be adjusted, if necessary, so that the sharing mechanism will not result in a net cost to the ratepayers that exceeds the actual variable cost of generation.

6. The sharing mechanism proposed in the Joint Stipulation is based on 17.5 percent of the Mitchell Settlement Interest being excluded from rate base and will cease when none of the Mitchell Settlement Interest is excluded from rate base. The Joint Stipulation contemplates some other proportion of the Mitchell Settlement Interest being included in rate base, but does not address the impact of such a change on the sharing calculations. If the proportion of the Mitchell Settlement Interest excluded from rate base changes to some factor between 17.5 percent and zero, the Commission will consider adjusting the sharing appropriately in future rate proceedings.

7. The Joint Stipulation requires that as a condition of the Mitchell Transfer as modified, if WPCo or APCo require additional long-term capacity and energy to meet the future needs of the West Virginia customers, on the next occasion after a final order is issued in this proceeding on which WPCo or APCo seek energy and capacity in excess of 100 MW for their West Virginia customers, APCo or WPCo would issue an RFP for such energy and capacity. This provision of the Joint Stipulation notwithstanding, should either APCo or WPCO have need for all or some portion of the 17.5 percent non-rate base portion of Mitchell to meet load growth, acquisition of that remaining Mitchell capacity is not subject to the RFP process.

8. The Revised Operating Agreement, the Agreement to Effectuate, the Agreement and Plan of Merger between Generation Resources and NEWCO Wheeling, Inc., and the Agreement and Plan of Merger between NEWCO Wheeling Inc. and WPCo

are reasonable, no party to these agreements is given an undue advantage over any other party, and the agreements do not adversely affect the West Virginia public. It is appropriate to grant consent and approval in this proceeding for WPCo to enter into these agreements.

9. It is reasonable to close Case No. 11-1775-E-P because merger of APCo and WPCo would require additional and updated information from Companies and parties in this jurisdiction as well as reconsideration by the VSCC of its decision denying transfer of the Mitchell Plant. October 21, 2014 Tr. at 90 (Eads).

10. It is reasonable that interim protective treatment should be afforded to the redacted portions of the testimony and exhibits of Mr. Gregg and the direct testimony of Mr. Van Nostrand.

11. The Commission will not rule at this time on Companies' motions for permanent protective treatment of the redacted portions of the direct testimony of Mr. Gregg and accompanying exhibits and the direct testimony of Mr. Van Nostrand at this time.

ORDER

IT IS THEREFORE ORDERED that, subject to the terms, conditions and modifications described herein, the Joint Stipulation (attached as Appendix A) is adopted as a reasonable resolution of this case.

IT IS FURTHER ORDERED that the Commission grants its consent and approval to the transfer of the Mitchell Settlement Interest, subject to the terms, conditions and modifications set forth in the Joint Stipulation and in this Order.

IT IS FURTHER ORDERED that the Commission will adjust the result of the sharing mechanism proposed by the Stipulating Parties if necessary, so that the sharing mechanism will not result in a net cost to the rate payers that exceeds the actual variable cost of generation.

IT IS FURTHER ORDERED that if the proportion of the Mitchell Settlement Interest excluded from rate base changes to some factor between 17.5 percent and zero, the Commission will consider adjusting the sharing appropriately in future rate proceedings.

IT IS FURTHER ORDERED that notwithstanding the Joint Stipulation, if either APCo or WPCO have need for all or some portion of the 17.5 percent non-rate base portion of Mitchell to meet load growth, acquisition of that remaining Mitchell capacity is not subject to the RFP process.

IT IS FURTHER ORDERED that within twenty days of the date of this Order the Companies submit appropriate agreements executed by an AEP corporate entity that will survive the transfer of the Mitchell Settlement Interest, that will indemnify WPCo and its ratepayers against any liability, including judgments, fines, penalties or other costs or expenses related to (i) the Mitchell Plant or its operations, including the Conner Run Impoundment, prior to the transfer of the Mitchell Settlement Interest to WPCo and (ii) any aspect of the Conner Run Impoundment subsequent to transfer of the Mitchell Settlement Interest to WPCo.

IT IS FURTHER ORDERED that a Base Rate Surcharge and new ENEC rates are authorized effective with the finalization of the transfer of the Mitchell capacity to WPCo. The Base Rate Surcharge will end when the Companies' pending base rate request goes into effect.

