Kentucky Power Company
SUMMARY OF INCOME TAX EXPENSE
Historical Test Year - As Adjusted
Twelve Months Ended February 28, 2017

Line No.	Summary Information	(1) Total Company Per Books 12 Mo. 02/28/17	(2) Less Non-Utility/ Non-Applicable	(3) Total Company Electric Utility Before Rate Case Adjustments	(4) Elimination Adjustments	(5) Total Company Electric Utility After Rate Case Adjustments	(6) Rate Case Adjustments	(7) Total Co Electric Utility After Rate Adjustments 12 Mo. 02/28/17	(8) KY Jurisdictional Allocation Factor	(9) KY Jurisdictional Allocated Amount	(10) Allocation Basis	(11) Kentucky Jurisdictional Adjustments	(12) KY Jurisdictional Adjusted Amount
1	**NET ELECTRIC OPERATING INCOME BEFORE INCOME TAX**	107,881,996	2,887,321	104,994,675	-	104,994,675	-	104,994,675	SPECIFIC	104,994,675	SPECIFIC	(56,053,768)	48,940,907
2	Interest Expense Synchronized	46,504,720	-	46,504,720	-	46,504,720	-	46,504,720	INT SYNC	45,807,149	GROSS PLT	(10,385,890)	35,421,259
3	Allowance for Borrowed Funds Used During Construction	524,753	-	524,753	-	524,753	-	524,753	INT SYNC	516,882	GROSS PLT	-	516,882
4	Other Income & Deductions - Net	(5,215,112)	(5,215,112)	-	-	-	-	-	NON-UTIL	-	NON-UTIL	-	-
5	**PRE-TAX BOOK INCOME BEFORE STATE INCOME TAX**	56,686,917	(2,327,791)	59,014,708	-	59,014,708	-	59,014,708		59,704,408		(45,667,878)	14,036,530
6	Current State Income Tax Expense	(283,794)	(2,437,098)	2,153,304	-	2,153,304	-	2,153,304	CALC	2,207,481	CALCULATED	(2,465,610)	(258,128)
7	**PRE-TAX BOOK INCOME BEFORE FEDERAL INCOME TAX**	**56,970,711**	**109,307**	**56,861,404**	**-**	**56,861,404**	**-**	**56,861,404**		**57,496,927**		**(43,202,268)**	**14,294,658**
8													
9													
10													
11	**Current SIT Expense**	(283,794)	(2,437,098)	2,153,304	-	2,153,304	-	2,153,304		2,207,481		(2,465,610)	(258,128)
12													
13	**Deferred SIT Expense**	(2,494,819)	(466,215)	(2,028,603)	-	(2,028,603)	-	(2,028,603)		(1,998,174)		1,292,491	(705,683)
14													
15	**Total SIT Expense**	**(2,778,613)**	**(2,903,313)**	**124,701**	**-**	**124,701**	**0**	**124,701**		**209,307**		**(1,173,119)**	**(963,811)**
16													
17													
18													
19	**Current FIT Expense**	2,910,644	4,495,793	(1,585,149)	-	(1,585,149)	-	(1,585,149)		(1,076,376)		(13,827,727)	(14,904,103)
20													
21	**Deferred FIT Expense**	17,633,530	(3,746,510)	21,380,040	-	21,380,040	-	21,380,040		21,095,576		(1,470,979)	19,624,597
22													
23	**Deferred ITC Expense**	(2,362)	-	(2,362)	-	(2,362)	-	(2,362)		(2,327)		-	(2,327)
24													
25	**Total FIT Expense**	**20,541,812**	**749,283**	**19,792,529**	**-**	**19,792,529**	**0**	**19,792,529**		**20,016,873**		**(15,298,706)**	**4,718,167**
26													
27													
28													
29	**Total Income Tax Expense**	**17,763,199**	**(2,154,030)**	**19,917,230**	**-**	**19,917,230**	**-**	**19,917,230**		**20,226,180**		**(16,471,825)**	**3,754,356**

Kentucky Power Company
Computation of Adjusted
Current Federal Income Tax Expense
Historical Test Year - As Adjusted
Twelve Months Ended February 28, 2017

Line No.	Item Description	(1) Total Company Per Books 12 Mo. 02/28/17	(2) Less Non-Utility/ Non-Applicable	(3) Total Company Electric Utility Before Rate Case Adjustments	(4) Elimination Adjustments	(5) Total Company Electric Utility After Rate Case Adjustments	(6) Rate Case Adjustments	(7) Total Co Electric Utility After Rate Adjustments 12 Mo. 02/28/17	(8) KY Jurisdictional Allocation Factor	(9) KY Jurisdictional Allocated Amount	(10) Allocation Basis	(11) Kentucky Jurisdictional Adjustments	(12) KY Jurisdictional Adjusted Amount
1	**NET ELECTRIC OPERATING INCOME BEFORE INCOME TAX**	107,881,996	2,887,321	104,994,675	-	104,994,675	-	104,994,675	SPECIFIC	104,994,675	SPECIFIC	(56,053,768)	48,940,907
2	Interest Expense Synchronized	46,504,720	-	46,504,720	-	46,504,720	-	46,504,720	0.985000	45,807,149	GROSS PLT	(10,385,890)	35,421,259
3	Allowance for Borrowed Funds Used During Construction	524,753	-	524,753	-	524,753	-	524,753	0.985000	516,882	GROSS PLT	-	516,882
4	Other Income & Deductions (Before Income Tax)	(5,215,112)	(5,215,112)	-	-	-	-	-	NON-UTIL	-	NON-UTIL	-	-
5	**PRE-TAX BOOK INCOME BEFORE STATE INCOME TAX**	56,686,917	(2,327,791)	59,014,708	-	59,014,708	-	59,014,708		59,704,408		(45,667,878)	14,036,530
6	Current State Income Tax Expense	(283,794)	(2,437,098)	2,153,304	-	2,153,304	-	2,153,304	SIT CALC	2,207,481	CALCULATED	(2,465,610)	(258,128)
7	**PRE-TAX BOOK INCOME BEFORE FEDERAL INCOME TAX**	**56,970,711**	**109,307**	**56,861,404**	**-**	**56,861,404**	**-**	**56,861,404**		**57,496,927**		**(43,202,268)**	**14,294,658**
8													
9	**EXCESS TAX vs BOOK DEPRECIATION**												
10	210A LIBERALIZED DEPR-REG	24,000	-	24,000	-	24,000	-	24,000	0.985000	23,640	GROSS PLT	-	23,640
11	210A-XS EXCESS DFIT - LIBERALIZED DEPR-REG	-	-	-	-	-	-	-	0.985000	-	GROSS PLT	-	-
12	230A ACRS BENEFIT NORMALIZED	(64,910,000)	-	(64,910,000)	-	(64,910,000)	-	(64,910,000)	0.985000	(63,936,350)	GROSS PLT	4,539,402	(59,396,948)
13	230A-XS EXCESS DIT - ACRS NORM REVERSAL	-	-	-	-	-	-	-	0.985000	-	GROSS PLT	-	-
14	230I CAPD INTEREST-SECTION 481(a)-CHANGE IN METHD	515	-	515	-	515	-	515	0.985000	507	GROSS PLT	-	507
15	230J RELOCATION CST-SECTION 481(a)-CHANGE IN METHD	-	-	-	-	-	-	-	0.985000	-	GROSS PLT	-	-
16	230K PJM INTEGRATION-SEC 481(a)-INTANG-DFD LABOR	37,566	-	37,566	-	37,566	-	37,566	0.985000	37,003	TRAN PLT	-	37,003
17	230X R&D DEDUCTION - SECTION 174	-	-	-	-	-	-	-	0.985000	-	PROD PLT	-	-
18	232A ACRS TAX DEPRECIATION - HRJ	936,000	-	936,000	-	936,000	-	936,000	0.985000	921,960	TRAN PLT	-	921,960
19	232A-XS EXCESS DIT - ACRS TAX DEPR - HRJ	-	-	-	-	-	-	-	0.985000	-	TRAN PLT	-	-
20	280A EXCESS TX VS S/L BK DEPR	8,226,000	-	8,226,000	-	8,226,000	-	8,226,000	0.985000	8,102,610	GROSS PLT	574,514	8,677,124
21	280H BK PLANT IN SERVICE - SFAS 143 - ARO	(260,318)	-	(260,318)	-	(260,318)	-	(260,318)	0.985000	(256,413)	PROD PLT	(3,818)	(260,231)
22	280Y NORMALIZED BASIS DIFF - TRANSFERRED PLANT	584,238	-	584,238	-	584,238	-	584,238	0.985000	575,474	PROD PLT	-	575,474
23	280Z DFIT - GENERATION PLANT	-	-	-	-	-	-	-	0.985000	-	GROSS PLT	-	-
24	295A GAIN/LOSS ON ACRS/MACRS PROPERTY	-	-	-	-	-	-	-	0.985000	-	GROSS PLT	-	-
25	295A GAIN/LOSS ON ACRS/MACRS PROPERTY - DFIT FBK	-	-	-	-	-	-	-	0.985000	-	GROSS PLT	-	-
26	295C GAIN/LOSS ACRS/MACRS-BK/TX UNIT PROPERTY	-	-	-	-	-	-	-	0.985000	-	PROD PLT	-	-
27	390A CIAC - BOOK RECEIPTS	(351,808)	-	(351,808)	-	(351,808)	-	(351,808)	0.999000	(351,456)	DIST PLT	-	(351,456)
28	**Total EXCESS TAX vs BOOK DEPRECIATION**	**(55,713,807)**	**-**	**(55,713,807)**	**-**	**(55,713,807)**	**-**	**(55,713,807)**		**(54,883,025)**		**5,110,098**	**(49,772,927)**
29	==========												
30	**AFUDC / INTEREST CAPITALIZED**												
31	310A AOFUDC	(732,424)	(732,424)	-	-	-	-	-	0.000000	-	NON-APPLIC	-	-
32	310D AOFUDC - HRJ POST-IN-SERVICE	11,364	-	11,364	-	11,364	-	11,364	1.000000	11,364	SPECIFIC	-	11,364
33	320A ABFUDC	(524,753)	-	(524,753)	-	(524,753)	-	(524,753)	0.985000	(516,882)	GROSS PLT	-	(516,882)
34	320A ABFUDC - DFIT FBK	-	-	-	-	-	-	-	0.985000	-	GROSS PLT	-	-
35	320J ABFUDC - HRJ - DFIT FBK	-	-	-	-	-	-	-	0.985000	-	TRAN PLT	-	-
36	320I ABFUDC - HRJ POST-IN-SERVICE	22,044	-	22,044	-	22,044	-	22,044	0.985000	21,713	TRAN PLT	-	21,713
37	320I ABFUDC - HRJ POST-IN-SERVICE - DFIT FBK	-	-	-	-	-	-	-	0.985000	-	TRAN PLT	-	-
38	380J INT EXP CAPITALIZED FOR TAX	1,102,145	-	1,102,145	-	1,102,145	-	1,102,145	0.985000	1,085,613	GROSS PLT	-	1,085,613
39	380J INT EXP CAPITALIZED FOR TAX - DFIT FBK	-	-	-	-	-	-	-	0.985000	-	GROSS PLT	-	-
40	**Total AFUDC / INTEREST CAPITALIZED**	**(121,624)**	**(732,424)**	**610,800**	**-**	**610,800**	**-**	**610,800**		**601,808**		**-**	**601,808**
41	==========												
42	**MISC OVERHEADS CAPITALIZED**												
43	350A TXS CAPD	-	-	-	-	-	-	-	0.985000	-	GROSS PLT	-	-
44	360A PENS CAPD	-	-	-	-	-	-	-	0.985000	-	GROSS PLT	-	-
45	360J SEC 481 PENS/OPEB ADJUSTMENT	-	-	-	-	-	-	-	0.992000	-	LABOR	-	-
46	370A SAV PLAN CAPD	-	-	-	-	-	-	-	0.985000	-	GROSS PLT	-	-
47	**Total MISC OVERHEADS CAPITALIZED**	**-**	**-**	**-**	**-**	**-**	**-**	**-**		**-**		**-**	**-**
48	==========												
49	**PERCENT REPAIR ALLOWANCE**												
50	532A PERCENT REPAIR ALLOWANCE	-	-	-	-	-	-	-	0.985000	-	GROSS PLT	-	-
51	532A PERCENT REPAIR ALLOWANCE - DFIT FBK	-	-	-	-	-	-	-	0.985000	-	GROSS PLT	-	-
52	532C BOOK/TAX UNIT OF PROPERTY ADJ	9,372,000	-	9,372,000	-	9,372,000	-	9,372,000	0.985000	9,231,420	PROD PLT	-	9,231,420
53	532D BK/TX UNIT OF PROPERTY ADJ - SECTION 481	5,014,000	-	5,014,000	-	5,014,000	-	5,014,000	0.985000	4,938,790	PROD PLT	-	4,938,790
54	534A CAPITALIZED RELOCATION COSTS	(478,330)	-	(478,330)	-	(478,330)	-	(478,330)	0.985000	(471,155)	GROSS PLT	-	(471,155)
55	534A CAPITALIZED RELOCATION COSTS - DFIT FBK	-	-	-	-	-	-	-	0.985000	-	GROSS PLT	-	-
56	**Total PERCENT REPAIR ALLOWANCE**	**13,907,670**	**-**	**13,907,670**	**-**	**13,907,670**	**-**	**13,907,670**		**13,699,055**		**-**	**13,699,055**
57	==========												

Kentucky Power Company
Computation of Adjusted
Current Federal Income Tax Expense
Historical Test Year - As Adjusted
Twelve Months Ended February 28, 2017

Line No.	Item Description	(1) Total Company Per Books 12 Mo. 02/28/17	(2) Less Non-Utility/ Non-Applicable	(3) Total Company Electric Utility Before Rate Case Adjustments	(4) Elimination Adjustments	(5) Total Company Electric Utility After Rate Case Adjustments	(6) Rate Case Adjustments	(7) Total Co Electric Utility After Rate Adjustments 12 Mo. 02/28/17	(8) KY Jurisdictional Allocation Factor	(9) KY Jurisdictional Allocated Amount	(10) Allocation Basis	(11) Kentucky Jurisdictional Adjustments	(12) KY Jurisdictional Adjusted Amount
58	**REMOVAL COSTS**												
59	910K REMOVAL CST	(4,874,000)	-	(4,874,000)	-	(4,874,000)	-	(4,874,000)	0.985000	(4,800,890)	GROSS PLT	-	(4,800,890)
60	912K REMOVAL CST - NORMALIZED	(884,000)	-	(884,000)	-	(884,000)	-	(884,000)	0.985000	(870,740)	GROSS PLT	-	(870,740)
61	**Total REMOVAL COSTS**	**(5,758,000)**	**-**	**(5,758,000)**	**-**	**(5,758,000)**	**-**	**(5,758,000)**		**(5,671,630)**		**-**	**(5,671,630)**
62	==========												
63	**ACCELERATED AMORTIZATION**												
64	533A TX AMORT POLLUTION CONT EQPT	7,582,000	-	7,582,000	-	7,582,000	-	7,582,000	0.985000	7,468,270	PROD PLT	-	7,468,270
65	**Total ACCELERATED AMORTIZATION**	**7,582,000**	**-**	**7,582,000**	**-**	**7,582,000**	**-**	**7,582,000**		**7,468,270**		**-**	**7,468,270**
66	==========												
67	**PROPERTY TAX ADJUSTMENTS**												
68	510I PROPERTY TAX - STATE 2 - OLD METHOD - TAX	3,371,065	-	3,371,065	-	3,371,065	-	3,371,065	0.983000	3,313,757	NET PLANT	-	3,313,757
69	**Total PROPERTY TAX ADJUSTMENTS**	**3,371,065**	**-**	**3,371,065**	**-**	**3,371,065**	**-**	**3,371,065**		**3,313,757**		**-**	**3,313,757**
70	==========												
71	**REVENUE REFUNDS**												
72	520A PROVS POSS REV REFDS	1,015,169	-	1,015,169	-	1,015,169	-	1,015,169	1.000000	1,015,169	SPECIFIC	-	1,015,169
73	**Total REVENUE REFUNDS**	**1,015,169**	**-**	**1,015,169**	**-**	**1,015,169**	**-**	**1,015,169**		**1,015,169**		**-**	**1,015,169**
74	==========												
75	**DEFERRED FUEL COSTS**												
76	432I DEFD FUEL EXP - UNDER-RECOVERED	(2,385,816)	-	(2,385,816)	-	(2,385,816)	-	(2,385,816)	1.000000	(2,385,816)	SPECIFIC	2,385,816	-
77	432I DEFD FUEL EXP - OVER-RECOVERED	-	-	-	-	-	-	-	1.000000	-	SPECIFIC	-	-
78	**Total DEFERRED FUEL COSTS**	**(2,385,816)**	**-**	**(2,385,816)**	**-**	**(2,385,816)**	**-**	**(2,385,816)**		**(2,385,816)**		**2,385,816**	**-**
79	==========												
80	**EQUITY IN EARNINGS OF SUBSIDIARIES**												
81	531A EQTY IN SUBSIDIARIES (US)	-	-	-	-	-	-	-	0.000000	-	NON-UTILITY	-	-
82	**Total EQUITY IN EARNINGS OF SUBSIDIARIES**	**-**	**-**	**-**	**-**	**-**	**-**	**-**		**-**		**-**	**-**
83	==========												
84	**BOOK ACCRUALS**												
85	602A PROV WORKER'S COMP	33,072	-	33,072	-	33,072	-	33,072	0.992000	32,807	LABOR	-	32,807
86	605B ACCRUED BK PENSION EXPENSE	1,074,871	-	1,074,871	-	1,074,871	-	1,074,871	0.992000	1,066,272	LABOR	(54,239)	1,012,033
87	605C ACCRUED BK PENSION COSTS - SFAS 158	1,498,471	-	1,498,471	-	1,498,471	-	1,498,471	0.992000	1,486,483	LABOR	-	1,486,483
88	605E SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN	4,844	-	4,844	-	4,844	-	4,844	0.992000	4,805	LABOR	-	4,805
89	605F ACCRD SUP EXEC RETIRE PLAN COSTS-SFAS 158	(5,965)	-	(5,965)	-	(5,965)	-	(5,965)	0.992000	(5,917)	LABOR	-	(5,917)
90	605I ACCRD BK SUP. SAVINGS PLAN EXP	2,875	-	2,875	-	2,875	-	2,875	0.992000	2,852	LABOR	-	2,852
91	605O ACCRUED PSI PLAN EXP	65,305	-	65,305	-	65,305	-	65,305	0.992000	64,783	LABOR	-	64,783
92	610A BK PROV UNCOLL ACCTS	(207,245)	-	(207,245)	-	(207,245)	-	(207,245)	1.000000	(207,245)	SPECIFIC	-	(207,245)
93	612G ACCRD COMPANY INCENT PLAN - ENGAGE TO GAIN	-	-	-	-	-	-	-	0.992000	-	LABOR	-	-
94	612Y ACCRD COMPANYWIDE INCENT PLAN	503,375	-	503,375	-	503,375	-	503,375	0.992000	499,348	LABOR	(499,348)	-
95	613E ACCRUED BOOK VACATION PAY	75,358	-	75,358	-	75,358	-	75,358	0.992000	74,755	LABOR	-	74,755
96	613K (ICDP) INCENTIVE COMP DEFERRAL PLAN	4,539	-	4,539	-	4,539	-	4,539	0.992000	4,503	LABOR	-	4,503
97	613Y ACCRD BK SEVERANCE BENEFITS	(395,087)	-	(395,087)	-	(395,087)	-	(395,087)	0.992000	(391,926)	LABOR	-	(391,926)
98	614I ECONOMIC DEVEL FUND - CURRENT	212,947	212,947	-	-	-	-	-	0.000000	-	NON-APPLIC	-	-
99	614J ECONOMIC DEVEL FUND - NON-CURRENT	(330,097)	(330,097)	-	-	-	-	-	0.000000	-	NON-APPLIC	-	-
100	614L PROVISION FOR POTENTIAL LOSS	-	-	-	-	-	-	-	0.000000	-	NON-APPLIC	-	-
101	615A ACCRUED INTEREST EXP -STATE	-	-	-	-	-	-	-	0.992000	-	REVENUE	-	-
102	615B ACCRUED INTEREST-LONG-TERM - FIN 48	12,574	-	12,574	-	12,574	-	12,574	0.000000	-	NON-APPLIC	-	-
103	615C ACCRUED INTEREST-SHORT-TERM - FIN 48	4,147	-	4,147	-	4,147	-	4,147	0.000000	-	NON-APPLIC	-	-
104	615E ACCRUED STATE INCOME TAX EXP	-	-	-	-	-	-	-	0.992000	-	REVENUE	-	-
105	615R REG ASSET - DEFERRED RTO COSTS	77,678	-	77,678	-	77,678	-	77,678	0.985000	76,513	TRAN PLT	-	76,513
106	625A FEDERAL MITIGATION PROGRAMS	-	-	-	-	-	-	-	1.000000	-	SPECIFIC	-	-
107	625B STATE MITIGATION PROGRAMS	-	-	-	-	-	-	-	1.000000	-	SPECIFIC	-	-
108	**Total BOOK ACCRUALS**	**2,631,662**	**(117,150)**	**2,748,812**	**-**	**2,748,812**	**-**	**2,748,812**		**2,708,033**		**(553,587)**	**2,154,446**
109	==========												