IT IS FURTHER ORDERED that, within ten calendar days of the date of this Order, APCo and WPCo must file revised tariff sheets that contain the Base Rate Surcharges and revised ENEC rates provided for in the Joint Stipulation, and those tariffs will be applicable for all service rendered beginning the day following the date of transfer.

IT IS FURTHER ORDERED that the Commission grants its consent and approval to WPCo to enter into the Revised Operating Agreement, the Agreement to Effectuate, Agreement and Plan of Merger between Generation Resources and NEWCO Wheeling, Inc., and the Agreement and Plan of Merger between NEWCO Wheeling Inc. and WPCo.

IT IS FURTHER ORDERED that the request by Companies for an exemption from filing copies of articles of incorporation and statements of financial condition for Companies and their affiliates, as required by Rule 21 of the Commission Rules of Practice and Procedure and Form No. 10, is granted.

IT IS FURTHER ORDERED that the redacted portions of the written direct testimony of Billy Jack Gregg and the attachments thereto and the direct testimony of James M. Van Nostrand, for which Companies seek permanent protective treatment, are hereby accorded interim protective treatment, until further Order of the Commission.

IT IS FURTHER ORDERED that disclosure of the testimony and exhibits for which confidential protection was requested in this case is restricted to parties who executed a protective agreement, and the Executive Secretary of the Commission will continue to segregate and keep filed under seal the sensitive documents until such future time, if any, that the Commission receives a FOIA request for the documents. Upon such a filing, the Commission shall notify Companies and provide them with the opportunity to argue whether such documents should be given permanent protective treatment.

IT IS FURTHER ORDERED that on entry of this Order Case No. 11-1775-E-P and Case No. 14-0344-E-GI shall be removed from the Commission's docket of open cases.

IT IS FURTHER ORDERED that the Executive Secretary of the Commission serve a copy of this Order by electronic service on all parties of record who have filed an e-service agreement, by United States First Class Mail on all parties of record who have not filed an e-service agreement, and on Staff by hand delivery.

A True Copy, Teste,

Ingrid Ferrell

Ingrid Ferrell
Executive Secretary

JJW/sm
140546cg.docx

APPENDIX A

Joint Stipulation and Agreement for Settlement

Case No. 14-0546-E-PC

APPALACHIAN POWER COMPANY and
WHEELING POWER COMPANY,
public utilities.
Petition for acquisition of Mitchell plant
by Wheeling Power Company.

The Joint Stipulation and Agreement for Settlement (Joint Stipulation) submitted by the parties in this case is approved, subject to the terms, conditions and modifications set forth in the Commission Order in this case dated December 30, 2014, and such terms, conditions and modifications shall be considered an integral part of this Joint Stipulation.

EXECUTION COPY

**PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
CHARLESTON**

CASE NO. 14-0546-E-PC

APPALACHIAN POWER COMPANY and
WHEELING POWER COMPANY,
public utilities.

Petition for acquisition of Mitchell plant by
Wheeling Power Company.

JOINT STIPULATION AND AGREEMENT FOR SETTLEMENT

Pursuant to W.Va. Code §24-1-9(f) and Rule 13.4 of the Public Service Commission of West Virginia's Rules of Practice and Procedure, the following parties to this proceeding (the "Stipulating Parties"), Appalachian Power Company ("APCo") and Wheeling Power Company ("WPCo") (collectively, the "Companies"), the Staff of the Public Service Commission of West Virginia (the "Staff"), the Consumer Advocate Division of the Public Service Commission of West Virginia (the "CAD"), West Virginia Energy Users Group ("WVEUG"), the Sierra Club, West Virginia Citizen Action Group ("WVCAG"), West Virginia Oil & Natural Gas Association ("WVONGA"), and West Virginia State Building & Construction Trades Council, AFL-CIO join in this Joint Stipulation and Agreement for Settlement ("Agreement"), and request that the Public Service Commission of West Virginia (the "Commission") approve and adopt it, in its entirety and without modification, as the full and final resolution of all of the issues in the instant proceeding. In support of the Agreement, the Stipulating Parties make the following representations:

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Procedural History

1. On December 16, 2011, the Companies filed a Petition for the evaluation of a possible merger of the Companies, which was docketed as Case No. 11-1775-E-P. With this Petition, the Companies filed the direct testimony of Chris Potter.

2. On various dates, various parties petitioned to intervene in this proceeding. The Commission subsequently granted these petitions to intervene.

3. On December 18, 2012, APCo filed an Application with the Commission seeking the Commission's approval, *inter alia*, of an arrangement by which 1647 MW of generating capacity then owned by Ohio Power Company ("OPCo") and consisting of an undivided two-thirds interest in Unit 3 of the John E. Amos Plant and associated facilities (the "Amos Asset") and an undivided one-half interest in the Mitchell Plant and associated facilities (the "Mitchell Asset") would be transferred to APCo. This proceeding was docketed as Case No. 12-1655-E-PC.

4. On various dates, various parties petitioned to intervene in this proceeding. The Commission subsequently granted these petitions to intervene.

5. On February 8, 2013, APCo filed in Case No. 12-1655-E-PC the direct testimony of Charles R. Patton, Jeffery D. LaFleur, Karl A. McDermott, John F. Torpey, and Steven H. Ferguson.

6. On May 10, 2013, the Companies filed a motion to consolidate Case No. 11-1775-E-P with Case No. 12-1655-E-PC and also filed the supplemental direct testimony of James F. Martin in Case No. 11-1775-E-P.

7. On June 6, 2013, the Commission issued an Order in which it, *inter alia*, consolidated Case No. 11-1775-E-P with Case No. 12-1655-E-PC.

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8. On June 17, 2013 the West Virginia State Building and Construction Trades Council, AFL-CIO filed the direct testimony of Steve White.

9. On June 18, 2013, the Staff filed the direct testimony of Edwin L. Oxley and Wayne M. Perdue, the CAD filed the direct testimony of Billy Jack Gregg, Byron L. Harris, and J. Richard Hornby, the Sierra Club filed the direct testimony of Jeffery Loiter, WVCAG filed the direct testimony of Cathy M. Kunkel and, together with the Sierra Club, David A. Schlissel, and WVEUG filed the direct testimony of Stephen J. Baron.

10. On July 8, 2013, the Companies filed the rebuttal testimony of Charles R. Patton, Jeffery D. LaFleur, Karl A. McDermott, John F. Torpey, Steven H. Ferguson, Karl R. Bletzacker, John M. McManus, and Matthew D. Fransen.

11. On July 16-18, 2013, an evidentiary hearing was held.

12. On July 31, 2013, the Virginia State Corporation Commission issued an Order in Case No. PUE-2012-00141 in which, among other things and subject to certain findings and requirements, it granted APCo's request for the transfer of the Amos Asset to APCo and APCo's request to merge, but denied APCo's request for the transfer of the Mitchell Asset to APCo.

13. On December 13, 2013, this Commission issued an Order in then-consolidated Case Nos. 12-1655-E-PC and 11-1775-E-P. Among other things, the Commission approved the transfer to APCo of the Amos Asset, and did not approve but withheld a final ruling on the transfer to APCo of the Mitchell Asset. The Commission declined to issue a final Order respecting the merger, but directed Case No. 11-1775-E-P to remain open. The Commission required APCo to file in Case No. 11-1775-E-P by March 3, 2014 an Updated Plan to serve the WPCo load.

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14. On December 31, 2013, the Amos Asset was transferred to APCo and the Mitchell Asset was transferred to AEP Generation Resources Inc. ("AEPGR").

15. On March 3, 2014, the Commission was closed due to inclement weather.

16. On March 4, 2014, the Companies filed their Updated Plan to serve the WPCo load after the merger. The Companies proposed the transfer of the Mitchell Asset to WPCo.

17. On April 6, 2014, the Companies filed the direct testimony of Charles R. Patton, Jeffery D. LaFleur, John F. Torpey, Karl Bletzacker, Matthew D. Fransen, James F. Martin, Richard A. Riley, and Steven H. Ferguson.

18. On April 8, 2014, the Commission issued an Order, *inter alia*, docketing the Companies' request for the transfer of the Mitchell Asset to WPCo as Case No. 14-0546-E-PC and establishing a procedural schedule. The Commission stated that it would take notice of filings and evidence in Case Nos. 11-1775-E-P and 12-1655-E-PC, subject to objection by the parties, to avoid duplication of past efforts by the parties and the Commission. The Commission also made all parties to Case Nos. 11-1775-E-P and 12-1655-E-PC parties to Case No. 14-0546-E-PC.