Kentucky Power Company
Computation of Adjusted
Current Federal Income Tax Expense
Historical Test Year - As Adjusted
Twelve Months Ended February 28, 2017

Line No.	Item Description	(1) Total Company Per Books 12 Mo. 02/28/17	(2) Less Non-Utility/ Non-Applicable	(3) Total Company Electric Utility Before Rate Case Adjustments	(4) Elimination Adjustments	(5) Total Company Electric Utility After Rate Case Adjustments	(6) Rate Case Adjustments	(7) Total Co Electric Utility After Rate Adjustments 12 Mo. 02/28/17	(8) KY Jurisdictional Allocation Factor	(9) KY Jurisdictional Allocated Amount	(10) Allocation Basis	(11) Kentucky Jurisdictional Adjustments	(12) KY Jurisdictional Adjusted Amount
110	**BOOK DEFERRALS**												
111	390F CUST ADV INC FOR TAX	(3,615)	-	(3,615)	-	(3,615)	-	(3,615)	0.999000	(3,611)	DIST PLT	-	(3,611)
112	630F DEFD BK CONTRACT REVENUE	480	-	480	-	480	-	480	0.992000	476	REVENUE	-	476
113	630J DEFD STORM DAMAGE	2,429,200	-	2,429,200	-	2,429,200	-	2,429,200	0.985000	2,392,762	DEMAND	874,592	3,267,354
114	632U BK DEFL - DEMAND SIDE MANAGEMENT	(2,403,838)	-	(2,403,838)	-	(2,403,838)	-	(2,403,838)	1.000000	(2,403,838)	SPECIFIC	2,403,838	-
115	641I ADVANCE RENTAL INC (CUR MO)	(240,637)	-	(240,637)	-	(240,637)	-	(240,637)	0.992000	(238,712)	REVENUE	-	(238,712)
116	642B DEFD REV - BONUS LEASE SHORT-TERM	-	-	-	-	-	-	-	0.992000	-	REVENUE	-	-
117	642C DEFD REV - BONUS LEASE LONG-TERM	(431,564)	-	(431,564)	-	(431,564)	-	(431,564)	0.992000	(428,111)	REVENUE	-	(428,111)
118	660X REG ASSET - DEFERRED PJM FEES	-	-	-	-	-	-	-	0.985000	-	TRAN PLT	-	-
119	660Z REG ASSET - DEFERRED EQUITY CARRYING CHGS	(12,588)	(12,588)	-	-	-	-	-	0.000000	-	NON-UTILITY	-	-
120	661R REG ASSET - SFAS 158 - PENSIONS	(1,498,471)	-	(1,498,471)	-	(1,498,471)	-	(1,498,471)	0.992000	(1,486,483)	LABOR	-	(1,486,483)
121	661S REG ASSET - SFAS 158 - SERP	5,965	-	5,965	-	5,965	-	5,965	0.992000	5,917	LABOR	-	5,917
122	661T REG ASSET - SFAS 158 - OPEB	(3,364,494)	-	(3,364,494)	-	(3,364,494)	-	(3,364,494)	0.992000	(3,337,578)	LABOR	-	(3,337,578)
123	663G REG ASSET - UNDERRECOVERY PJM EXPENSES	-	-	-	-	-	-	-	0.985000	-	TRAN PLT	-	-
124	664N REG ASSET - DEFD SEVERANCE COSTS	-	-	-	-	-	-	-	0.000000	-	NON-APPLIC	-	-
125	664V REG ASSET - NET CCS FEED STUDY COSTS	34,914	-	34,914	-	34,914	-	34,914	0.985000	34,390	DEMAND	-	34,390
126	690C REG ASSET - REMOVAL CST - BIG SANDY	(17,661,971)	-	(17,661,971)	-	(17,661,971)	-	(17,661,971)	0.985000	(17,397,041)	DEMAND	-	(17,397,041)
127	690D REG ASSET - SPENT ARO - BIG SANDY	(10,546,436)	-	(10,546,436)	-	(10,546,436)	-	(10,546,436)	0.985000	(10,388,239)	DEMAND	-	(10,388,239)
128	690F REG ASSET - NBV - ARO - RETIRED PLANTS	9,021,618	-	9,021,618	-	9,021,618	-	9,021,618	0.985000	8,886,294	DEMAND	-	8,886,294
129	671G REG ASSET-BIG SANDY U1 OR-UNDER RECOV	5,023,081	-	5,023,081	-	5,023,081	-	5,023,081	1.000000	5,023,081	SPECIFIC	(5,023,081)	-
130	671H REG ASSET-BIG SANDY RETIRE COSTS RECOV	2,114,064	-	2,114,064	-	2,114,064	-	2,114,064	0.949257	2,006,790	SPECIFIC	(2,006,790)	-
131	671I REG ASSET-BIG SANDY RETIRE RIDER U2 O&M	(87,322)	-	(87,322)	-	(87,322)	-	(87,322)	0.986000	(86,099)	ENERGY	86,099	-
132	671J REG ASSET-UND RECOV-PURCH PWR PPA	(372,542)	-	(372,542)	-	(372,542)	-	(372,542)	1.000000	(372,542)	SPECIFIC	372,542	-
133	671K REG ASSET-DEFD DEPREC-ENVIRONMENTAL	42,668	-	42,668	-	42,668	-	42,668	0.985000	42,028	GROSS PLT	(42,028)	-
134	671L REG ASSET-CAR CHGS-ENVIRON COSTS	606,573	606,573	-	-	-	-	-	0.000000	-	NON-APPLIC	-	-
135	671M REG ASSET-CAR CHGS-ENVIRON UNREC EQUITY	(295,839)	(295,839)	-	-	-	-	-	0.000000	-	NON-APPLIC	-	-
136	671N REG ASSET-DEFD O&M-ENVIRONMENTAL CSTS	145,928	-	145,928	-	145,928	-	145,928	0.985000	143,739	GROSS PLT	(143,739)	-
137	671O REG ASSET-DEFD CONSUM EXP-ENVIRON CSTS	623,782	-	623,782	-	623,782	-	623,782	0.985660	614,837	SPECIFIC	(614,837)	-
138	671P REG ASSET-DEFD PROP TAX EXP-ENVIRON CSTS	4,348	-	4,348	-	4,348	-	4,348	0.985000	4,283	GROSS PLT	(4,283)	-
139	672G REG ASSET-BIG SANDY U1 OR-UNREC EQUITY CC	814,266	814,266	-	-	-	-	-	0.000000	-	NON-APPLIC	-	-
140	672H REG ASSET-BIG SANDY U1 OR-UNDER RECOV CC	(1,633,205)	(1,633,205)	-	-	-	-	-	0.000000	-	NON-APPLIC	-	-
141	672M REG ASSET-NERC COMPL/CYBER CC-UNREC EQ	8,768	-	8,768	-	8,768	-	8,768	0.000000	-	NON-APPLIC	-	-
142	672N REG ASSET-NERC COMPL/CYBER SEC-CAR CST	(17,610)	-	(17,610)	-	(17,610)	-	(17,610)	0.000000	-	NON-APPLIC	-	-
143	672O REG ASSET-NERC COMPL/CYBER SEC-DEF DEPR	(53,764)	-	(53,764)	-	(53,764)	-	(53,764)	0.985000	(52,958)	DEMAND	67,233	14,275
144	672S REG ASSET-CAPACITY CHARGE TARIFF REV	(249,701)	-	(249,701)	-	(249,701)	-	(249,701)	1.000000	(249,701)	SPECIFIC	-	(249,701)
145	673C REG ASSET-DEFD DEPR-BIG SANDY U1 GAS	(347,890)	-	(347,890)	-	(347,890)	-	(347,890)	1.000000	(347,890)	SPECIFIC	347,890	-
146	673F REG ASSET-DEFD PROP TAX-BIG SANDY U1 GAS	(341,290)	-	(341,290)	-	(341,290)	-	(341,290)	1.000000	(341,290)	SPECIFIC	341,290	-
147	690L REG ASSET-M&S RETIRING PLANTS	729,745	-	729,745	-	729,745	-	729,745	0.985000	718,799	DEMAND	-	718,799
148													-
149	**Total BOOK DEFERRALS**	**(17,957,377)**	**(520,793)**	**(17,436,584)**	**-**	**(17,436,584)**	**-**	**(17,436,584)**		**(17,260,697)**		**(3,341,274)**	**(20,601,971)**
150	==========												
151	**BOOK RESERVES**												
152	611B PRELIM SURVEY & INVEST RESERVE-BIG SANDY FGD	-	-	-	-	-	-	-	0.000000	-	NON-APPLIC	-	-
153	**Total BOOK RESERVES**	**-**	**-**	**-**	**-**	**-**	**-**	**-**		**-**		**-**	**-**
154	==========												

Kentucky Power Company
Computation of Adjusted
Current Federal Income Tax Expense
Historical Test Year - As Adjusted
Twelve Months Ended February 28, 2017

Line No.	Item Description	(1) Total Company Per Books 12 Mo. 02/28/17	(2) Less Non-Utility/ Non-Applicable	(3) Total Company Electric Utility Before Rate Case Adjustments	(4) Elimination Adjustments	(5) Total Company Electric Utility After Rate Case Adjustments	(6) Rate Case Adjustments	(7) Total Co Electric Utility After Rate Adjustments 12 Mo. 02/28/17	(8) KY Jurisdictional Allocation Factor	(9) KY Jurisdictional Allocated Amount	(10) Allocation Basis	(11) Kentucky Jurisdictional Adjustments	(12) KY Jurisdictional Adjusted Amount
155	**OTHER MISCELLANEOUS**												
156	900A LOSS ON REACQUIRED DEBT	33,651	-	33,651	-	33,651	-	33,651	0.985000	33,146	GROSS PLT	-	33,146
157	906A ACCRD SFAS 106 PST RETIRE EXP	(2,252,862)	-	(2,252,862)	-	(2,252,862)	-	(2,252,862)	0.992000	(2,234,839)	LABOR	202,918	(2,031,921)
158	906F ACCRD OPEB COSTS - SFAS 158	3,364,494	-	3,364,494	-	3,364,494	-	3,364,494	0.992000	3,337,578	LABOR	-	3,337,578
159	906K ACCRD SFAS 112 PST EMPLOY BEN	(1,677,855)	-	(1,677,855)	-	(1,677,855)	-	(1,677,855)	0.992000	(1,664,432)	LABOR	-	(1,664,432)
160	906P ACCRD BOOK ARO EXPENSE - SFAS 143	(11,245,277)	-	(11,245,277)	-	(11,245,277)	-	(11,245,277)	0.985000	(11,076,598)	PROD PLT	(109,495)	(11,186,093)
161	906Z SFAS 109 - MEDICARE SUBSIDY (PPACA) REG ASSET	216,620	-	216,620	-	216,620	-	216,620	0.992000	214,887	LABOR	-	214,887
162	907A REG ASSET - MEDICARE SUBSIDY - FLOW THRU	-	-	-	-	-	-	-	0.992000	-	LABOR	-	-
163	907B SFAS 106 - MEDICARE SUBSIDY - NORMALIZED	-	-	-	-	-	-	-	0.992000	-	LABOR	-	-
164	910A GAIN ON REACQUIRED DEBT	-	-	-	-	-	-	-	1.000000	-	SPECIFIC	-	-
165	911F FIN 48 DEFERRED STATE INCOME TAXES	-	-	-	-	-	-	-	0.000000	-	NON-APPLIC	-	-
166	911Q DEFERRED STATE INCOME TAXES	-	-	-	-	-	-	-	0.985000	-	GROSS PLT	-	-
167	011C TAX CREDIT C/F - DEFERRED TAX ASSET	-	-	-	-	-	-	-	0.000000	-	NON-APPLIC	-	-
168	014C NOL - STATE C/F DEFD TAX ASSET - KY	-	-	-	-	-	-	-	0.000000	-	NON-APPLIC	-	-
169	911S ACCRUED SALES & USE TAX RESERVE	-	-	-	-	-	-	-	0.000000	-	NON-APPLIC	-	-
170	911V ACCRD SIT TX RESERVE-LNG-TERM-FIN 48	34,849	-	34,849	-	34,849	-	34,849	0.000000	-	NON-APPLIC	-	-
171	911W ACCRD SIT TX RESERVE-SHRT-TERM-FIN 48	27,936	-	27,936	-	27,936	-	27,936	0.000000	-	NON-APPLIC	-	-
172	913D CHARITABLE CONTRIBUTION CARRYFWD	(350,693)	(350,693)	-	-	-	-	-	0.000000	-	NON-APPLIC	-	-
173	913F VALUATION ALLOWANCE - CHARITABLE CONTR C/F	-	-	-	-	-	-	-	0.000000	-	NON-APPLIC	-	-
174	914A SFAS 109 - DEFD SIT LIABILITY	6,631,924	-	6,631,924	-	6,631,924	-	6,631,924	0.983000	6,519,181	NET PLANT	-	6,519,181
175	914B REG ASSET - SFAS 109 DSIT LIAB	(6,631,924)	-	(6,631,924)	-	(6,631,924)	-	(6,631,924)	0.983000	(6,519,181)	NET PLANT	-	(6,519,181)
176	914K REG ASSET - ACCRUED SFAS 112	1,343,003	-	1,343,003	-	1,343,003	-	1,343,003	0.992000	1,332,259	LABOR	-	1,332,259
177	940S 1997-2003 IRS AUDIT SETTLEMENT	-	-	-	-	-	-	-	0.985000	-	GROSS PLT	-	-
178	940X IRS CAPITALIZATION ADJUSTMENT	(53,120)	-	(53,120)	-	(53,120)	-	(53,120)	0.985000	(52,323)	GROSS PLT	-	(52,323)
179	980A RESTRICTED STOCK PLAN	9,985	-	9,985	-	9,985	-	9,985	0.985000	9,835	GROSS PLT	-	9,835
180	960E AMT CREDIT - DEFERRED	-	-	-	-	-	-	-	0.000000	-	NON-APPLIC	-	-
181	**Total OTHER MISCELLANEOUS**	**(10,549,269)**	**(350,693)**	**(10,198,576)**	**-**	**(10,198,576)**	**-**	**(10,198,576)**		**(10,100,487)**		**93,423**	**(10,007,064)**
182	==========												
183	**PERMANENT SCHEDULE M's**												
184	611M NON-TAXABLE DEFD COMP - CSV EARN	27,323	-	27,323	-	27,323	-	27,323	0.992000	27,104	LABOR	-	27,104
185	906B SFAS 106 - POST RETIRE BEN MEDICARE SUBSIDY	-	-	-	-	-	-	-	0.992000	-	LABOR	-	-
186	910B NON-DEDUCT MEALS AND T&E	61,422	-	61,422	-	61,422	-	61,422	0.992000	60,931	LABOR	-	60,931
187	910C NON-DEDUCT FINES&PENALTIES	5,420	5,420	-	-	-	-	-	0.000000	-	NON-APPLIC	-	-
188	910E NON-DEDUCT MISCELLANEOUS	-	-	-	-	-	-	-	0.000000	-	NON-APPLIC	-	-
189	910S NON-DEDUCT LOBBYING	340,393	340,393	-	-	-	-	-	0.000000	-	NON-APPLIC	-	-
190	910U MEMBERSHIP DUES	-	-	-	-	-	-	-	0.992000	-	LABOR	-	-
191	913A LUXURY AUTO ADJUSTMENT	-	-	-	-	-	-	-	0.000000	-	NON-APPLIC	-	-
192	970A MANUFACTURING DEDUCTION	-	-	-	-	-	-	-	0.985000	-	PROD PLT	-	-
193	999Q FIN-48 DSIT - PERM - FIN 48	(68,373)	-	(68,373)	-	(68,373)	-	(68,373)	0.000000	-	NON-APPLIC	-	-
194	**Total PERMANENT SCHEDULE M's**	**366,185**	**345,813**	**20,372**	**-**	**20,372**	**-**	**20,372**		**88,035**		**-**	**88,035**
195	==========												
196	**TAX ACCRUALS**												
197	711N CAPITALIZED SOFTWARE COSTS-TAX	(1,059)	-	(1,059)	-	(1,059)	-	(1,059)	0.985000	(1,043)	GROSS PLT	-	(1,043)
198	711O BOOK LEASES CAPITALIZED FOR TAX	(281,708)	-	(281,708)	-	(281,708)	-	(281,708)	0.985000	(277,482)	GROSS PLT	-	(277,482)
199	**Total TAX ACCRUALS**	**(282,767)**	**-**	**(282,767)**	**-**	**(282,767)**	**-**	**(282,767)**		**(278,525)**		**-**	**(278,525)**
200	==========												
201	**TAX DEFERRALS**												
202	712K CAPITALIZED SOFTWARE COST-BOOK	(314,242)	-	(314,242)	-	(314,242)	-	(314,242)	0.985000	(309,528)	GROSS PLT	-	(309,528)
203	**Total TAX DEFERRALS**	**(314,242)**	**-**	**(314,242)**	**-**	**(314,242)**	**-**	**(314,242)**		**(309,528)**		**-**	**(309,528)**
204	==========												
205	**TAX vs BOOK GAIN / LOSS**												
206	690E REG ASSET - UNRECOVERED PLANT - BIG SANDY	-	-	-	-	-	-	-	0.985000	-	DEMAND	-	-
207	**Total TAX vs BOOK GAIN / LOSS**	**-**	**-**	**-**	**-**	**-**	**-**	**-**		**-**		**-**	**-**
208	==========												