19. On various dates, various parties filed discovery requests, which were answered, on various dates, by discovery responses.

20. On July 10, 2014, the Commission issued an Order, *inter alia*, granting the Companies leave to file supplemental testimony.

21. On July 18, 2014, the Companies filed the supplemental direct testimony of Scott A. Weaver, John F. Torpey, and Matthew D. Fransen.

22. On August 25, 2014, the CAD filed the direct testimony of Billy Jack Gregg, James Van Nostrand, and J. Richard Hornby, the Sierra Club filed the direct testimony of Jeffrey

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Loiter and, together with WVCAG, David A. Schlissel, WVEUG filed the direct testimony of Stephen J. Baron, and the Staff filed the direct testimony of Terry R. Eads, Edwin L. Oxley, and David W. Dove.

23. On September 12, 2014, the Companies filed the rebuttal testimony of Charles R. Patton, Jeffrey D. LaFleur, John F. Torpey, Karl R. Bletzacker, James F. Martin, David A. Davis, Matthew D. Fransen, Scott A. Weaver, and Steven H. Ferguson.

24. On various dates, the parties engaged in settlement discussions encompassing all aspects of this proceeding.

Settlement

25. The Stipulating Parties agree that the Commission should approve the transfer to WPCo of 800 MW (nominal) of generating capacity in the form of the undivided fifty percent interest in the Mitchell Plant and associated facilities presently owned by AEPGR but excluding AEPGR's interest in the Conner Run Fly Ash Impoundment (the "Mitchell Settlement Interest"), subject to the following conditions:

a. The Mitchell Settlement Interest shall transfer at the net book value of the Mitchell Settlement Interest as of the date of transfer.

b. WPCo shall have no responsibility for any future costs associated with Conner Run, including, without limitation, operation, maintenance, closure, and monitoring.

c. WPCo shall have no ownership interest in any water that is discharged into the Conner Run Fly Ash Impoundment ("Conner Run"). Charges associated with the cost of transporting blow-down water to Conner Run will be allocated in accordance with a revised Mitchell Plant Operating Agreement.

d. AEPGR shall enter into an agreement (at no additional cost) with WPCo providing employees and/or contractors of WPCo with rights (not a right-of-way) to use roads on the Conner Run property for the purpose of operating, maintaining and inspecting the dry ash landfill for the life of the Mitchell Settlement Interest and any other similarly situated property to be owned by WPCo.

e. Upon transfer of the Mitchell Settlement Interest, WPCo shall remit $20 million to AEPGR as a regulatory adjustment. WPCo shall record a regulatory asset to be included in rate base and shall be allowed to set rates based on a return on, and of, such $20 million amount. Costs associated with this regulatory asset shall be recovered over the remaining depreciable life of the generating facilities associated with the Mitchell Settlement Interest.

f. Effective from the date of the transfer, 82.5% of the costs associated with the Mitchell Settlement Interest shall be reflected in rates. On and after January 1, 2020, 100% of the costs associated with the Mitchell Settlement Interest shall be reflected in rates. If at any time before January 1, 2020, the Companies conclude that circumstances warrant that some or all of the remaining 17.5% of the Mitchell Settlement Interest be reflected in rates, the Companies may file a petition to seek approval of such action. The Companies shall file as a closed entry in the instant proceeding, a notice of intent not later than thirty days before the filing of such petition. The parties to the instant proceeding may take any position they choose with respect to such petition.

g. Effective from the date of the transfer until December 31, 2019 (or until an earlier date if the Commission approves the inclusion of some or all of the remaining 17.5% of the Mitchell Settlement Interest in rates on an earlier date in a proceeding of the type described above in **Subparagraph f** of this **Paragraph 25**), costs and revenues, including energy, capacity and ancillary service revenue, associated with the remaining portion of the Mitchell Settlement Interest not reflected in rates (17.5%) shall accrue to the benefit (or detriment) of WPCo shareholders.

h. Should WPCo and/or APCo require additional long-term capacity and energy to meet their West Virginia customers' future needs, on the next occasion after a final order is issued in this proceeding on which WPCo and/or APCo seek energy and capacity in excess of 100 MW for their West Virginia customers, APCo and/or WPCo shall issue a Request for Proposals for such energy and capacity.

i. On an experimental basis, for a term beginning with the date of transfer and ending on the date that 100% of the costs of the Mitchell Settlement Interest are reflected in rates, 82.5% of the energy margins from PJM sales from the Mitchell Settlement Interest shall be shared between WPCo and West Virginia ratepayers as follows:

    i. Up to the first $40 million of annual energy margins from PJM sales from the 82.5% rate-based portion of the Mitchell Settlement Interest, 100% shall be passed through to ratepayers in the ENEC.

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ii. Between $40 million and $64 million of annual energy margins from PJM sales from the 82.5% rate-based portion of the Mitchell Settlement Interest, 75% shall be passed through to ratepayers in the ENEC.

iii. Above $64 million of annual energy margins from PJM sales from the 82.5% rate-based portion of the Mitchell Settlement Interest, 50% shall be passed through to ratepayers in the ENEC.

For the purpose of the above provision, energy margins from PJM sales shall be defined as "energy revenues less fuel and fuel handling expense, consumables, and emission allowances." A numeric example of the energy margin sharing provision is set forth in **Exhibit A** to this Agreement.

On an experimental basis, for a term beginning with the date of transfer and ending on the date that 100% of the costs of the Mitchell Settlement Interest are reflected in rates, profits from capacity sales into the PJM-RPM capacity market attributable to the 82.5% rate-based portion of the Mitchell Settlement Interest shall be based on a ratio of net capacity available for sale. In each year that capacity is sold into the RPM market, the net capacity available for sale shall be defined as the total Mitchell Settlement Interest UCAP Capacity less WPCo's UCAP load obligation. The ratio used to pass through capacity sales to ratepayers shall be determined as follows: UCAP of the Mitchell Settlement Interest times 82.5%, less WPCo's UCAP load obligation, less a 3% FRR hold back if applicable. The non-rate based ratio will be one minus the rate-based ratio described above. The ratios so determined will be multiplied by the Capacity sales revenue actually realized in the PJM market to determine the initial rate-based/non-rate-based split of the Capacity revenue. Eighty percent (80%) of the rate-based portion will be flowed through the ENEC, and twenty percent (20% will be retained by WPCo's shareholder(s). A numeric example of the Capacity allocation and the 80 percent sharing ratio is set forth on **Exhibit B** to this Agreement.

If the transfer occurs before or after January 1, 2015, the annual amounts set forth above will be prorated based on the number of months that WPCo owns the Mitchell Settlement Interest.

From the date of transfer until the date that 100% of the costs of the Mitchell Settlement Interest are reflected in rates, ancillary service revenue associated with the Mitchell Settlement Interest shall be assigned to the rate base portion and the non-rate-base portion of the Mitchell Settlement Interest at 82.5% and 17.5%, respectively.

j. On the effective date of the transfer of the Mitchell Settlement Interest, WPCo and APCo shall implement a surcharge on their tariff rate schedules designed to recover $93.225 million annually. ENEC revenues shall be offset simultaneously with implementation of the surcharge per the methodology proposed by the

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Companies. On the date that new base rates are first implemented for the Companies after the transfer to WPCo of the Mitchell Settlement Interest, the surcharge will end. WPCo/APCo may seek a new surcharge to be effective from January 1, 2020 (or earlier if the Commission approves the inclusion of some or all of the remaining 17.5% of the Mitchell Settlement Interest in rates on an earlier date in a proceeding of the type described above in **Subparagraph f** of this **Paragraph 25**) to reflect recovery of the remaining 17.5% of the Mitchell Settlement Interest not previously reflected in rates. The Companies shall take steps to clarify the applicability of B&O tax credits associated with the electrolytic production of chlorine with the West Virginia State Tax Department.

k. APCo will commit to a contribution to the Dollar Energy Fund of $250,000 in 2014 and $250,000 in 2015 and will not seek rate recovery of these contributions.

26. The Companies commit to the provisions set forth in the subparagraphs of this **Paragraph 26** regarding energy efficiency and demand response ("EE/DR"), provided that the costs associated with such provisions, including the costs of programs to be adopted, will be funded pursuant to the methodology described below.