Kentucky Power Company
Computation of Adjusted
Current Federal Income Tax Expense
Historical Test Year - As Adjusted
Twelve Months Ended February 28, 2017

Line No.	Item Description	(1) Total Company Per Books 12 Mo. 02/28/17	(2) Less Non-Utility/ Non-Applicable	(3) Total Company Electric Utility Before Rate Case Adjustments	(4) Elimination Adjustments	(5) Total Company Electric Utility After Rate Case Adjustments	(6) Rate Case Adjustments	(7) Total Co Electric Utility After Rate Adjustments 12 Mo. 02/28/17	(8) KY Jurisdictional Allocation Factor	(9) KY Jurisdictional Allocated Amount	(10) Allocation Basis	(11) Kentucky Jurisdictional Adjustments	(12) KY Jurisdictional Adjusted Amount
209	**MARK-TO-MARKET ADJUSTMENTS**												
210	575A MTM BK GAIN-B/L-TAX DEFL	-	-	-	-	-	-	-	0.000000	-	NON-UTILITY	-	-
211	575E MTM BK GAIN-A/L-TAX DEFL	1,591,807	-	1,591,807	-	1,591,807	-	1,591,807	0.986000	1,569,522	ENERGY	-	1,569,522
212	576A MARK & SPREAD-DEFL-283-B/L	-	-	-	-	-	-	-	0.000000	-	NON-UTILITY	-	-
213	576C MARK & SPREAD-DEFL-190-B/L	-	-	-	-	-	-	-	0.000000	-	NON-UTILITY	-	-
214	576E MARK & SPREAD-DEFL-283-A/L	(266,275)	-	(266,275)	-	(266,275)	-	(266,275)	0.986000	(262,547)	ENERGY	-	(262,547)
215	576F MARK & SPREAD-DEFL-190-A/L	348,155	-	348,155	-	348,155	-	348,155	0.986000	343,281	ENERGY	-	343,281
216	610U PROV-TRADING CREDIT RISK - A/L	(12,925)	-	(12,925)	-	(12,925)	-	(12,925)	0.986000	(12,744)	ENERGY	-	(12,744)
217	610V PROV - SFAS 157 - A/L	1,189	-	1,189	-	1,189	-	1,189	0.986000	1,172	ENERGY	-	1,172
218	610W PROV-TRADING CREDIT RISK - B/L	-	-	-	-	-	-	-	0.000000	-	NON-UTILITY	-	-
219	610X PROV - SFAS 157 - B/L	-	-	-	-	-	-	-	0.000000	-	NON-UTILITY	-	-
220	652G REG LIAB-UNREAL MTM GAIN-DEFL	(615,184)	-	(615,184)	-	(615,184)	-	(615,184)	0.986000	(606,571)	ENERGY	-	(606,571)
221	**Total MARK-TO-MARKET ADJUSTMENTS**	**1,046,767**	**-**	**1,046,767**	**-**	**1,046,767**	**-**	**1,046,767**		**1,032,113**		**-**	**1,032,113**
222	==========												
223	**EMISSION ALLOWANCES**												
224	638A BOOK > TAX BASIS - EMA-A/C 283	396,736	-	396,736	-	396,736	-	396,736	0.986000	391,182	ENERGY	-	391,182
225	638C TAX > BOOK BASIS - EMA-A/C 190	-	-	-	-	-	-	-	0.986000	-	ENERGY	-	-
226	639M TAX > BOOK BASIS - EMA-A/C 190 (B/L)	(8,293)	(8,293)	-	-	-	-	-	0.000000	-	NON-UTILITY	-	-
227	639O BOOK > TAX BASIS EMA - 283 (B/L)	-	-	-	-	-	-	-	0.000000	-	NON-UTILITY	-	-
228	639Q DEFD TAX GAIN - INTERCO SALE - EMA	-	-	-	-	-	-	-	0.986000	-	ENERGY	-	-
229	639S DEFD TAX LOSS - INTERCO SALE - EMA	-	-	-	-	-	-	-	0.986000	-	ENERGY	-	-
230	640K DEFD TAX GAIN-EPA AUCTION	-	-	-	-	-	-	-	0.986000	-	ENERGY	-	-
231	**Total EMISSION ALLOWANCES**	**388,443**	**(8,293)**	**396,736**	**-**	**396,736**	**-**	**396,736**		**391,182**		**-**	**391,182**
232	==========												
233	**Total Book/Tax Income Differences**	**(62,773,941)**	**(1,383,540)**	**(61,390,401)**	**-**	**(61,390,401)**	**-**	**(61,390,401)**		**(60,572,286)**		**3,694,476**	**(56,877,810)**
234	==========												
235													
236	State Income Tax Return Adjustment	1,531,212	1,531,212	-	-	-	-	-		-		-	-
237	**Taxable Income**	(4,272,018)	256,979	(4,528,997)	-	(4,528,997)	-	(4,528,997)		(3,075,359)		(39,507,792)	(42,583,152)
238	Statutory Rate	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%		35.00%		35.00%	35.00%
239	Tax Before Credits	(1,495,206)	89,943	(1,585,149)	-	(1,585,149)	-	(1,585,149)		(1,076,376)		(13,827,727)	(14,904,103)
240	Tax Return Adjustments	4,087,916	4,087,916	-	-	-	-	-		-		-	-
241	Tax Credit Carryforward	(189,220)	(189,220)	-	-	-	-	-		-		-	-
242	FIN 48 Perm Items	(117,451)	(117,451)	-	-	-	-	-		-		-	-
243	FIN 48 Non-Perm Items	18,736	18,736	-	-	-	-	-		-		-	-
244	ALT MIN Tax Adjustment	(14,108)	(14,108)	-	-	-	-	-	0.000000	-	NON-UTILITY	-	-
245	FIN-18 ETR Adjustment	587,977	587,977	-	-	-	-	-	0.000000	-	NON-UTILITY	-	-
246	Parent Company Loss Allocation	32,000	32,000	-	-	-	-	-	0.000000	-	NON-UTILITY	-	-
247	**Current Tax**	**2,910,644**	**4,495,793**	**(1,585,149)**	**-**	**(1,585,149)**	**-**	**(1,585,149)**		**(1,076,376)**		**(13,827,727)**	**(14,904,103)**
248													
249													
250													
251													
252													

Kentucky Power Company
Computation of Adjusted
Current Federal Income Tax Expense
Historical Test Year - As Adjusted
Twelve Months Ended February 28, 2017

Line No.	Item Description	(1) Total Company Per Books 12 Mo. 02/28/17	(2) Less Non-Utility/ Non-Applicable	(3) Total Company Electric Utility Before Rate Case Adjustments	(4) Elimination Adjustments	(5) Total Company Electric Utility After Rate Case Adjustments	(6) Rate Case Adjustments	(7) Total Co Electric Utility After Rate Adjustments 12 Mo. 02/28/17	(8) KY Jurisdictional Allocation Factor	(9) KY Jurisdictional Allocated Amount	(10) Allocation Basis	(11) Kentucky Jurisdictional Adjustments	(12) KY Jurisdictional Adjusted Amount

ALLOCATION FACTORS:	
GROSS PLT	0.9850000
NET PLANT	0.9830000
PROD PLT	0.9850000
TRAN PLT	0.9850000
DIST PLT	0.9990000
T&D PLT	0.9930000
ENERGY	0.9860000
LABOR	0.9920000
O&M EXP	0.9890000
REVENUE	0.9920000
REVENUE-OTH	0.0000000
DEMAND	0.9850000
SPECIFIC	1.0000000
NON-APPLIC	0.0000000
NON-UTILITY	0.0000000

Kentucky Power Company
Computation of Per Books
Deferred Federal Income Tax and Deferred ITC
Historical Test Year - As Adjusted
Twelve Months Ended February 28, 2017

Line No.	DEFERRED FEDERAL INCOME TAXES:	(1) Total Company Per Books DFIT 12 Mo. 02/28/17	(2) Less Non-Utility/ Non-Applicable	(3) Total Company Electric Utility DFIT Before Assign & Adjust.	(4) Deferred FIT Associated With Rate Case Adjustments	(5) Total Company Electric Utility After Mitchell Plant Adjustments	(6) Rate Case Adjustments	(7) Total Co Electric Utility After Rate Adjustments 12 Mo. 02/28/17	(8) KY Jurisdictional Allocation Factor	(9) KY Jurisdictional Allocated Amount	(10) Allocation Basis	(11) Kentucky Jurisdictional Adjustments	(12) KY Jurisdictional Adjusted Amount
1	**EXCESS TAX vs BOOK DEPRECIATION**												
2	210A LIBERALIZED DEPR-REG	(10,295)	(1,895)	(8,400)	-	(8,400)	-	(8,400)	0.985000	(8,274)	GROSS PLT	-	(8,274)
3	210A-XS EXCESS DFIT - LIBERALIZED DEPR-REG	(2,861)	(461)	(2,400)	-	(2,400)	-	(2,400)	0.985000	(2,364)	GROSS PLT	-	(2,364)
4	230A ACRS BENEFIT NORMALIZED	2,786,705	(19,931,795)	22,718,500	-	22,718,500	-	22,718,500	0.985000	22,377,723	GROSS PLT	(1,588,791)	20,788,932
5	230A-XS EXCESS DIT - ACRS NORM REVERSAL	61,166	61,238	(72)	-	(72)	-	(72)	0.985000	(71)	GROSS PLT	-	(71)
6	230I CAPD INTEREST-SECTION 481(a)-CHANGE IN METHD	(180)	-	(180)	-	(180)	-	(180)	0.985000	(177)	GROSS PLT	-	(177)
7	230J RELOCATION CST-SECTION 481(a)-CHANGE IN METHD	-	-	-	-	-	-	-	0.985000	-	GROSS PLT	-	-
8	230K PJM INTEGRATION-SEC 481(a)-INTANG-DFD LABOR	(13,148)	-	(13,148)	-	(13,148)	-	(13,148)	0.985000	(12,951)	TRAN PLT	-	(12,951)
9	230X R&D DEDUCTION - SECTION 174	-	-	-	-	-	-	-	0.985000	-	PROD PLT	-	-
10	232A ACRS TAX DEPRECIATION - HRJ	(265,744)	61,856	(327,600)	-	(327,600)	-	(327,600)	0.985000	(322,686)	TRAN PLT	-	(322,686)
11	232A-XS EXCESS DIT - ACRS TAX DEPR - HRJ	(22,282)	5,198	(27,480)	-	(27,480)	-	(27,480)	0.985000	(27,068)	TRAN PLT	-	(27,068)
12	280A EXCESS TX VS S/L BK DEPR	-	-	-	-	-	-	-	0.985000	-	GROSS PLT	-	-
13	280H BK PLANT IN SERVICE - SFAS 143 - ARO	(29,613)	(120,725)	91,112	-	91,112	-	91,112	0.985000	89,745	PROD PLT	1,336	91,081
14	280Y NORMALIZED BASIS DIFF - TRANSFERRED PLANT	(204,483)	-	(204,483)	-	(204,483)	-	(204,483)	0.985000	(201,416)	PROD PLT	-	(201,416)
15	280Z DFIT - GENERATION PLANT	20,867	20,867	-	-	-	-	-	0.985000	-	GROSS PLT	-	-
16	295A GAIN/LOSS ON ACRS/MACRS PROPERTY	8,054,276	8,054,276	-	-	-	-	-	0.985000	-	GROSS PLT	-	-
17	295A GAIN/LOSS ON ACRS/MACRS PROPERTY - DFIT FBK	(1,701,466)	-	(1,701,466)	-	(1,701,466)	-	(1,701,466)	0.985000	(1,675,944)	GROSS PLT	-	(1,675,944)
18	295C GAIN/LOSS ACRS/MACRS-BK/TX UNIT PROPERTY	811,240	811,240	-	-	-	-	-	0.985000	-	PROD PLT	-	-
19	390A CIAC - BOOK RECEIPTS	126,289	3,156	123,133	-	123,133	-	123,133	0.999000	123,010	DIST PLT	-	123,010
20	**Total EXCESS TAX vs BOOK DEPRECIATION**	**9,610,471**	**(11,037,045)**	**20,647,516**	**-**	**20,647,516**	**-**	**20,647,516**		**20,339,527**		**(1,587,455)**	**18,752,072**
21	==========												
22	**AFUDC / INTEREST CAPITALIZED**												
23	310A AOFUDC	-	-	-	-	-	-	-	0.000000	-	NON-APPLIC	-	-
24	310D AOFUDC - HRJ POST-IN-SERVICE	-	-	-	-	-	-	-	1.000000	-	SPECIFIC	-	-
25	320A ABFUDC	183,664	-	183,664	-	183,664	-	183,664	0.985000	180,909	GROSS PLT	73,381	254,290
26	320A ABFUDC - DFIT FBK	(244,309)	-	(244,309)	-	(244,309)	-	(244,309)	0.985000	(240,644)	GROSS PLT	-	(240,644)
27	320J ABFUDC - HRJ - DFIT FBK	-	-	-	-	-	-	-	0.985000	-	TRAN PLT	-	-
28	320I ABFUDC - HRJ POST-IN-SERVICE	-	-	-	-	-	-	-	0.985000	-	TRAN PLT	-	-
29	320I ABFUDC - HRJ POST-IN-SERVICE - DFIT FBK	(7,495)	-	(7,495)	-	(7,495)	-	(7,495)	0.985000	(7,383)	TRAN PLT	-	(7,383)
30	380J INT EXP CAPITALIZED FOR TAX	(306,515)	79,236	(385,751)	-	(385,751)	-	(385,751)	0.985000	(379,965)	GROSS PLT	-	(379,965)
31	380J INT EXP CAPITALIZED FOR TAX - DFIT FBK	423,479	-	423,479	-	423,479	-	423,479	0.985000	417,127	GROSS PLT	-	417,127
32	**Total AFUDC / INTEREST CAPITALIZED**	**48,824**	**79,236**	**(30,412)**	**-**	**(30,412)**	**-**	**(30,412)**		**(29,956)**		**73,381**	**43,425**
33	==========												
34	**MISC OVERHEADS CAPITALIZED**												
35	350A TXS CAPD - DFIT FBK	-	-	-	-	-	-	-	0.985000	-	GROSS PLT	-	-
36	360A PENS CAPD - DFIT FBK	-	-	-	-	-	-	-	0.985000	-	GROSS PLT	-	-
37	360J SEC 481 PENS/OPEB ADJUSTMENT	-	-	-	-	-	-	-	0.992000	-	LABOR	-	-
38	370A SAV PLAN CAPD - DFIT FBK	-	-	-	-	-	-	-	0.985000	-	GROSS PLT	-	-
39	**Total MISC OVERHEADS CAPITALIZED**	**-**	**-**	**-**	**-**	**-**	**-**	**-**		**-**		**-**	**-**
40	==========												
41	**PERCENT REPAIR ALLOWANCE**												
42	532A PERCENT REPAIR ALLOWANCE	-	-	-	-	-	-	-	0.985000	-	GROSS PLT	-	-
43	532A PERCENT REPAIR ALLOWANCE - DFIT FBK	(433,884)	-	(433,884)	-	(433,884)	-	(433,884)	0.985000	(427,376)	GROSS PLT	-	(427,376)
44	532C BOOK/TAX UNIT OF PROPERTY ADJ	1,455,792	4,735,992	(3,280,200)	-	(3,280,200)	-	(3,280,200)	0.985000	(3,230,997)	PROD PLT	-	(3,230,997)
45	532D BK/TX UNIT OF PROPERTY ADJ - SECTION 481	686,775	2,441,675	(1,754,900)	-	(1,754,900)	-	(1,754,900)	0.985000	(1,728,577)	PROD PLT	-	(1,728,577)
46	534A CAPITALIZED RELOCATION COSTS	376,987	209,572	167,415	-	167,415	-	167,415	0.985000	164,904	GROSS PLT	-	164,904
47	534A CAPITALIZED RELOCATION COSTS - DFIT FBK	(38,938)	-	(38,938)	-	(38,938)	-	(38,938)	0.985000	(38,354)	GROSS PLT	-	(38,354)
48	**Total PERCENT REPAIR ALLOWANCE**	**2,046,732**	**7,387,239**	**(5,340,507)**	**-**	**(5,340,507)**	**-**	**(5,340,507)**		**(5,260,400)**		**-**	**(5,260,400)**
49	==========												
50	**REMOVAL COSTS**												
51	910K REMOVAL CST	-	-	-	-	-	-	-	0.985000	-	GROSS PLT	-	-
52	912K REMOVAL CST - NORMALIZED	(890,924)	(1,200,324)	309,400	-	309,400	-	309,400	0.985000	304,759	GROSS PLT	-	304,759
53	**Total REMOVAL COSTS**	**(890,924)**	**(1,200,324)**	**309,400**	**-**	**309,400**	**-**	**309,400**		**304,759**		**-**	**304,759**
54	==========												