Specifically, the Companies may, at their discretion, make investments in the EE/DR programs that will displace some or all of the benchmark amount of EE/DR Surcharge Revenues. The Companies shall have the option, but not the obligation, to expend funds of the Companies above and beyond the benchmark to provide additional EE/DR programs. If the Companies expend such funds of their own on EE/DR activities, such funds shall be treated as an investment by the Companies in EE/DR and deferred as a regulatory asset, and the Companies shall be allowed to earn a return on and of such investment at the rate of the Companies' weighted average cost of capital ("WACC"), as the WACC may change, from time to time, with the equity component of the WACC being the return on equity most recently authorized for the Companies by the Commission plus fifty (50) basis points. The Companies shall declare prior to each calendar year any investments in EE/DR programs that the Companies intend to make in the upcoming year. As part of this declaration, the Companies will identify the projected costs for

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these programs. EE/DR Surcharge Revenues will be applied each month first to cover the return on and of any EE/DR investments of the Companies and then to offset the costs of the customer-funded EE/DR activities. The amortization period of the Companies' investment will initially be set at 10 years, with the amortization period being subject to future adjustment to reflect changes in the average expected useful life of the EE/DR programs. The Companies shall continue to apply deferral accounting with respect to the customer funded EE/DR programs.

a. The Companies commit to include in their 2015 EE/DR filing, a request to add or expand EE/DR programs at a cost of $1.8 million. If approved, this will set the total program budget at $10 million annually for the West Virginia programs in the APCo and WPCo service territories going forward. This additional amount of $1.8 million shall be an investment by the Companies and shall be recovered under the terms set forth above.

b. The Companies commit to continue through the end of 2015 to provide customer usage data to Energy Efficient West Virginia for the purposes of neighborhood energy efficiency competitions. The information is to be used to facilitate awareness of energy usage and conservation through a competition between groups of neighbors. The goal is to determine which group can reduce energy usage by the greatest amount. The information will continue to be given only in a bulk format so that a single customer's information cannot be identified. The Companies understand that Energy Efficient West Virginia agrees to provide meter numbers for most of the participants to facilitate the search for information.

c. The Companies commit to develop for inclusion in their 2015 EE/DR programs a one-year pilot project to incentivize certain nonprofit groups that agree to promote the Companies' EE/DR home assessments. This one-year pilot project will include the following provisions as well as any other provisions that may be developed. A credit of $10 will be provided to the nonprofit for each home that is signed up for and completes a home assessment as a result of the nonprofit's efforts. Additionally, the nonprofit that attains the most completed assessments during the year will receive a $10,000 credit, provided that, as a result of such nonprofit's efforts, at least one hundred (100) home assessments are completed. The credits may be used for energy efficiency upgrades to the nonprofit's facilities, and the Companies will fund such upgrades as part of their EE/DR programs up to the level of the credits that the nonprofit has attained. The nonprofits that desire to participate in the promotion will be required to enter into a memorandum of understanding with APCo or WPCo to promote the programs and also receive adequate training from the Companies regarding the EE/DR programs they will promote.

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d. The Companies commit to install and evaluate an Integrated Volt Var Control system on one of the Companies' distribution substations. The funding for the project would come from the approved EE/DR program budget, and the results of the installation would be provided with the annual EE/DR evaluation reports. The Companies will strive to choose a distribution substation that serves an area that has a significant number of customers that have incomes below the poverty standards.

e. All of the EE/DR Proposed Settlement Terms are contingent on the Commission approval of those terms as set forth herein.

27. The Sierra Club reserves its right to intervene in any future EE/DR proceedings and to seek additional investment by the Companies in programs that will achieve greater levels of EE/DR savings than contemplated herein..

28. The Stipulating Parties respectfully request that the Commission issue a final order in this proceeding as expeditiously as possible and, if practicable, in time to accommodate closing on the transfer by November 30, 2014.

29. This Agreement is entered into subject to the acceptance and approval of the Commission. It results from a review of any and all filings in this proceeding, the parties' prefiled testimony and exhibits, and thorough discovery and discussion. It reflects substantial compromises by the Stipulating Parties and the withdrawal of their respective positions asserted in this case, and is being proposed to expedite and simplify the resolution of this proceeding. It is made without any admission or prejudice to any positions which any party might adopt during subsequent litigation. The Stipulating Parties adopt this Agreement as being in the public interest, without adopting any of the compromise positions set forth herein as ratemaking principles applicable to future proceedings, except as expressly provided herein. The Stipulating Parties acknowledge that it is the Commission's prerogative to accept, reject, or modify any stipulation; however, in the event that this Agreement is rejected or modified by the Commission, it is expressly understood by the Stipulating Parties that they are not bound to

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accept this Agreement as modified, and the Stipulating Parties may avail themselves of whatever rights are available to them under law and the Commission's Rules of Practice and Procedure.

WHEREFORE, the Stipulating Parties, on the basis of all the foregoing, respectfully request that the Commission make appropriate Findings of Fact and Conclusions of Law adopting and approving the Joint Stipulation and Agreement for Settlement in its entirety.

Respectfully submitted this 9th day of October, 2014.

APPALACHIAN POWER COMPANY and WHEELING POWER COMPANY

By: Brian E. Calabrese
Name: Brian E. Calabrese
Their: Counsel

STAFF OF THE PUBLIC SERVICE COMMISSION OF WEST VIRGINIA

By: Wendy Braswell
Name: Wendy Braswell
Its: Staff Attorney

CONSUMER ADVOCATE DIVISION OF THE PUBLIC SERVICE COMMISSION OF WEST VIRGINIA

By: __________
Name: __________
Its: __________

SIERRA CLUB

By: __________
Name: __________
Its: __________

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WEST VIRGINIA ENERGY USERS GROUP

By: Susan J. Riggs
Name: Susan J. Riggs
Its: Counsel

WEST VIRGINIA CITIZEN ACTION GROUP

By: Emmett Pepper
Name: Emmett Pepper
Its: Staff Attorney

WEST VIRGINIA OIL & NATURAL GAS ASSOCIATION

By: ________________
Name: ________________
Its: ________________

WEST VIRGINIA STATE BUILDING & CONSTRUCTION TRADES COUNCIL, AFL-CIO

By: Vincent Trivelli /wgp
Name: VINCENT TRIVELLI
Its: COUNSEL

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accept this Agreement as modified, and the Stipulating Parties may avail themselves of whatever rights are available to them under law and the Commission's Rules of Practice and Procedure.

WHEREFORE, the Stipulating Parties, on the basis of all the foregoing, respectfully request that the Commission make appropriate Findings of Fact and Conclusions of Law adopting and approving the Joint Stipulation and Agreement for Settlement in its entirety.

Respectfully submitted this ___ day of October, 2014.

APPALACHIAN POWER COMPANY and WHEELING POWER COMPANY

By: ______________________
Name: ______________________
Their: ______________________

STAFF OF THE PUBLIC SERVICE COMMISSION OF WEST VIRGINIA

By: ______________________
Name: ______________________
Its: ______________________

CONSUMER ADVOCATE DIVISION OF THE PUBLIC SERVICE COMMISSION OF WEST VIRGINIA

By: [signature]
Name: Tom White
Its: Counsel

SIERRA CLUB

By: ______________________
Name: ______________________
Its: ______________________

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accept this Agreement as modified, and the Stipulating Parties may avail themselves of whatever rights are available to them under law and the Commission's Rules of Practice and Procedure.

WHEREFORE, the Stipulating Parties, on the basis of all the foregoing, respectfully request that the Commission make appropriate Findings of Fact and Conclusions of Law adopting and approving the Joint Stipulation and Agreement for Settlement in its entirety.

Respectfully submitted this 8th day of October, 2014.

APPALACHIAN POWER COMPANY and WHEELING POWER COMPANY

By: ______________________
Name: ______________________
Their: ______________________

STAFF OF THE PUBLIC SERVICE COMMISSION OF WEST VIRGINIA

By: ______________________
Name: ______________________
Its: ______________________

CONSUMER ADVOCATE DIVISION OF THE PUBLIC SERVICE COMMISSION OF WEST VIRGINIA

By: ______________________
Name: ______________________
Its: ______________________

SIERRA CLUB

By: [signature]
Name: J. Michael Becher
Its: Attorney

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WEST VIRGINIA ENERGY USERS GROUP

By: ______________________
Name: ______________________
Its: ______________________

WEST VIRGINIA CITIZEN ACTION GROUP

By: ______________________
Name: ______________________
Its: ______________________