Kentucky Power Company
Computation of Per Books
Deferred Federal Income Tax and Deferred ITC
Historical Test Year - As Adjusted
Twelve Months Ended February 28, 2017

Line No.	DEFERRED FEDERAL INCOME TAXES:	(1) Total Company Per Books DFIT 12 Mo. 02/28/17	(2) Less Non-Utility/ Non-Applicable	(3) Total Company Electric Utility DFIT Before Assign & Adjust.	(4) Deferred FIT Associated With Rate Case Adjustments	(5) Total Company Electric Utility After Mitchell Plant Adjustments	(6) Rate Case Adjustments	(7) Total Co Electric Utility After Rate Adjustments 12 Mo. 02/28/17	(8) KY Jurisdictional Allocation Factor	(9) KY Jurisdictional Allocated Amount	(10) Allocation Basis	(11) Kentucky Jurisdictional Adjustments	(12) KY Jurisdictional Adjusted Amount
55	**ACCELERATED AMORTIZATION**												
56	533A TX AMORT POLLUTION CONT EQPT	(2,561,335)	92,365	(2,653,700)	-	(2,653,700)	-	(2,653,700)	0.985000	(2,613,895)	PROD PLT	-	(2,613,895)
57	**Total ACCELERATED AMORTIZATION**	**(2,561,335)**	**92,365**	**(2,653,700)**	**-**	**(2,653,700)**	**-**	**(2,653,700)**		**(2,613,895)**		**-**	**(2,613,895)**
58	==========												
59	**PROPERTY TAX ADJUSTMENTS**												
60	510I PROPERTY TAX - STATE 2 - OLD METHOD - TAX	(625,564)	554,309	(1,179,873)	-	(1,179,873)	-	(1,179,873)	0.983000	(1,159,815)	NET PLANT	-	(1,159,815)
61	**Total PROPERTY TAX ADJUSTMENTS**	**(625,564)**	**554,309**	**(1,179,873)**	**-**	**(1,179,873)**	**-**	**(1,179,873)**		**(1,159,815)**		**-**	**(1,159,815)**
62	==========												
63	**REVENUE REFUNDS**												
64	520A PROVS POSS REV REFDS	(355,309)	-	(355,309)	-	(355,309)	-	(355,309)	1.000000	(355,309)	SPECIFIC	-	(355,309)
65	**Total REVENUE REFUNDS**	**(355,309)**	**-**	**(355,309)**	**-**	**(355,309)**	**-**	**(355,309)**		**(355,309)**		**-**	**(355,309)**
66	==========												
67	**DEFERRED FUEL COSTS**												
68	432I DEFD FUEL EXP - UNDER-RECOVERED	835,035	-	835,035	-	835,035	-	835,035	1.000000	835,035	SPECIFIC	(835,036)	(1)
69	432I DEFD FUEL EXP - OVER-RECOVERED	-	-	-	-	-	-	-	1.000000	-	SPECIFIC	-	-
70	**Total DEFERRED FUEL COSTS**	**835,035**	**-**	**835,035**	**-**	**835,035**	**-**	**835,035**		**835,035**		**(835,036)**	**(1)**
71	==========												
72	**EQUITY IN EARNINGS OF SUBSIDIARIES**												
73	531A EQTY IN SUBSIDIARIES (US)	-	-	-	-	-	-	-	0.000000	-	NON-UTILITY	-	-
74	**Total EQUITY IN EARNINGS OF SUBSIDIARIES**	**-**	**-**	**-**	**-**	**-**	**-**	**-**		**-**		**-**	**-**
75	==========												
76	**BOOK ACCRUALS**												
77	602A PROV WORKER'S COMP	(11,575)	-	(11,575)	-	(11,575)	-	(11,575)	0.992000	(11,482)	LABOR	-	(11,482)
78	605B ACCRUED BK PENSION EXPENSE	(462,354)	(86,149)	(376,205)	-	(376,205)	-	(376,205)	0.992000	(373,195)	LABOR	18,984	(354,211)
79	605C ACCRUED BK PENSION COSTS - SFAS 158	(524,464)	-	(524,464)	-	(524,464)	-	(524,464)	0.992000	(520,268)	LABOR	-	(520,268)
80	605E SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN	(1,695)	-	(1,695)	-	(1,695)	-	(1,695)	0.992000	(1,681)	LABOR	-	(1,681)
81	605F ACCRD SUP EXEC RETIRE PLAN COSTS-SFAS 158	2,088	-	2,088	-	2,088	-	2,088	0.992000	2,071	LABOR	-	2,071
82	605I ACCRD BK SUP. SAVINGS PLAN EXP	(1,006)	-	(1,006)	-	(1,006)	-	(1,006)	0.992000	(998)	LABOR	-	(998)
83	605O ACCRUED PSI PLAN EXP	(22,857)	-	(22,857)	-	(22,857)	-	(22,857)	0.992000	(22,674)	LABOR	-	(22,674)
84	610A BK PROV UNCOLL ACCTS	72,536	-	72,536	-	72,536	-	72,536	1.000000	72,536	SPECIFIC	-	72,536
85	612G ACCRD COMPANY INCENT PLAN - ENGAGE TO GAIN	-	-	-	-	-	-	-	0.992000	-	LABOR	-	-
86	612Y ACCRD COMPANYWIDE INCENT PLAN	(176,181)	-	(176,181)	-	(176,181)	-	(176,181)	0.992000	(174,772)	LABOR	174,772	-
87	613E ACCRUED BOOK VACATION PAY	(43,313)	(16,937)	(26,376)	-	(26,376)	-	(26,376)	0.992000	(26,165)	LABOR	-	(26,165)
88	613K (ICDP) INCENTIVE COMP DEFERRAL PLAN	(1,589)	-	(1,589)	-	(1,589)	-	(1,589)	0.992000	(1,576)	LABOR	-	(1,576)
89	613Y ACCRD BK SEVERANCE BENEFITS	138,280	-	138,280	-	138,280	-	138,280	0.992000	137,174	LABOR	-	137,174
90	614I ECONOMIC DEVEL FUND - CURRENT	(74,532)	(74,532)	-	-	-	-	-	0.000000	-	NON-APPLIC	-	-
91	614J ECONOMIC DEVEL FUND - NON-CURRENT	115,533	115,533	-	-	-	-	-	0.000000	-	NON-APPLIC	-	-
92	614L PROVISION FOR POTENTIAL LOSS	-	-	-	-	-	-	-	0.000000	-	NON-APPLIC	-	-
93	615A ACCRUED INTEREST EXP -STATE	-	-	-	-	-	-	-	0.992000	-	REVENUE	-	-
94	615B ACCRUED INTEREST-LONG-TERM - FIN 48	(4,401)	-	(4,401)	-	(4,401)	-	(4,401)	0.000000	-	NON-APPLIC	-	-
95	615C ACCRUED INTEREST-SHORT-TERM - FIN 48	(1,452)	-	(1,452)	-	(1,452)	-	(1,452)	0.000000	-	NON-APPLIC	-	-
96	615E ACCRUED STATE INCOME TAX EXP	-	-	-	-	-	-	-	0.992000	-	REVENUE	-	-
97	615R REG ASSET - DEFERRED RTO COSTS	(27,187)	-	(27,187)	-	(27,187)	-	(27,187)	0.985000	(26,779)	TRAN PLT	-	(26,779)
98	625A FEDERAL MITIGATION PROGRAMS	-	-	-	-	-	-	-	1.000000	-	SPECIFIC	-	-
99	625B STATE MITIGATION PROGRAMS	-	-	-	-	-	-	-	1.000000	-	SPECIFIC	-	-
100	**Total BOOK ACCRUALS**	**(1,024,169)**	**(62,085)**	**(962,084)**	**-**	**(962,084)**	**-**	**(962,084)**		**(947,809)**		**193,756**	**(754,053)**
101	==========												

Kentucky Power Company
Computation of Per Books
Deferred Federal Income Tax and Deferred ITC
Historical Test Year - As Adjusted
Twelve Months Ended February 28, 2017

Line No.	DEFERRED FEDERAL INCOME TAXES:	(1) Total Company Per Books DFIT 12 Mo. 02/28/17	(2) Less Non-Utility/ Non-Applicable	(3) Total Company Electric Utility DFIT Before Assign & Adjust.	(4) Deferred FIT Associated With Rate Case Adjustments	(5) Total Company Electric Utility After Mitchell Plant Adjustments	(6) Rate Case Adjustments	(7) Total Co Electric Utility After Rate Adjustments 12 Mo. 02/28/17	(8) KY Jurisdictional Allocation Factor	(9) KY Jurisdictional Allocated Amount	(10) Allocation Basis	(11) Kentucky Jurisdictional Adjustments	(12) KY Jurisdictional Adjusted Amount
102	**BOOK DEFERRALS**												
103	390F CUST ADV INC FOR TAX	1,266	-	1,266	-	1,266	-	1,266	0.999000	1,265	DIST PLT	-	1,265
104	630F DEFD BK CONTRACT REVENUE	(168)	-	(168)	-	(168)	-	(168)	0.992000	(167)	REVENUE	-	(167)
105	630J DEFD STORM DAMAGE	(850,220)	-	(850,220)	-	(850,220)	-	(850,220)	0.985000	(837,467)	DEMAND	(306,107)	(1,143,574)
106	632U BK DEFL - DEMAND SIDE MANAGEMENT	841,343	-	841,343	-	841,343	-	841,343	1.000000	841,343	SPECIFIC	(841,343)	-
107	641I ADVANCE RENTAL INC (CUR MO)	84,223	-	84,223	-	84,223	-	84,223	0.992000	83,549	REVENUE	-	83,549
108	642B DEFD REV - BONUS LEASE SHORT-TERM	-	-	-	-	-	-	-	0.992000	-	REVENUE	-	-
109	642C DEFD REV - BONUS LEASE LONG-TERM	151,047	-	151,047	-	151,047	-	151,047	0.992000	149,839	REVENUE	-	149,839
110	660X REG ASSET - DEFERRED PJM FEES	-	-	-	-	-	-	-	0.985000	-	TRAN PLT	-	-
111	660Z REG ASSET - DEFERRED EQUITY CARRYING CHGS	4,406	4,406	-	-	-	-	-	0.000000	-	NON-UTILITY	-	-
112	661R REG ASSET - SFAS 158 - PENSIONS	524,464	-	524,464	-	524,464	-	524,464	0.992000	520,268	LABOR	-	520,268
113	661S REG ASSET - SFAS 158 - SERP	(2,088)	-	(2,088)	-	(2,088)	-	(2,088)	0.992000	(2,071)	LABOR	-	(2,071)
114	661T REG ASSET - SFAS 158 - OPEB	1,177,573	-	1,177,573	-	1,177,573	-	1,177,573	0.992000	1,168,152	LABOR	-	1,168,152
115	663G REG ASSET - UNDERRECOVERY PJM EXPENSES	-	-	-	-	-	-	-	0.985000	-	TRAN PLT	-	-
116	664N REG ASSET - DEFD SEVERANCE COSTS	-	-	-	-	-	-	-	0.000000	-	NON-APPLIC	-	-
117	664V REG ASSET - NET CCS FEED STUDY COSTS	(12,220)	-	(12,220)	-	(12,220)	-	(12,220)	0.985000	(12,037)	DEMAND	-	(12,037)
118	690C REG ASSET - REMOVAL CST - BIG SANDY	6,181,690	-	6,181,690	-	6,181,690	-	6,181,690	0.985000	6,088,965	DEMAND	-	6,088,965
119	690D REG ASSET - SPENT ARO - BIG SANDY	3,691,253	-	3,691,253	-	3,691,253	-	3,691,253	0.985000	3,635,884	DEMAND	-	3,635,884
120	690F REG ASSET - NBV - ARO - RETIRED PLANTS	(3,157,566)	-	(3,157,566)	-	(3,157,566)	-	(3,157,566)	0.985000	(3,110,203)	DEMAND	-	(3,110,203)
121	671G REG ASSET-BIG SANDY U1 OR-UNDER RECOV	(1,758,079)	-	(1,758,079)	-	(1,758,079)	-	(1,758,079)	1.000000	(1,758,079)	SPECIFIC	1,758,078	(1)
122	671H REG ASSET-BIG SANDY RETIRE COSTS RECOV	(739,922)	-	(739,922)	-	(739,922)	-	(739,922)	0.949257	(702,376)	SPECIFIC	702,377	1
123	671I REG ASSET-BIG SANDY RETIRE RIDER U2 O&M	30,563	-	30,563	-	30,563	-	30,563	0.986000	30,135	ENERGY	(30,135)	-
124	671J REG ASSET-UND RECOV-PURCH PWR PPA	130,389	-	130,389	-	130,389	-	130,389	1.000000	130,389	SPECIFIC	(130,390)	(1)
125	671K REG ASSET-DEFD DEPREC-ENVIRONMENTAL	(14,934)	-	(14,934)	-	(14,934)	-	(14,934)	0.985000	(14,710)	GROSS PLT	14,710	-
126	671L REG ASSET-CAR CHGS-ENVIRON COSTS	(212,300)	(212,300)	-	-	-	-	-	0.000000	-	NON-APPLIC	-	-
127	671M REG ASSET-CAR CHGS-ENVIRON UNREC EQUITY	103,544	103,544	-	-	-	-	-	0.000000	-	NON-APPLIC	-	-
128	671N REG ASSET-DEFD O&M-ENVIRONMENTAL CSTS	(51,075)	-	(51,075)	-	(51,075)	-	(51,075)	0.985000	(50,309)	GROSS PLT	50,309	-
129	671O REG ASSET-DEFD CONSUM EXP-ENVIRON CSTS	(218,324)	-	(218,324)	-	(218,324)	-	(218,324)	0.985660	(215,193)	SPECIFIC	215,193	-
130	671P REG ASSET-DEFD PROP TAX EXP-ENVIRON CSTS	(1,521)	-	(1,521)	-	(1,521)	-	(1,521)	0.985000	(1,498)	GROSS PLT	1,499	1
131	672G REG ASSET-BIG SANDY U1 OR-UNREC EQUITY CC	(284,993)	(284,993)	-	-	-	-	-	0.000000	-	NON-APPLIC	-	-
132	672H REG ASSET-BIG SANDY U1 OR-UNDER RECOV CC	571,622	571,622	-	-	-	-	-	0.000000	-	NON-APPLIC	-	-
133	672M REG ASSET-NERC COMPL/CYBER CC-UNREC EQ	(3,069)	-	(3,069)	-	(3,069)	-	(3,069)	0.000000	-	NON-APPLIC	-	-
134	672N REG ASSET-NERC COMPL/CYBER SEC-CAR CST	6,163	-	6,163	-	6,163	-	6,163	0.000000	-	NON-APPLIC	-	-
135	672O REG ASSET-NERC COMPL/CYBER SEC-DEF DEPR	18,817	-	18,817	-	18,817	-	18,817	0.985000	18,535	DEMAND	(23,532)	(4,997)
136	672S REG ASSET-CAPACITY CHARGE TARIFF REV	87,395	-	87,395	-	87,395	-	87,395	1.000000	87,395	SPECIFIC	-	87,395
137	673C REG ASSET-DEFD DEPR-BIG SANDY U1 GAS	121,761	-	121,761	-	121,761	-	121,761	1.000000	121,761	SPECIFIC	(121,762)	(1)
138	673F REG ASSET-DEFD PROP TAX-BIG SANDY U1 GAS	119,451	-	119,451	-	119,451	-	119,451	1.000000	119,451	SPECIFIC	(119,452)	(1)
139	690L REG ASSET-M&S RETIRING PLANTS	(35,325)	220,086	(255,411)	-	(255,411)	-	(255,411)	0.985000	(251,580)	DEMAND	-	(251,580)
140													
141	**Total BOOK DEFERRALS**	**6,505,166**	**402,365**	**6,102,801**	**-**	**6,102,801**	**-**	**6,102,801**		**6,041,241**		**1,169,445**	**7,210,686**
142	==========												
143	**BOOK RESERVES**												
144	611B PRELIM SURVEY & INVEST RESERVE-BIG SANDY FGD	494	494	-	-	-	-	-	0.000000	-	NON-APPLIC	-	-
145	**Total BOOK RESERVES**	**494**	**494**	**-**	**-**	**-**	**-**	**-**		**-**		**-**	**-**
146	==========												

Kentucky Power Company
Computation of Per Books
Deferred Federal Income Tax and Deferred ITC
Historical Test Year - As Adjusted
Twelve Months Ended February 28, 2017