WEST VIRGINIA OIL & NATURAL GAS ASSOCIATION

By: [signature]
Name: Nicholas D. Manzo
Its: Executive Director

WEST VIRGINIA STATE BUILDING & CONSTRUCTION TRADES COUNCIL, AFL-CIO

By: ______________________
Name: ______________________
Its: ______________________

Exhibit A

EXAMPLE OF PJM MITCHELL ENERGY MARGIN SHARING
PROVISION JI, JII, & JIII OF JOINT STIPULATION AND AGREEMENT
$Millions - Numbers are For 50% of Mitchell

Ln.	Description	Calculation	Year 1	Year 2	Year 3	Year 4	Year 5
1	Mitchell Energy Market Sales (Sold at LMP)[1]		160	200	210	236	250
2	Fuel Cost		103	131	154	146	156
3	Emission Costs & Consumables		9	11	12	12	12
4	Energy Margin Produced by 50% of Mitchell Plant	Ln. 1 - Ln. 2 - Ln.3	48	58	44	78	82
5	Rate Based Portion of Mitchell Plant per Stipulation[2]		82.5%	82.5%	82.5%	82.5%	82.5%
6	Margin Available for Sharing	Ln. 4 x Ln.5	40	48	36	64	68
7	Stipulation Threshold for Sharing		40	40	40	40	40
8	Energy Margin to share at 25% ($40 to 64 million)	Ln.6 - Ln.7 - Ln.9	0	8	0	24	24
9	Energy Margin to share at 50% (Above $64 million)	Ln. 6 - 64	0	0	0	0	4
10	**Amount of Sharing to be carried to ENEC:**						
11	25% sharing amount	Ln. 8 x 25%	0.0	2.0	0.0	6.0	6.0
12	50% sharing amount	Ln. 9 x 50%	0.0	0.0	0.0	0.0	2.0
13	Total ENEC Adjustment to Reflect Shareholder Portion	Ln. 11 + Ln. 12	0.0	2.0	0.0	6.0	8.0

Notes: [1]Sharing is based on Mitchell energy sales into the PJM market without any offset for load.
[2]It is anticipated that the 82.5% will be established in a separate PJM sub account, so Lines 1 through 3 would already reflect the application of the 82.5% and Line 5 would not be necessary

Exhibit B

EXAMPLE OF PJM MITCHELL CAPACITY ALLOCATION AND CAPACITY REVENUE SHARING
PROVISION J OF JOINT STIPULATION AND AGREEMENT - CAPACITY PARAGRAPH

A. CAPACITY REVENUE ALLOCATION FACTORS EXAMPLE

Ln.		Calculation	Total	Rate-Based	Non Rate-Based
1	UCAP Load Obligation (MW)				
2	WPCo Internal Peak Demand		520	520	NA
3	Adjustments to a UCAP Basis		23	23	NA
4	UCAP Load Obligation	Ln. 2 + Ln. 3	543	543	NA
5	Mitchell Asset UCAP (MW)				
6	Mitchell Asset UCAP		706	582	124
7	UCAP Load Obligation	From Ln. 4	543	543	0
8	Net Long Position	Ln. 6 - Ln. 7	163	39	124
9	PJM Holdback - 3% of UCAP Obligation if Applicable	Ln. 4 x 3%	16	16	0
10	Net Capacity Available for Sale to PJM	Ln. 8 - Ln. 9	147	23	124
11	Ratio*	Ratio of Ln. 10 MWs to Total MWs	100%	15.6%	84.4%

12 * Ratio cannot be negative or exceed 100%. If negative the ratio goes to zero.

B. EXAMPLE SHARING OF RATE BASE ALLOCATED REVENUE - $000

Ln.		Calculation	Net Cap. Sold - Total	Rate-Based	Non Rate-Based
13	Net Capacity Revenue Allocated Before Sharing	Total x Ln. 11 Ratios	$ 6,000	$ 939	$ 5,061
14	Sharing of Rate Based Portion:				
15	Included in ENEC before Sharing Provision	Line 13 - Allocation Before Sharing		$ 939	
16	Amount to Flow through ENEC at 80%	Ln. 15 x 80%		$ 751	
17	Adjustment to ENEC	Ln. 16 - Ln. 15		$ 188	
18	Shared Portion to Shareholder	From Ln. 17			$ 188
19	Summary of Net Capacity Allocation after 80% Sharing		$ 6,000	$ 751	$ 5,249