Line No.	DEFERRED FEDERAL INCOME TAXES:	(1) Total Company Per Books DFIT 12 Mo. 02/28/17	(2) Less Non-Utility/ Non-Applicable	(3) Total Company Electric Utility DFIT Before Assign & Adjust.	(4) Deferred FIT Associated With Rate Case Adjustments	(5) Total Company Electric Utility After Mitchell Plant Adjustments	(6) Rate Case Adjustments	(7) Total Co Electric Utility After Rate Adjustments 12 Mo. 02/28/17	(8) KY Jurisdictional Allocation Factor	(9) KY Jurisdictional Allocated Amount	(10) Allocation Basis	(11) Kentucky Jurisdictional Adjustments	(12) KY Jurisdictional Adjusted Amount
147	**OTHER MISCELLANEOUS**												
148	900A LOSS ON REACQUIRED DEBT	(11,777)	-	(11,777)	-	(11,777)	-	(11,777)	0.985000	(11,600)	GROSS PLT	-	(11,600)
149	906A ACCRD SFAS 106 PST RETIRE EXP	779,536	(8,966)	788,502	-	788,502	-	788,502	0.992000	782,194	LABOR	(71,021)	711,173
150	906F ACCRD OPEB COSTS - SFAS 158	(1,177,573)	-	(1,177,573)	-	(1,177,573)	-	(1,177,573)	0.992000	(1,168,152)	LABOR	-	(1,168,152)
151	906K ACCRD SFAS 112 PST EMPLOY BEN	587,249	-	587,249	-	587,249	-	587,249	0.992000	582,551	LABOR	-	582,551
152	906P ACCRD BOOK ARO EXPENSE - SFAS 143	3,935,847	-	3,935,847	-	3,935,847	-	3,935,847	0.985000	3,876,809	PROD PLT	38,323	3,915,132
153	906Z SFAS 109 - MEDICARE SUBSIDY (PPACA) REG ASSET	(75,817)	-	(75,817)	-	(75,817)	-	(75,817)	0.992000	(75,210)	LABOR	-	(75,210)
154	907A REG ASSET - MEDICARE SUBSIDY - FLOW THRU	-	-	-	-	-	-	-	0.992000	-	LABOR	-	-
155	907B SFAS 106 - MEDICARE SUBSIDY - NORMALIZED	-	-	-	-	-	-	-	0.992000	-	LABOR	-	-
156	910A GAIN ON REACQUIRED DEBT - DFIT FBK	-	-	-	-	-	-	-	1.000000	-	SPECIFIC	-	-
157	911F FIN 48 DEFERRED STATE INCOME TAXES	-	-	-	-	-	-	-	0.000000	-	NON-APPLIC	-	-
158	911Q DEFERRED STATE INCOME TAXES	710,012	-	710,012	-	710,012	-	710,012	0.985000	699,362	GROSS PLT	(452,372)	246,990
159	011C TAX CREDIT C/F - DEFERRED TAX ASSET	189,220	189,220	-	-	-	-	-	0.000000	-	NON-APPLIC	-	-
160	014C NOL - STATE C/F DEFD TAX ASSET - KY	163,175	163,175	-	-	-	-	-	0.000000	-	NON-APPLIC	-	-
161	911S ACCRUED SALES & USE TAX RESERVE	-	-	-	-	-	-	-	0.000000	-	NON-APPLIC	-	-
162	911V ACCRD SIT TX RESERVE-LNG-TERM-FIN 48	(12,197)	-	(12,197)	-	(12,197)	-	(12,197)	0.000000	-	NON-APPLIC	-	-
163	911W ACCRD SIT TX RESERVE-SHRT-TERM-FIN 48	(9,775)	-	(9,775)	-	(9,775)	-	(9,775)	0.000000	-	NON-APPLIC	-	-
164	913D CHARITABLE CONTRIBUTION CARRYFWD	274,940	274,940	-	-	-	-	-	0.000000	-	NON-APPLIC	-	-
165	913F VALUATION ALLOWANCE - CHARITABLE CONTR C/F	(152,197)	(152,197)	-	-	-	-	-	0.000000	-	NON-APPLIC	-	-
166	914A SFAS 109 - DEFD SIT LIABILITY	-	-	-	-	-	-	-	0.983000	-	NET PLANT	-	-
167	914B REG ASSET - SFAS 109 DSIT LIAB	-	-	-	-	-	-	-	0.983000	-	NET PLANT	-	-
168	914K REG ASSET - ACCRUED SFAS 112	(470,051)	-	(470,051)	-	(470,051)	-	(470,051)	0.992000	(466,291)	LABOR	-	(466,291)
169	940S 1997-2003 IRS AUDIT SETTLEMENT	-	-	-	-	-	-	-	0.985000	-	GROSS PLT	-	-
170	940X IRS CAPITALIZATION ADJUSTMENT	18,592	-	18,592	-	18,592	-	18,592	0.985000	18,313	GROSS PLT	-	18,313
171	980A RESTRICTED STOCK PLAN	(3,495)	-	(3,495)	-	(3,495)	-	(3,495)	0.985000	(3,443)	GROSS PLT	-	(3,443)
172	960E AMT CREDIT - DEFERRED	14,108	14,108	-	-	-	-	-	0.000000	-	NON-APPLIC	-	-
173	**Total OTHER MISCELLANEOUS**	**4,759,797**	**480,280**	**4,279,517**	**-**	**4,279,517**	**-**	**4,279,517**		**4,234,533**		**(485,070)**	**3,749,463**
174	==========												
175	**PERMANENT SCHEDULE M's**												
176	611M NON-TAXABLE DEFD COMP - CSV EARN	-	-	-	-	-	-	-	0.992000	-	LABOR	-	-
177	906B SFAS 106 - POST RETIRE BEN MEDICARE SUBSIDY	-	-	-	-	-	-	-	0.992000	-	LABOR	-	-
178	910B NON-DEDUCT MEALS AND T&E	-	-	-	-	-	-	-	0.992000	-	LABOR	-	-
179	910C NON-DEDUCT FINES&PENALTIES	-	-	-	-	-	-	-	0.000000	-	NON-APPLIC	-	-
180	910E NON-DEDUCT MISCELLANEOUS	-	-	-	-	-	-	-	0.000000	-	NON-APPLIC	-	-
181	910S NON-DEDUCT LOBBYING	-	-	-	-	-	-	-	0.000000	-	NON-APPLIC	-	-
182	910U MEMBERSHIP DUES	-	-	-	-	-	-	-	0.992000	-	LABOR	-	-
183	913A LUXURY AUTO ADJUSTMENT	-	-	-	-	-	-	-	0.985000	-	PROD PLT	-	-
184	970A MANUFACTURING DEDUCTION	-	-	-	-	-	-	-	0.985000	-	PROD PLT	-	-
185	999Q FIN-48 DSIT - PERM - FIN 48	23,930	-	23,930	-	23,930	-	23,930	0.000000	-	NON-APPLIC	-	-
186	**Total PERMANENT SCHEDULE M's**	**23,930**	**-**	**23,930**	**-**	**23,930**	**-**	**23,930**		**-**		**-**	**-**
187	==========												
188	**TAX ACCRUALS**												
189	711N CAPITALIZED SOFTWARE COSTS-TAX	2,076	1,705	371	-	371	-	371	0.985000	365	GROSS PLT	-	365
190	711O BOOK LEASES CAPITALIZED FOR TAX	(232,988)	(331,585)	98,597	-	98,597	-	98,597	0.985000	97,118	GROSS PLT	-	97,118
191	**Total TAX ACCRUALS**	**(230,912)**	**(329,880)**	**98,968**	**-**	**98,968**	**-**	**98,968**		**97,483**		**-**	**97,483**
192	==========												
193	**TAX DEFERRALS**												
194	712K CAPITALIZED SOFTWARE COST-BOOK	110,043	58	109,985	-	109,985	-	109,985	0.985000	108,335	GROSS PLT	-	108,335
195	**Total TAX DEFERRALS**	**110,043**	**58**	**109,985**	**-**	**109,985**	**-**	**109,985**		**108,335**		**-**	**108,335**
196	==========												
197	**TAX vs BOOK GAIN / LOSS**												
198	690E REG ASSET - UNRECOVERED PLANT - BIG SANDY	-	-	-	-	-	-	-	0.985000	-	DEMAND	-	-
199	**Total TAX vs BOOK GAIN / LOSS**	**-**	**-**	**-**	**-**	**-**	**-**	**-**		**-**		**-**	**-**
200	==========												

Kentucky Power Company
Computation of Per Books
Deferred Federal Income Tax and Deferred ITC
Historical Test Year - As Adjusted
Twelve Months Ended February 28, 2017

Line No.	DEFERRED FEDERAL INCOME TAXES:	(1) Total Company Per Books DFIT 12 Mo. 02/28/17	(2) Less Non-Utility/ Non-Applicable	(3) Total Company Electric Utility DFIT Before Assign & Adjust.	(4) Deferred FIT Associated With Rate Case Adjustments	(5) Total Company Electric Utility After Mitchell Plant Adjustments	(6) Rate Case Adjustments	(7) Total Co Electric Utility After Rate Adjustments 12 Mo. 02/28/17	(8) KY Jurisdictional Allocation Factor	(9) KY Jurisdictional Allocated Amount	(10) Allocation Basis	(11) Kentucky Jurisdictional Adjustments	(12) KY Jurisdictional Adjusted Amount
201	**MARK-TO-MARKET ADJUSTMENTS**												
202	575A MTM BK GAIN-B/L-TAX DEFL	-	-	-	-	-	-	-	0.000000	-	NON-UTILITY	-	-
203	575E MTM BK GAIN-A/L-TAX DEFL	(551,056)	6,076	(557,132)	-	(557,132)	-	(557,132)	0.986000	(549,332)	ENERGY	-	(549,332)
204	576A MARK & SPREAD-DEFL-283-B/L	-	-	-	-	-	-	-	0.000000	-	NON-UTILITY	-	-
205	576C MARK & SPREAD-DEFL-190-B/L	-	-	-	-	-	-	-	0.000000	-	NON-UTILITY	-	-
206	576E MARK & SPREAD-DEFL-283-A/L	93,196	-	93,196	-	93,196	-	93,196	0.986000	91,891	ENERGY	-	91,891
207	576F MARK & SPREAD-DEFL-190-A/L	(121,854)	-	(121,854)	-	(121,854)	-	(121,854)	0.986000	(120,148)	ENERGY	-	(120,148)
208	610U PROV-TRADING CREDIT RISK - A/L	4,523	-	4,523	-	4,523	-	4,523	0.986000	4,460	ENERGY	-	4,460
209	610V PROV - SFAS 157 - A/L	(416)	-	(416)	-	(416)	-	(416)	0.986000	(410)	ENERGY	-	(410)
210	610W PROV-TRADING CREDIT RISK - B/L	-	-	-	-	-	-	-	0.000000	-	NON-UTILITY	-	-
211	610X PROV - SFAS 157 - B/L	-	-	-	-	-	-	-	0.000000	-	NON-UTILITY	-	-
212	652G REG LIAB-UNREAL MTM GAIN-DEFL	215,314	-	215,314	-	215,314	-	215,314	0.986000	212,300	ENERGY	-	212,300
213	**Total MARK-TO-MARKET ADJUSTMENTS**	**(360,293)**	**6,076**	**(366,369)**	**-**	**(366,369)**	**-**	**(366,369)**		**(361,239)**		**-**	**(361,239)**
214	==========												
215	**EMISSION ALLOWANCES**												
216	638A BOOK > TAX BASIS - EMA-A/C 283	(261,358)	(122,500)	(138,858)	-	(138,858)	-	(138,858)	0.986000	(136,914)	ENERGY	-	(136,914)
217	638C TAX > BOOK BASIS - EMA-A/C 190	-	-	-	-	-	-	-	0.986000	-	ENERGY	-	-
218	639M TAX > BOOK BASIS - EMA-A/C 190 (B/L)	2,902	2,902	-	-	-	-	-	0.000000	-	NON-UTILITY	-	-
219	639O BOOK > TAX BASIS EMA - 283 (B/L)	-	-	-	-	-	-	-	0.000000	-	NON-UTILITY	-	-
220	639Q DEFD TAX GAIN - INTERCO SALE - EMA	-	-	-	-	-	-	-	0.986000	-	ENERGY	-	-
221	639S DEFD TAX LOSS - INTERCO SALE - EMA	-	-	-	-	-	-	-	0.986000	-	ENERGY	-	-
222	640K DEFD TAX GAIN-EPA AUCTION	-	-	-	-	-	-	-	0.986000	-	ENERGY	-	-
223	**Total EMISSION ALLOWANCES**	**(258,456)**	**(119,598)**	**(138,858)**	**-**	**(138,858)**	**-**	**(138,858)**		**(136,914)**		**-**	**(136,914)**
224	==========												
225	**TOTAL DEFERRED FEDERAL INCOME TAXES**	**17,633,530**	**(3,746,510)**	**21,380,040**	**-**	**21,380,040**	**-**	**21,380,040**		**21,095,576**		**(1,470,979)**	**19,624,597**
226	==========												
227													
228													
229	**DEFERRED INVESTMENT TAX CREDITS:**												
230	ITC Feedback - Prior Years 10%	(2,362)	-	(2,362)	-	(2,362)	-	(2,362)	0.985000	(2,327)	GROSS PLT	-	(2,327)
231	ITC Feedback - Prior Years 4%	-	-	-	-	-	-	-	0.985000	-	GROSS PLT	-	-
232	Tax Credit Carryforward	-	-	-	-	-	-	-	0.985000	-	GROSS PLT	-	-
233	FIN 48 Perm Items	-	-	-	-	-	-	-	0.985000	-	GROSS PLT	-	-
234	FIN 48 Non-Perm Items	-	-	-	-	-	-	-	0.985000	-	GROSS PLT	-	-
235	ITC Feedback - HRJ 10%	-	-	-	-	-	-	-	0.985000	-	GROSS PLT	-	-
236	**TOTAL DEFERRED INVESTMENT TAX CREDITS**	**(2,362)**	**-**	**(2,362)**	**-**	**(2,362)**	**-**	**(2,362)**		**(2,327)**		**-**	**(2,327)**
237													
238													
239													
240	**TOTAL DEFERRED FIT AND ITC**	**17,631,168**	**(3,746,510)**	**21,377,678**	**-**	**21,377,678**	**-**	**21,377,678**		**21,093,249**		**(1,470,979)**	**19,622,270**
241													

Kentucky Power Company
Computation of Per Books
Deferred Federal Income Tax and Deferred ITC
Historical Test Year - As Adjusted
Twelve Months Ended February 28, 2017

Line No.	(1) Total Company Per Books DFIT 12 Mo. 02/28/17	(2) Less Non-Utility/ Non-Applicable	(3) Total Company Electric Utility DFIT Before Assign & Adjust.	(4) Deferred FIT Associated With Rate Case Adjustments	(5) Total Company Electric Utility After Mitchell Plant Adjustments	(6) Rate Case Adjustments	(7) Total Co Electric Utility After Rate Adjustments 12 Mo. 02/28/17	(8) KY Jurisdictional Allocation Factor	(9) KY Jurisdictional Allocated Amount	(10) Allocation Basis	(11) Kentucky Jurisdictional Adjustments	(12) KY Jurisdictional Adjusted Amount
	DEFERRED FEDERAL INCOME TAXES:											

ALLOCATION FACTORS:	
GROSS PLT	0.9850000
NET PLANT	0.9830000
PROD PLT	0.9850000
TRAN PLT	0.9850000
DIST PLT	0.9990000
T&D PLT	0.9930000
ENERGY	0.9860000
LABOR	0.9920000
O&M EXP	0.9890000
REVENUE	0.9920000
REVENUE-OTH	0.0000000
DEMAND	0.9850000
SPECIFIC	1.0000000
NON-APPLIC	0.0000000
NON-UTILITY	0.0000000

Kentucky Power Company
Computation of Adjusted
Deferred Federal Income Tax Expense
Historical Test Year - As Adjusted
Twelve Months Ended February 28, 2017

Line No.	DEFERRED FEDERAL INCOME TAXES:	(1) Total Company Electric Utility Sch M Per Books 12 Mo. 02/28/17	(2) Schedule M x FIT Rate @ 35%	(3) DFIT Feedback For 12 Months Based on 12 Mo. 02/28/17	(4) Total Company Electric Utility DFIT before Assign & Adjust.	(5) Elimination Adjustments	(6) Total Company Electric Utility After Assignment	(7) Rate Case Adjustments	(8) Total Co Electric Utility After Rate Adjustments 12 Mo. 02/28/17	(9) KY Jurisdictional Allocation Factor	(10) KY Jurisdictional Allocated Amount	(11) Allocation Basis	(12) Kentucky Jurisdictional Adjustments	(13) KY Jurisdictional Adjusted Amount
1	**EXCESS TAX vs BOOK DEPRECIATION**													
2	210A LIBERALIZED DEPR-REG	24,000	(8,400)	-	(8,400)	-	(8,400)	-	(8,400)	0.985000	(8,274)	GROSS PLT	-	(8,274)
3	210A-XS EXCESS DFIT - LIBERALIZED DEPR-REG	-	-	(2,400)	(2,400)	-	(2,400)	-	(2,400)	0.985000	(2,364)	GROSS PLT	-	(2,364)
4	230A ACRS BENEFIT NORMALIZED	(64,910,000)	22,718,500	-	22,718,500	-	22,718,500	-	22,718,500	0.985000	22,377,723	GROSS PLT	(1,588,791)	20,788,932
5	230A-XS EXCESS DIT - ACRS NORM REVERSAL	-	-	(72)	(72)	-	(72)	-	(72)	0.985000	(71)	GROSS PLT	-	(71)
6	230I CAPD INTEREST-SECTION 481(a)-CHANGE IN METHD	515	(180)	-	(180)	-	(180)	-	(180)	0.985000	(177)	GROSS PLT	-	(177)
7	230J RELOCATION CST-SECTION 481(a)-CHANGE IN METHD	-	-	-	-	-	-	-	-	0.985000	-	GROSS PLT	-	-
8	230K PJM INTEGRATION-SEC 481(a)-INTANG-DFD LABOR	37,566	(13,148)	-	(13,148)	-	(13,148)	-	(13,148)	0.985000	(12,951)	TRAN PLT	-	(12,951)
9	230X R&D DEDUCTION - SECTION 174	-	-	-	-	-	-	-	-	0.985000	-	PROD PLT	-	-
10	232A ACRS TAX DEPRECIATION - HRJ	936,000	(327,600)	-	(327,600)	-	(327,600)	-	(327,600)	0.985000	(322,686)	TRAN PLT	-	(322,686)
11	232A-XS EXCESS DIT - ACRS TAX DEPR - HRJ	-	-	(27,480)	(27,480)	-	(27,480)	-	(27,480)	0.985000	(27,068)	TRAN PLT	-	(27,068)
12	280A EXCESS TX VS S/L BK DEPR	8,226,000	-	-	-	-	-	-	-	0.985000	-	GROSS PLT	-	-
13	280H BK PLANT IN SERVICE - SFAS 143 - ARO	(260,318)	91,111	-	91,111	-	91,111	-	91,111	0.985000	89,744	PROD PLT	1,336	91,080
14	280Y NORMALIZED BASIS DIFF - TRANSFERRED PLANT	584,238	(204,483)	-	(204,483)	-	(204,483)	-	(204,483)	0.985000	(201,416)	PROD PLT	-	(201,416)
15	280Z DFIT - GENERATION PLANT	-	-	-	-	-	-	-	-	0.985000	-	GROSS PLT	-	-
16	295A GAIN/LOSS ON ACRS/MACRS PROPERTY	-	-	-	-	-	-	-	-	0.985000	-	GROSS PLT	-	-
17	295A GAIN/LOSS ON ACRS/MACRS PROPERTY - DFIT FBK	-	-	(1,701,466)	(1,701,466)	-	(1,701,466)	-	(1,701,466)	0.985000	(1,675,944)	GROSS PLT	-	(1,675,944)
18	295C GAIN/LOSS ACRS/MACRS-BK/TX UNIT PROPERTY	-	-	-	-	-	-	-	-	0.985000	-	PROD PLT	-	-
19	390A CIAC - BOOK RECEIPTS	(351,808)	123,133	-	123,133	-	123,133	-	123,133	0.999000	123,010	DIST PLT	-	123,010
20	**Total EXCESS TAX vs BOOK DEPRECIATION**	**(55,713,807)**	**22,378,933**	**(1,731,418)**	**20,647,515**	**-**	**20,647,515**	**-**	**20,647,515**		**20,339,526**		**(1,587,455)**	**18,752,071**
21	==========													
22	**AFUDC / INTEREST CAPITALIZED**													
23	310A AOFUDC	-	-	-	-	-	-	-	-	0.000000	-	NON-APPLIC	-	-
24	310D AOFUDC - HRJ POST-IN-SERVICE	11,364	-	-	-	-	-	-	-	1.000000	-	SPECIFIC	-	-
25	320A ABFUDC	(524,753)	183,664	-	183,664	-	183,664	-	183,664	0.985000	180,909	GROSS PLT	73,381	254,290
26	320A ABFUDC - DFIT FBK	-	-	(244,309)	(244,309)	-	(244,309)	-	(244,309)	0.985000	(240,644)	GROSS PLT	-	(240,644)
27	320J ABFUDC - HRJ - DFIT FBK	-	-	-	-	-	-	-	-	0.985000	-	TRAN PLT	-	-
28	320I ABFUDC - HRJ POST-IN-SERVICE	22,044	-	-	-	-	-	-	-	0.985000	-	TRAN PLT	-	-
29	320I ABFUDC - HRJ POST-IN-SERVICE - DFIT FBK	-	-	(7,495)	(7,495)	-	(7,495)	-	(7,495)	0.985000	(7,383)	TRAN PLT	-	(7,383)
30	380J INT EXP CAPITALIZED FOR TAX	1,102,145	(385,751)	-	(385,751)	-	(385,751)	-	(385,751)	0.985000	(379,965)	GROSS PLT	-	(379,965)
31	380J INT EXP CAPITALIZED FOR TAX - DFIT FBK	-	-	423,479	423,479	-	423,479	-	423,479	0.985000	417,127	GROSS PLT	-	417,127
32	**Total AFUDC / INTEREST CAPITALIZED**	**610,800**	**(202,087)**	**171,675**	**(30,412)**	**-**	**(30,412)**	**-**	**(30,412)**		**(29,956)**		**73,381**	**43,425**
33	==========													
34	**MISC OVERHEADS CAPITALIZED**													
35	350A TXS CAPD - DFIT FBK	-	-	-	-	-	-	-	-	0.985000	-	GROSS PLT	-	-
36	360A PENS CAPD - DFIT FBK	-	-	-	-	-	-	-	-	0.985000	-	GROSS PLT	-	-
37	360J SEC 481 PENS/OPEB ADJUSTMENT	-	-	-	-	-	-	-	-	0.992000	-	LABOR	-	-
38	370A SAV PLAN CAPD - DFIT FBK	-	-	-	-	-	-	-	-	0.985000	-	GROSS PLT	-	-
39	**Total MISC OVERHEADS CAPITALIZED**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**		**-**		**-**	**-**
40	==========													
41	**PERCENT REPAIR ALLOWANCE**													
42	532A PERCENT REPAIR ALLOWANCE	-	-	-	-	-	-	-	-	0.985000	-	GROSS PLT	-	-
43	532A PERCENT REPAIR ALLOWANCE - DFIT FBK	-	-	(433,884)	(433,884)	-	(433,884)	-	(433,884)	0.985000	(427,376)	GROSS PLT	-	(427,376)
44	532C BOOK/TAX UNIT OF PROPERTY ADJ	9,372,000	(3,280,200)	-	(3,280,200)	-	(3,280,200)	-	(3,280,200)	0.985000	(3,230,997)	PROD PLT	-	(3,230,997)
45	532D BK/TX UNIT OF PROPERTY ADJ - SECTION 481	5,014,000	(1,754,900)	-	(1,754,900)	-	(1,754,900)	-	(1,754,900)	0.985000	(1,728,577)	PROD PLT	-	(1,728,577)
46	534A CAPITALIZED RELOCATION COSTS	(478,330)	167,416	-	167,416	-	167,416	-	167,416	0.985000	164,905	GROSS PLT	-	164,905
47	534A CAPITALIZED RELOCATION COSTS - DFIT FBK	-	-	(38,938)	(38,938)	-	(38,938)	-	(38,938)	0.985000	(38,354)	GROSS PLT	-	(38,354)
48	**Total PERCENT REPAIR ALLOWANCE**	**13,907,670**	**(4,867,684)**	**(472,822)**	**(5,340,506)**	**-**	**(5,340,506)**	**-**	**(5,340,506)**		**(5,260,399)**		**-**	**(5,260,399)**
49	==========													
50	**REMOVAL COSTS**													
51	910K REMOVAL CST	(4,874,000)	-	-	-	-	-	-	-	0.985000	-	GROSS PLT	-	-
52	912K REMOVAL CST - NORMALIZED	(884,000)	309,400	-	309,400	-	309,400	-	309,400	0.985000	304,759	GROSS PLT	-	304,759
53	**Total REMOVAL COSTS**	**(5,758,000)**	**309,400**	**-**	**309,400**	**-**	**309,400**	**-**	**309,400**		**304,759**		**-**	**304,759**
54	==========													
55	**ACCELERATED AMORTIZATION**													
56	533A TX AMORT POLLUTION CONT EQPT	7,582,000	(2,653,700)	-	(2,653,700)	-	(2,653,700)	-	(2,653,700)	0.985000	(2,613,895)	PROD PLT	-	(2,613,895)
57	**Total ACCELERATED AMORTIZATION**	**7,582,000**	**(2,653,700)**	**-**	**(2,653,700)**	**-**	**(2,653,700)**	**-**	**(2,653,700)**		**(2,613,895)**		**-**	**(2,613,895)**
58	==========													

Kentucky Power Company
Computation of Adjusted
Deferred Federal Income Tax Expense
Historical Test Year - As Adjusted
Twelve Months Ended February 28, 2017

Line No.	DEFERRED FEDERAL INCOME TAXES:	(1) Total Company Electric Utility Sch M Per Books 12 Mo. 02/28/17	(2) Schedule M x FIT Rate @ 35%	(3) DFIT Feedback For 12 Months Based on 12 Mo. 02/28/17	(4) Total Company Electric Utility DFIT before Assign & Adjust.	(5) Elimination Adjustments	(6) Total Company Electric Utility After Assignment	(7) Rate Case Adjustments	(8) Total Co Electric Utility After Rate Adjustments 12 Mo. 02/28/17	(9) KY Jurisdictional Allocation Factor	(10) KY Jurisdictional Allocated Amount	(11) Allocation Basis	(12) Kentucky Jurisdictional Adjustments	(13) KY Jurisdictional Adjusted Amount
59	**PROPERTY TAX ADJUSTMENTS**													
60	510I PROPERTY TAX - STATE 2 - OLD METHOD - TAX	3,371,065	(1,179,873)	-	(1,179,873)	-	(1,179,873)	-	(1,179,873)	0.983000	(1,159,815)	NET PLANT	-	(1,159,815)
61	**Total PROPERTY TAX ADJUSTMENTS**	**3,371,065**	**(1,179,873)**	**-**	**(1,179,873)**	**-**	**(1,179,873)**	**-**	**(1,179,873)**		**(1,159,815)**		**-**	**(1,159,815)**
62	==========													
63	**REVENUE REFUNDS**													
64	520A PROVS POSS REV REFDS	1,015,169	(355,309)	-	(355,309)	-	(355,309)	-	(355,309)	1.000000	(355,309)	SPECIFIC	-	(355,309)
65	**Total REVENUE REFUNDS**	**1,015,169**	**(355,309)**	**-**	**(355,309)**	**-**	**(355,309)**	**-**	**(355,309)**		**(355,309)**		**-**	**(355,309)**
66	==========													
67	**DEFERRED FUEL COSTS**													
68	432I DEFD FUEL EXP - UNDER-RECOVERED	(2,385,816)	835,036	-	835,036	-	835,036	-	835,036	1.000000	835,036	SPECIFIC	(835,036)	-
69	432I DEFD FUEL EXP - OVER-RECOVERED	-	-	-	-	-	-	-	-	1.000000	-	SPECIFIC	-	-
70	**Total DEFERRED FUEL COSTS**	**(2,385,816)**	**835,036**	**-**	**835,036**	**-**	**835,036**	**-**	**835,036**		**835,036**		**(835,036)**	**-**
71	==========													
72	**EQUITY IN EARNINGS OF SUBSIDIARIES**													
73	531A EQTY IN SUBSIDIARIES (US)	-	-	-	-	-	-	-	-	0.000000	-	NON-UTILITY	-	-
74	**Total EQUITY IN EARNINGS OF SUBSIDIARIES**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**		**-**		**-**	**-**
75	==========													
76	**BOOK ACCRUALS**													
77	602A PROV WORKER'S COMP	33,072	(11,575)	-	(11,575)	-	(11,575)	-	(11,575)	0.992000	(11,482)	LABOR	-	(11,482)
78	605B ACCRUED BK PENSION EXPENSE	1,074,871	(376,205)	-	(376,205)	-	(376,205)	-	(376,205)	0.992000	(373,195)	LABOR	18,984	(354,211)
79	605C ACCRUED BK PENSION COSTS - SFAS 158	1,498,471	(524,465)	-	(524,465)	-	(524,465)	-	(524,465)	0.992000	(520,269)	LABOR	-	(520,269)
80	605E SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN	4,844	(1,695)	-	(1,695)	-	(1,695)	-	(1,695)	0.992000	(1,681)	LABOR	-	(1,681)
81	605F ACCRD SUP EXEC RETIRE PLAN COSTS-SFAS 158	(5,965)	2,088	-	2,088	-	2,088	-	2,088	0.992000	2,071	LABOR	-	2,071
82	605I ACCRD BK SUP. SAVINGS PLAN EXP	2,875	(1,006)	-	(1,006)	-	(1,006)	-	(1,006)	0.992000	(998)	LABOR	-	(998)
83	605O ACCRUED PSI PLAN EXP	65,305	(22,857)	-	(22,857)	-	(22,857)	-	(22,857)	0.992000	(22,674)	LABOR	-	(22,674)
84	610A BK PROV UNCOLL ACCTS	(207,245)	72,536	-	72,536	-	72,536	-	72,536	1.000000	72,536	SPECIFIC	-	72,536
85	612G ACCRD COMPANY INCENT PLAN - ENGAGE TO GAIN	-	-	-	-	-	-	-	-	0.992000	-	LABOR	-	-
86	612Y ACCRD COMPANYWIDE INCENT PLAN	503,375	(176,181)	-	(176,181)	-	(176,181)	-	(176,181)	0.992000	(174,772)	LABOR	174,772	-
87	613E ACCRUED BOOK VACATION PAY	75,358	(26,375)	-	(26,375)	-	(26,375)	-	(26,375)	0.992000	(26,164)	LABOR	-	(26,164)
88	613K (ICDP) INCENTIVE COMP DEFERRAL PLAN	4,539	(1,589)	-	(1,589)	-	(1,589)	-	(1,589)	0.992000	(1,576)	LABOR	-	(1,576)
89	613Y ACCRD BK SEVERANCE BENEFITS	(395,087)	138,280	-	138,280	-	138,280	-	138,280	0.992000	137,174	LABOR	-	137,174
90	614I ECONOMIC DEVEL FUND - CURRENT	-	-	-	-	-	-	-	-	0.000000	-	NON-APPLIC	-	-
91	614J ECONOMIC DEVEL FUND - NON-CURRENT	-	-	-	-	-	-	-	-	0.000000	-	NON-APPLIC	-	-
92	614L PROVISION FOR POTENTIAL LOSS	-	-	-	-	-	-	-	-	0.000000	-	NON-APPLIC	-	-
93	615A ACCRUED INTEREST EXP -STATE	-	-	-	-	-	-	-	-	0.992000	-	REVENUE	-	-
94	615B ACCRUED INTEREST-LONG-TERM - FIN 48	12,574	(4,401)	-	(4,401)	-	(4,401)	-	(4,401)	0.000000	-	NON-APPLIC	-	-
95	615C ACCRUED INTEREST-SHORT-TERM - FIN 48	4,147	(1,451)	-	(1,451)	-	(1,451)	-	(1,451)	0.000000	-	NON-APPLIC	-	-
96	615E ACCRUED STATE INCOME TAX EXP	-	-	-	-	-	-	-	-	0.992000	-	REVENUE	-	-
97	615R REG ASSET - DEFERRED RTO COSTS	77,678	(27,187)	-	(27,187)	-	(27,187)	-	(27,187)	0.985000	(26,779)	TRAN PLT	-	(26,779)
98	625A FEDERAL MITIGATION PROGRAMS	-	-	-	-	-	-	-	-	1.000000	-	SPECIFIC	-	-
99	625B STATE MITIGATION PROGRAMS	-	-	-	-	-	-	-	-	1.000000	-	SPECIFIC	-	-
100	**Total BOOK ACCRUALS**	**2,748,812**	**(962,083)**	**-**	**(962,083)**	**-**	**(962,083)**	**-**	**(962,083)**		**(947,809)**		**193,756**	**(754,053)**
101	==========													

Kentucky Power Company
Computation of Adjusted
Deferred Federal Income Tax Expense
Historical Test Year - As Adjusted
Twelve Months Ended February 28, 2017

Line No.	DEFERRED FEDERAL INCOME TAXES:	(1) Total Company Electric Utility Sch M Per Books 12 Mo. 02/28/17	(2) Schedule M x FIT Rate @ 35%	(3) DFIT Feedback For 12 Months Based on 12 Mo. 02/28/17	(4) Total Company Electric Utility DFIT before Assign & Adjust.	(5) Elimination Adjustments	(6) Total Company Electric Utility After Assignment	(7) Rate Case Adjustments	(8) Total Co Electric Utility After Rate Adjustments 12 Mo. 02/28/17	(9) KY Jurisdictional Allocation Factor	(10) KY Jurisdictional Allocated Amount	(11) Allocation Basis	(12) Kentucky Jurisdictional Adjustments	(13) KY Jurisdictional Adjusted Amount
102	**BOOK DEFERRALS**													
103	390F CUST ADV INC FOR TAX	(3,615)	1,265	-	1,265	-	1,265	-	1,265	0.999000	1,264	DIST PLT	-	1,264
104	630F DEFD BK CONTRACT REVENUE	480	(168)	-	(168)	-	(168)	-	(168)	0.992000	(167)	REVENUE	-	(167)
105	630J DEFD STORM DAMAGE	2,429,200	(850,220)	-	(850,220)	-	(850,220)	-	(850,220)	0.985000	(837,467)	DEMAND	(306,107)	(1,143,574)
106	632U BK DEFL - DEMAND SIDE MANAGEMENT	(2,403,838)	841,343	-	841,343	-	841,343	-	841,343	1.000000	841,343	SPECIFIC	(841,343)	-
107	641I ADVANCE RENTAL INC (CUR MO)	(240,637)	84,223	-	84,223	-	84,223	-	84,223	0.992000	83,549	REVENUE	-	83,549
108	642B DEFD REV - BONUS LEASE SHORT-TERM	-	-	-	-	-	-	-	-	0.992000	-	REVENUE	-	-
109	642C DEFD REV - BONUS LEASE LONG-TERM	(431,564)	151,047	-	151,047	-	151,047	-	151,047	0.992000	149,839	REVENUE	-	149,839
110	660X REG ASSET - DEFERRED PJM FEES	-	-	-	-	-	-	-	-	0.985000	-	TRAN PLT	-	-
111	660Z REG ASSET - DEFERRED EQUITY CARRYING CHGS	-	-	-	-	-	-	-	-	0.000000	-	NON-UTILITY	-	-
112	661R REG ASSET - SFAS 158 - PENSIONS	(1,498,471)	524,465	-	524,465	-	524,465	-	524,465	0.992000	520,269	LABOR	-	520,269
113	661S REG ASSET - SFAS 158 - SERP	5,965	(2,088)	-	(2,088)	-	(2,088)	-	(2,088)	0.992000	(2,071)	LABOR	-	(2,071)
114	661T REG ASSET - SFAS 158 - OPEB	(3,364,494)	1,177,573	-	1,177,573	-	1,177,573	-	1,177,573	0.992000	1,168,152	LABOR	-	1,168,152
115	663G REG ASSET - UNDERRECOVERY PJM EXPENSES	-	-	-	-	-	-	-	-	0.985000	-	TRAN PLT	-	-
116	664N REG ASSET - DEFD SEVERANCE COSTS	-	-	-	-	-	-	-	-	0.000000	-	NON-APPLIC	-	-
117	664V REG ASSET - NET CCS FEED STUDY COSTS	34,914	(12,220)	-	(12,220)	-	(12,220)	-	(12,220)	0.985000	(12,037)	DEMAND	-	(12,037)
118	690C REG ASSET - REMOVAL CST - BIG SANDY	(17,661,971)	6,181,690	-	6,181,690	-	6,181,690	-	6,181,690	0.985000	6,088,965	DEMAND	-	6,088,965
119	690D REG ASSET - SPENT ARO - BIG SANDY	(10,546,436)	3,691,253	-	3,691,253	-	3,691,253	-	3,691,253	0.985000	3,635,884	DEMAND	-	3,635,884
120	690F REG ASSET - NBV - ARO - RETIRED PLANTS	9,021,618	(3,157,566)	-	(3,157,566)	-	(3,157,566)	-	(3,157,566)	0.985000	(3,110,203)	DEMAND	-	(3,110,203)
121	671G REG ASSET-BIG SANDY U1 OR-UNDER RECOV	5,023,081	(1,758,078)	-	(1,758,078)	-	(1,758,078)	-	(1,758,078)	1.000000	(1,758,078)	SPECIFIC	1,758,078	-
122	671H REG ASSET-BIG SANDY RETIRE COSTS RECOV	2,114,064	(739,922)	-	(739,922)	-	(739,922)	-	(739,922)	0.949257	(702,376)	SPECIFIC	702,377	1
123	671I REG ASSET-BIG SANDY RETIRE RIDER U2 O&M	(87,322)	30,563	-	30,563	-	30,563	-	30,563	0.986000	30,135	ENERGY	(30,135)	-
124	671J REG ASSET-UND RECOV-PURCH PWR PPA	(372,542)	130,390	-	130,390	-	130,390	-	130,390	1.000000	130,390	SPECIFIC	(130,390)	-
125	671K REG ASSET-DEFD DEPREC-ENVIRONMENTAL	42,668	(14,934)	-	(14,934)	-	(14,934)	-	(14,934)	0.985000	(14,710)	GROSS PLT	14,710	-
126	671L REG ASSET-CAR CHGS-ENVIRON COSTS	-	-	-	-	-	-	-	-	0.000000	-	NON-APPLIC	-	-
127	671M REG ASSET-CAR CHGS-ENVIRON UNREC EQUITY	-	-	-	-	-	-	-	-	0.000000	-	NON-APPLIC	-	-
128	671N REG ASSET-DEFD O&M-ENVIRONMENTAL CSTS	145,928	(51,075)	-	(51,075)	-	(51,075)	-	(51,075)	0.985000	(50,309)	GROSS PLT	50,309	-
129	671O REG ASSET-DEFD CONSUM EXP-ENVIRON CSTS	623,782	(218,324)	-	(218,324)	-	(218,324)	-	(218,324)	0.985660	(215,193)	SPECIFIC	215,193	-
130	671P REG ASSET-DEFD PROP TAX EXP-ENVIRON CSTS	4,348	(1,522)	-	(1,522)	-	(1,522)	-	(1,522)	0.985000	(1,499)	GROSS PLT	1,499	-
131	672G REG ASSET-BIG SANDY U1 OR-UNREC EQUITY CC	-	-	-	-	-	-	-	-	0.000000	-	NON-APPLIC	-	-
132	672H REG ASSET-BIG SANDY U1 OR-UNDER RECOV CC	-	-	-	-	-	-	-	-	0.000000	-	NON-APPLIC	-	-
133	672M REG ASSET-NERC COMPL/CYBER CC-UNREC EQ	8,768	(3,069)	-	(3,069)	-	(3,069)	-	(3,069)	0.000000	-	NON-APPLIC	-	-
134	672N REG ASSET-NERC COMPL/CYBER SEC-CAR CST	(17,610)	6,164	-	6,164	-	6,164	-	6,164	0.000000	-	NON-APPLIC	-	-
135	672O REG ASSET-NERC COMPL/CYBER SEC-DEF DEPR	(53,764)	18,817	-	18,817	-	18,817	-	18,817	0.985000	18,535	DEMAND	(23,532)	(4,997)
136	672S REG ASSET-CAPACITY CHARGE TARIFF REV	(249,701)	87,395	-	87,395	-	87,395	-	87,395	1.000000	87,395	SPECIFIC	-	87,395
137	673C REG ASSET-DEFD DEPR-BIG SANDY U1 GAS	(347,890)	121,762	-	121,762	-	121,762	-	121,762	1.000000	121,762	SPECIFIC	(121,762)	-
138	673F REG ASSET-DEFD PROP TAX-BIG SANDY U1 GAS	(341,290)	119,452	-	119,452	-	119,452	-	119,452	1.000000	119,452	SPECIFIC	(119,452)	-
139	690L REG ASSET-M&S RETIRING PLANTS	729,745	(255,411)	-	(255,411)	-	(255,411)	-	(255,411)	0.985000	(251,580)	DEMAND	-	(251,580)
140														
141	**Total BOOK DEFERRALS**	**(17,436,584)**	**6,102,805**	**-**	**6,102,805**	**-**	**6,102,805**	**-**	**6,102,805**		**6,041,244**		**1,169,445**	**7,210,689**
142	==========													
143	**BOOK RESERVES**													
144	611B PRELIM SURVEY & INVEST RESERVE-BIG SANDY FGD	-	-	-	-	-	-	-	-	0.000000	-	NON-APPLIC	-	-
145	**Total BOOK RESERVES**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**		**-**		**-**	**-**
146	==========													

Kentucky Power Company
Computation of Adjusted
Deferred Federal Income Tax Expense
Historical Test Year - As Adjusted
Twelve Months Ended February 28, 2017

Line No.	DEFERRED FEDERAL INCOME TAXES:	(1) Total Company Electric Utility Sch M Per Books 12 Mo. 02/28/17	(2) Schedule M x FIT Rate @ 35%	(3) DFIT Feedback For 12 Months Based on 12 Mo. 02/28/17	(4) Total Company Electric Utility DFIT before Assign & Adjust.	(5) Elimination Adjustments	(6) Total Company Electric Utility After Assignment	(7) Rate Case Adjustments	(8) Total Co Electric Utility After Rate Adjustments 12 Mo. 02/28/17	(9) KY Jurisdictional Allocation Factor	(10) KY Jurisdictional Allocated Amount	(11) Allocation Basis	(12) Kentucky Jurisdictional Adjustments	(13) KY Jurisdictional Adjusted Amount
147	**OTHER MISCELLANEOUS**													
148	900A LOSS ON REACQUIRED DEBT	33,651	(11,778)	-	(11,778)	-	(11,778)	-	(11,778)	0.985000	(11,601)	GROSS PLT	-	(11,601)
149	906A ACCRD SFAS 106 PST RETIRE EXP	(2,252,862)	788,502	-	788,502	-	788,502	-	788,502	0.992000	782,194	LABOR	(71,021)	711,173
150	906F ACCRD OPEB COSTS - SFAS 158	3,364,494	(1,177,573)	-	(1,177,573)	-	(1,177,573)	-	(1,177,573)	0.992000	(1,168,152)	LABOR	-	(1,168,152)
151	906K ACCRD SFAS 112 PST EMPLOY BEN	(1,677,855)	587,249	-	587,249	-	587,249	-	587,249	0.992000	582,551	LABOR	-	582,551
152	906P ACCRD BOOK ARO EXPENSE - SFAS 143	(11,245,277)	3,935,847	-	3,935,847	-	3,935,847	-	3,935,847	0.985000	3,876,809	PROD PLT	38,323	3,915,132
153	906Z SFAS 109 - MEDICARE SUBSIDY (PPACA) REG ASSET	216,620	(75,817)	-	(75,817)	-	(75,817)	-	(75,817)	0.992000	(75,210)	LABOR	-	(75,210)
154	907A REG ASSET - MEDICARE SUBSIDY - FLOW THRU	-	-	-	-	-	-	-	-	0.992000	-	LABOR	-	-
155	907B SFAS 106 - MEDICARE SUBSIDY - NORMALIZED	-	-	-	-	-	-	-	-	0.992000	-	LABOR	-	-
156	910A GAIN ON REACQUIRED DEBT - DFIT FBK	-	-	-	-	-	-	-	-	1.000000	-	SPECIFIC	-	-
157	911F FIN 48 DEFERRED STATE INCOME TAXES	-	-	-	-	-	-	-	-	0.000000	-	NON-APPLIC	-	-
158	911Q DEFERRED STATE INCOME TAXES	-	-	710,011	710,011	-	710,011	-	710,011	0.985000	699,361	GROSS PLT	(452,372)	246,989
159	011C TAX CREDIT C/F - DEFERRED TAX ASSET	-	-	-	-	-	-	-	-	0.000000	-	NON-APPLIC	-	-
160	014C NOL - STATE C/F DEFD TAX ASSET - KY	-	-	-	-	-	-	-	-	0.000000	-	NON-APPLIC	-	-
161	911S ACCRUED SALES & USE TAX RESERVE	-	-	-	-	-	-	-	-	0.000000	-	NON-APPLIC	-	-
162	911V ACCRD SIT TX RESERVE-LNG-TERM-FIN 48	34,849	(12,197)	-	(12,197)	-	(12,197)	-	(12,197)	0.000000	-	NON-APPLIC	-	-
163	911W ACCRD SIT TX RESERVE-SHRT-TERM-FIN 48	27,936	(9,778)	-	(9,778)	-	(9,778)	-	(9,778)	0.000000	-	NON-APPLIC	-	-
164	913D CHARITABLE CONTRIBUTION CARRYFWD	-	-	-	-	-	-	-	-	0.000000	-	NON-APPLIC	-	-
165	913F VALUATION ALLOWANCE - CHARITABLE CONTR C/F	-	-	-	-	-	-	-	-	0.000000	-	NON-APPLIC	-	-
166	914A SFAS 109 - DEFD SIT LIABILITY	6,631,924	-	-	-	-	-	-	-	0.983000	-	NET PLANT	-	-
167	914B REG ASSET - SFAS 109 DSIT LIAB	(6,631,924)	-	-	-	-	-	-	-	0.983000	-	NET PLANT	-	-
168	914K REG ASSET - ACCRUED SFAS 112	1,343,003	(470,051)	-	(470,051)	-	(470,051)	-	(470,051)	0.992000	(466,291)	LABOR	-	(466,291)
169	940S 1997-2003 IRS AUDIT SETTLEMENT	-	-	-	-	-	-	-	-	0.985000	-	GROSS PLT	-	-
170	940X IRS CAPITALIZATION ADJUSTMENT	(53,120)	18,592	-	18,592	-	18,592	-	18,592	0.985000	18,313	GROSS PLT	-	18,313
171	980A RESTRICTED STOCK PLAN	9,985	(3,495)	-	(3,495)	-	(3,495)	-	(3,495)	0.985000	(3,443)	GROSS PLT	-	(3,443)
172	960E AMT CREDIT - DEFERRED	-	-	-	-	-	-	-	-	0.000000	-	NON-APPLIC	-	-
173	**Total OTHER MISCELLANEOUS**	**(10,198,576)**	**3,569,501**	**710,011**	**4,279,512**	**-**	**4,279,512**	**-**	**4,279,512**		**4,234,531**		**(485,070)**	**3,749,461**
174	==========													
175	**PERMANENT SCHEDULE M's**													
176	611M NON-TAXABLE DEFD COMP - CSV EARN	27,323	-	-	-	-	-	-	-	0.992000	-	LABOR	-	-
177	906B SFAS 106 - POST RETIRE BEN MEDICARE SUBSIDY	-	-	-	-	-	-	-	-	0.992000	-	LABOR	-	-
178	910B NON-DEDUCT MEALS AND T&E	61,422	-	-	-	-	-	-	-	0.992000	-	LABOR	-	-
179	910C NON-DEDUCT FINES&PENALTIES	-	-	-	-	-	-	-	-	0.000000	-	NON-APPLIC	-	-
180	910E NON-DEDUCT MISCELLANEOUS	-	-	-	-	-	-	-	-	0.000000	-	NON-APPLIC	-	-
181	910S NON-DEDUCT LOBBYING	-	-	-	-	-	-	-	-	0.000000	-	NON-APPLIC	-	-
182	910U MEMBERSHIP DUES	-	-	-	-	-	-	-	-	0.992000	-	LABOR	-	-
183	913A LUXURY AUTO ADJUSTMENT	-	-	-	-	-	-	-	-	0.985000	-	PROD PLT	-	-
184	970A MANUFACTURING DEDUCTION	-	-	-	-	-	-	-	-	0.985000	-	PROD PLT	-	-
185	999Q FIN-48 DSIT - PERM - FIN 48	(68,373)	23,931	-	23,931	-	23,931	-	23,931	0.000000	-	NON-APPLIC	-	-
186	**Total PERMANENT SCHEDULE M's**	**20,372**	**23,931**	**-**	**23,931**	**-**	**23,931**	**-**	**23,931**		**-**		**-**	**-**
187	==========													
188	**TAX ACCRUALS**													
189	711N CAPITALIZED SOFTWARE COSTS-TAX	(1,059)	371	-	371	-	371	-	371	0.985000	365	GROSS PLT	-	365
190	711O BOOK LEASES CAPITALIZED FOR TAX	(281,708)	98,598	-	98,598	-	98,598	-	98,598	0.985000	97,119	GROSS PLT	-	97,119
191	**Total TAX ACCRUALS**	**(282,767)**	**98,969**	**-**	**98,969**	**-**	**98,969**	**-**	**98,969**		**97,484**		**-**	**97,484**
192	==========													
193	**TAX DEFERRALS**													
194	712K CAPITALIZED SOFTWARE COST-BOOK	(314,242)	109,985	-	109,985	-	109,985	-	109,985	0.985000	108,335	GROSS PLT	-	108,335
195	**Total TAX DEFERRALS**	**(314,242)**	**109,985**	**-**	**109,985**	**-**	**109,985**	**-**	**109,985**		**108,335**		**-**	**108,335**
196	==========													
197	**TAX vs BOOK GAIN / LOSS**													
198	690E REG ASSET - UNRECOVERED PLANT - BIG SANDY	-	-	-	-	-	-	-	-	0.985000	-	DEMAND	-	-
199	**Total TAX vs BOOK GAIN / LOSS**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**		**-**		**-**	**-**
200	==========													

Kentucky Power Company
Computation of Adjusted
Deferred Federal Income Tax Expense
Historical Test Year - As Adjusted
Twelve Months Ended February 28, 2017

Line No.	DEFERRED FEDERAL INCOME TAXES:	(1) Total Company Electric Utility Sch M Per Books 12 Mo. 02/28/17	(2) Schedule M x FIT Rate @ 35%	(3) DFIT Feedback For 12 Months Based on 12 Mo. 02/28/17	(4) Total Company Electric Utility DFIT before Assign & Adjust.	(5) Elimination Adjustments	(6) Total Company Electric Utility After Assignment	(7) Rate Case Adjustments	(8) Total Co Electric Utility After Rate Adjustments 12 Mo. 02/28/17	(9) KY Jurisdictional Allocation Factor	(10) KY Jurisdictional Allocated Amount	(11) Allocation Basis	(12) Kentucky Jurisdictional Adjustments	(13) KY Jurisdictional Adjusted Amount
201	**MARK-TO-MARKET ADJUSTMENTS**													
202	575A MTM BK GAIN-B/L-TAX DEFL	-	-	-	-	-	-	-	-	0.000000	-	NON-UTILITY	-	-
203	575E MTM BK GAIN-A/L-TAX DEFL	1,591,807	(557,132)	-	(557,132)	-	(557,132)	-	(557,132)	0.986000	(549,332)	ENERGY	-	(549,332)
204	576A MARK & SPREAD-DEFL-283-B/L	-	-	-	-	-	-	-	-	0.000000	-	NON-UTILITY	-	-
205	576C MARK & SPREAD-DEFL-190-B/L	-	-	-	-	-	-	-	-	0.000000	-	NON-UTILITY	-	-
206	576E MARK & SPREAD-DEFL-283-A/L	(266,275)	93,196	-	93,196	-	93,196	-	93,196	0.986000	91,891	ENERGY	-	91,891
207	576F MARK & SPREAD-DEFL-190-A/L	348,155	(121,854)	-	(121,854)	-	(121,854)	-	(121,854)	0.986000	(120,148)	ENERGY	-	(120,148)
208	610U PROV-TRADING CREDIT RISK - A/L	(12,925)	4,524	-	4,524	-	4,524	-	4,524	0.986000	4,461	ENERGY	-	4,461
209	610V PROV - SFAS 157 - A/L	1,189	(416)	-	(416)	-	(416)	-	(416)	0.986000	(410)	ENERGY	-	(410)
210	610W PROV-TRADING CREDIT RISK - B/L	-	-	-	-	-	-	-	-	0.000000	-	NON-UTILITY	-	-
211	610X PROV - SFAS 157 - B/L	-	-	-	-	-	-	-	-	0.000000	-	NON-UTILITY	-	-
212	652G REG LIAB-UNREAL MTM GAIN-DEFL	(615,184)	215,314	-	215,314	-	215,314	-	215,314	0.986000	212,300	ENERGY	-	212,300
213	**Total MARK-TO-MARKET ADJUSTMENTS**	**1,046,767**	**(366,368)**	**-**	**(366,368)**	**-**	**(366,368)**	**-**	**(366,368)**		**(361,238)**		**-**	**(361,238)**
214	==========													
215	**EMISSION ALLOWANCES**													
216	638A BOOK > TAX BASIS - EMA-A/C 283	396,736	(138,858)	-	(138,858)	-	(138,858)	-	(138,858)	0.986000	(136,914)	ENERGY	-	(136,914)
217	638C TAX > BOOK BASIS - EMA-A/C 190	-	-	-	-	-	-	-	-	0.986000	-	ENERGY	-	-
218	639M TAX > BOOK BASIS - EMA-A/C 190 (B/L)	-	-	-	-	-	-	-	-	0.000000	-	NON-UTILITY	-	-
219	639O BOOK > TAX BASIS EMA - 283 (B/L)	-	-	-	-	-	-	-	-	0.000000	-	NON-UTILITY	-	-
220	639Q DEFD TAX GAIN - INTERCO SALE - EMA	-	-	-	-	-	-	-	-	0.986000	-	ENERGY	-	-
221	639S DEFD TAX LOSS - INTERCO SALE - EMA	-	-	-	-	-	-	-	-	0.986000	-	ENERGY	-	-
222	640K DEFD TAX GAIN-EPA AUCTION	-	-	-	-	-	-	-	-	0.986000	-	ENERGY	-	-
223	**Total EMISSION ALLOWANCES**	**396,736**	**(138,858)**	**-**	**(138,858)**	**-**	**(138,858)**	**-**	**(138,858)**		**(136,914)**		**-**	**(136,914)**
224	==========													
225	**TOTAL DEFERRED FEDERAL INCOME TAXES**	**(61,390,401)**	**22,702,598**	**(1,322,554)**	**21,380,044**	**-**	**21,380,044**	**-**	**21,380,044**		**21,095,580**		**(1,470,979)**	**19,624,601**
226	==========													
227														
228														
229	**DEFERRED INVESTMENT TAX CREDITS:**													
230	ITC Feedback - Prior Years 10%	-	-	(2,362)	(2,362)	-	(2,362)	-	(2,362)	0.985000	(2,327)	GROSS PLT	-	(2,327)
231	ITC Feedback - Prior Years 4%	-	-	-	-	-	-	-	-	0.985000	-	GROSS PLT	-	-
232	Tax Credit Carryforward	-	-	-	-	-	-	-	-	0.985000	-	GROSS PLT	-	-
233	FIN 48 Perm Items	-	-	-	-	-	-	-	-	0.985000	-	GROSS PLT	-	-
234	FIN 48 Non-Perm Items	-	-	-	-	-	-	-	-	0.985000	-	GROSS PLT	-	-
235	ITC Feedback - HRJ 10%	-	-	-	-	-	-	-	-	0.985000	-	GROSS PLT	-	-
236	**TOTAL DEFERRED INVESTMENT TAX CREDITS**	**-**	**-**	**(2,362)**	**(2,362)**	**-**	**(2,362)**	**-**	**(2,362)**		**(2,327)**		**-**	**(2,327)**
237														
238														
239														
240	**TOTAL DEFERRED FIT AND ITC**	**(61,390,401)**	**22,702,598**	**(1,324,916)**	**21,377,682**	**-**	**21,377,682**	**-**	**21,377,682**		**21,093,253**		**(1,470,979)**	**19,622,274**
241														

ALLOCATION FACTORS:	
GROSS PLT	0.9850000
NET PLANT	0.9830000
PROD PLT	0.9850000
TRAN PLT	0.9850000
DIST PLT	0.9990000
T&D PLT	0.9930000
ENERGY	0.9860000
LABOR	0.9920000
O&M EXP	0.9890000
REVENUE	0.9920000
REVENUE-OTH	0.0000000
DEMAND	0.9850000
SPECIFIC	1.0000000
NON-APPLIC	0.0000000
NON-UTILITY	0.0000000

KENTUCKY POWER COMPANY
STATE INCOME TAXES
Twelve Months Ended February 28, 2017

STATE INCOME TAXES

Line #	Item Description	Total Company Per Books 12 Mo. 02/28/17	Less Non-Utility / Non-Applicable	Total Company Electric Utility Before Assign & Adjust	Elimination Adjustments	Total Company Electric Utility After Rate Case Adjustments	Rate Case Adjustments	Total Company Electric Utility After Rate Case Adjustments	Kentucky Jurisdictional Allocation Factor	Kentucky Jurisdictional Allocated Amount		Kentucky Jurisdictional Adjustments	KY Jurisdictional Adjusted Amount
	Kentucky State Income Taxes												
1	Book Income Before State Income Tax Expense	56,686,917	(2,327,791)	59,014,708	0	59,014,708	0	59,014,708	SPECIFIC	59,704,408	SPECIFIC	(45,667,878)	14,036,530
2	Add (Subtract): Federal Schedule M Adjustments	(62,773,941)	(1,383,540)	(61,390,401)	0	(61,390,401)	0	(61,390,401)	SPECIFIC	(60,572,286)	SPECIFIC	3,694,476	(56,877,810)
3	Add (Subtract): State Income Taxes	0	0	0	0	0	0	0	SPECIFIC	0	SPECIFIC	0	0
4	Add (Subtract): JCWA Depreciation Adjustment	40,978,600	0	40,978,600	0	40,978,600	0	40,978,600	0.985000	40,363,921	GROSS PLT	0	40,363,921
5	Add (Subtract): Tax-Exempt Interest Income	0	0	0	0	0	0	0	0.985000	0	GROSS PLT	0	0
6	Add (Subtract): Federal Domestic Production Activity	0	0	0	0	0	0	0	0.985000	0	PROD PLT	0	0
7	Add (Subtract): Interest Income - US Obligations	0	0	0	0	0	0	0	0.985000	0	GROSS PLT	0	0
8	Add (Subtract): Other	0	0	0	0	0	0	0	0.985000	0	GROSS PLT	0	0
9	State Taxable Income Subject to Apportionment	34,891,576	(3,711,331)	38,602,907	0	38,602,907	0	38,602,907		39,496,043		(41,973,402)	(2,477,359)
10	Apportionment Factor	0.755684		0.720635	0.720635	0.720635	0.720635	0.720635		0.720635		0.720635	0.720635
11	Apportioned State Taxable Income	26,367,005	(1,451,601)	27,818,606	0	27,818,606	0	27,818,606		28,462,231		(30,247,503)	(1,785,272)
12	Post Apportion Schedule M Adjustments	0	0	0	0	0	0	0	0.985000	0	GROSS PLT	0	0
13	State Taxable Income After Apportionment	26,367,005	(1,451,601)	27,818,606	0	27,818,606	0	27,818,606		28,462,231		(30,247,503)	(1,785,272)
14	State Income Tax Rate	6.00%	6.00%	6.00%	6.00%	6.00%		6.00%		6.00%		6.00%	6.00%
15	Current State Income Tax	1,582,020	(87,096)	1,669,116	0	1,669,116	0	1,669,116		1,707,734		(1,814,850)	(107,116)
16	Other Adjustments	0	0	0	0	0	0	0	0.000000	0	NON-APPLIC	0	0
17	Tax Return, Apportionment & Other Adjustments	(2,224,365)	(2,224,365)	0	0	0	0	0	0.000000	0	NON-APPLIC	0	0
18	Other Adjustments	0	0	0	0	0	0	0	0.000000	0	NON-APPLIC	0	0
19	Other Adjustments	0	0	0	0	0	0	0	0.000000	0	NON-APPLIC	0	0
20	Total State Income Tax --- Kentucky	(642,345)	(2,311,461)	1,669,116	0	1,669,116	0	1,669,116		1,707,734		(1,814,850)	(107,116)
21													
22													
23													
24													
25	**Illinois State Income Taxes**												
26													
27	Book Income Before State Income Tax Expense	56,686,917	(2,327,791)	59,014,708	0	59,014,708	0	59,014,708	SPECIFIC	59,704,408	SPECIFIC	(45,667,878)	14,036,530
28	Add (Subtract): Federal Schedule M Adjustments	(62,773,941)	(1,383,540)	(61,390,401)	0	(61,390,401)	0	(61,390,401)	SPECIFIC	(60,572,286)	SPECIFIC	3,694,476	(56,877,810)
29	Add (Subtract): State Income Taxes	0	0	0	0	0	0	0	SPECIFIC	0	SPECIFIC	0	0
30	Add (Subtract): JCWA Depreciation Adjustment	43,721,362	0	43,721,362	0	43,721,362	0	43,721,362	0.985000	43,065,542	GROSS PLT	0	43,065,542
31	Add (Subtract): Tax-Exempt Interest Income	0	0	0	0	0	0	0	0.985000	0	PROD PLT	0	0
32	Add (Subtract): Federal Domestic Production Activity	0	0	0	0	0	0	0	0.985000	0	PROD PLT	0	0
33	Add (Subtract): Other	0	0	0	0	0	0	0	0.985000	0	GROSS PLT	0	0
34	Add (Subtract): Other	0	0	0	0	0	0	0	0.985000	0	GROSS PLT	0	0
35	State Taxable Income Subject to Apportionment	37,634,338	(3,711,331)	41,345,669	0	41,345,669	0	41,345,669		42,197,664		(41,973,402)	224,262
36	Apportionment Factor	0.009576		0.018070	0.018070	0.018070	0.018070	0.018070		0.018070		0.018070	0.018070
37	Apportioned State Taxable Income	360,390	(386,726)	747,116	0	747,116	0	747,116		762,512		(758,459)	4,052
38	Post Apportion Schedule M Adjustments	50,639	2,921	47,718	0	47,718	0	47,718	0.985000	47,002	GROSS PLT	0	47,002
39	State Taxable Income After Apportionment	411,029	(383,805)	794,834	0	794,834	0	794,834		809,514		(758,459)	51,054
40	State Income Tax Rate	7.75%	7.75%	7.75%	7.75%	7.75%		7.75%		7.75%		7.75%	7.75%
41	Current State Income Tax	31,855	(29,745)	61,600	0	61,600	0	61,600		62,737		(58,781)	3,957
42	Other Adjustments	0	0	0	0	0	0	0	0.000000	0	NON-UTILITY	0	0
43	Tax Return, Apportionment & Other Adjustments	124,783	124,783	0	0	0	0	0	0.000000	0	NON-APPLIC	0	0
44	Other Adjustments	22,590	22,590	0	0	0	0	0	0.000000	0	NON-APPLIC	0	0
45	Other Adjustments	0	0	0	0	0	0	0	0.000000	0	NON-APPLIC	0	0
46	Total State Income Tax --- Illinois	179,228	117,628	61,600	0	61,600	0	61,600		62,737		(58,781)	3,957
47													
48													
49													

KENTUCKY POWER COMPANY
STATE INCOME TAXES
Twelve Months Ended February 28, 2017

STATE INCOME TAXES

Line #	Item Description	Total Company Per Books 12 Mo. 02/28/17	Less Non-Utility / Non-Applicable	Total Company Electric Utility Before Assign & Adjust	Elimination Adjustments	Total Company Electric Utility After Rate Case Adjustments	Rate Case Adjustments	Total Company Electric Utility After Rate Case Adjustments	Kentucky Jurisdictional Allocation Factor	Kentucky Jurisdictional Allocated Amount		Kentucky Jurisdictional Adjustments	KY Jurisdictional Adjusted Amount
50													
51	**Michigan State Income Taxes**												
52													
53	Book Income Before State Income Tax Expense	56,686,917	(2,327,791)	59,014,708	0	59,014,708	0	59,014,708	SPECIFIC	59,704,408	SPECIFIC	(45,667,878)	14,036,530
54	Add (Subtract): Federal Schedule M Adjustments	(62,773,941)	(1,383,540)	(61,390,401)	0	(61,390,401)	0	(61,390,401)	SPECIFIC	(60,572,286)	SPECIFIC	3,694,476	(56,877,810)
55	Add (Subtract): State Income Taxes	0	0	0	0	0	0	0	SPECIFIC	0	SPECIFIC	0	0
56	Add (Subtract): JCWA Depreciation Adjustment	41,995,000		41,995,000	0	41,995,000	0	41,995,000	0.985000	41,365,075	GROSS PLT	0	41,365,075
57	Add (Subtract): Tax-Exempt Interest Income	0	0	0	0	0	0	0	0.985000	0	PROD PLT	0	0
58	Add (Subtract): Interest Income - US Obligations	0	0	0	0	0	0	0	0.985000	0	PROD PLT	0	0
59	Add (Subtract): Federal Domestic Production Activity	0	0	0	0	0	0	0	0.985000	0	PROD PLT	0	0
60	Add (Subtract): Other	0	0	0	0	0	0	0	0.985000	0	GROSS PLT	0	0
61	State Taxable Income Subject to Apportionment	35,907,976	(3,711,331)	39,619,307	0	39,619,307	0	39,619,307		40,497,197		(41,973,402)	(1,476,205)
62	Apportionment Factor	0.000367		0.000836	0.000836	0.000836	0.000836	0.000836		0.000836		0.000836	0.000836
63	Apportioned State Taxable Income	13,193	(19,929)	33,122	0	33,122	0	33,122		33,856		(35,090)	(1,234)
64	Post Apportion Schedule M Adjustments	0	0	0	0	0	0	0	0.985000	0	GROSS PLT	0	0
65	State Taxable Income After Apportionment	13,193	(19,929)	33,122	0	33,122	0	33,122		33,856		(35,090)	(1,234)
66	State Income Tax Rate	6.00%	6.00%	6.00%	6.00%	6.00%		6.00%		6.00%		6.00%	6.00%
67	Current State Income Tax	792	(1,196)	1,987	0	1,987	0	1,987		2,031		(2,105)	(74)
68	MBT Surcharge @ 21.99%	0	0	0	0	0	0	0	CALC	0	CALCULATED	0	0
69	Other Adjustments	0	0	0	0	0	0	0	0.000000	0	NON-UTILITY	0	0
70	Tax Return, Apportionment & Other Adjustments	13,676	13,676	0	0	0	0	0	0.000000	0	NON-APPLIC	0	0
71	Other Adjustments	0	0	0	0	0	0	0	CALC	0	CALCULATED	0	0
72	Other Adjustments	0	0	0	0	0	0	0	0.000000	0	NON-APPLIC	0	0
73	Total State Income Tax --- Michigan	14,468	12,480	1,987	0	1,987	0	1,987		2,031		(2,105)	(74)
74													
75													
76													
77	**West Virginia State Income Taxes**												
78													
79	Book Income Before State Income Tax Expense	56,686,917	(2,327,791)	59,014,708	0	59,014,708	0	59,014,708	SPECIFIC	59,704,408	SPECIFIC	(45,667,878)	14,036,530
80	Add (Subtract): Federal Schedule M Adjustments	(62,773,941)	(1,383,540)	(61,390,401)	0	(61,390,401)	0	(61,390,401)	SPECIFIC	(60,572,286)	SPECIFIC	3,694,476	(56,877,810)
81	Add (Subtract): State Income Taxes	0	0	0	0	0	0	0	SPECIFIC	0	SPECIFIC	0	0
82	Add (Subtract): JCWA Depreciation Adjustment	0	0	0	0	0	0	0	0.985000	0	GROSS PLT	0	0
83	Add (Subtract): Tax-Exempt Interest Income	0	0	0	0	0	0	0	0.985000	0	PROD PLT	0	0
84	Add (Subtract): Federal Domestic Production Activity	0	0	0	0	0	0	0	0.985000	0	PROD PLT	0	0
85	Add (Subtract): Other	0	0	0	0	0	0	0	0.985000	0	GROSS PLT	0	0
86	Add (Subtract): Other	0	0	0	0	0	0	0	0.985000	0	GROSS PLT	0	0
87	State Taxable Income Subject to Apportionment	(6,087,024)	(3,711,331)	(2,375,693)	0	(2,375,693)	0	(2,375,693)		(867,878)		(41,973,402)	(42,841,280)
88	Apportionment Factor	0.233233	0.233233	0.216208	0.216208	0.216208	0.216208	0.216208		0.216208		0.216208	0.216208
89	Apportioned State Taxable Income	(1,419,696)	(906,052)	(513,644)	0	(513,644)	0	(513,644)		(187,642)		(9,074,985)	(9,262,627)
90	Post Apportion Schedule M Adjustments	6,984,400	0	6,984,400	0	6,984,400	0	6,984,400	0.985000	6,879,634	GROSS PLT	0	6,879,634
91	State Taxable Income After Apportionment	5,564,704	(906,052)	6,470,756	0	6,470,756	0	6,470,756		6,691,992		(9,074,985)	(2,382,993)
92	State Income Tax Rate	6.50%	6.50%	6.50%	6.50%	6.50%		6.50%		6.50%		6.50%	6.50%
93	Current State Income Tax	361,706	(58,893)	420,599	0	420,599	0	420,599		434,979		(589,874)	(154,895)
94	Deferred State Income Tax - WVA Pollution Control	(453,981)	0	(453,981)	0	(453,981)	0	(453,981)	0.985000	(447,171)	GROSS PLT	0	(447,171)
95	Tax Return, Apportionment & Other Adjustments	1,392,576	1,392,576	0	0	0	0	0	0.000000	0	NON-APPLIC	0	0
96	Other Adjustments	(292,150)	(292,150)	0	0	0	0	0	0.000000	0	NON-APPLIC	0	0
97	Other Adjustments	0	0	0	0	0	0	0	0.000000	0	NON-APPLIC	0	0
98	Total State Income Tax --- West Virginia	1,008,151	1,041,533	(33,382)	0	(33,382)	0	(33,382)		(12,192)		(589,874)	(602,066)
99													
100													
101													

KENTUCKY POWER COMPANY
STATE INCOME TAXES
Twelve Months Ended February 28, 2017

STATE INCOME TAXES

Line #	Item Description	Total Company Per Books 12 Mo. 02/28/17	Less Non-Utility / Non-Applicable	Total Company Electric Utility Before Assign & Adjust	Elimination Adjustments	Total Company Electric Utility After Rate Case Adjustments	Rate Case Adjustments	Total Company Electric Utility After Rate Case Adjustments	Kentucky Jurisdictional Allocation Factor	Kentucky Jurisdictional Allocated Amount		Kentucky Jurisdictional Adjustments	KY Jurisdictional Adjusted Amount
102													
103	**All Other State Income Taxes**												
104													
105													
106													
107	FIN-48 State Income Tax Adjustments	(1,763,493)	(1,763,493)	0	0	0	0	0	0.000000	0	NON-APPLIC	0	0
108	Deferred State Income Tax - Transferred Mitchell Plant	(1,574,622)	0	(1,574,622)	0	(1,574,622)	0	(1,574,622)	0.985000	(1,551,003)	GROSS PLT	1,292,491	(258,512)
109	All Other State Income Taxes	0	0	0	0	0	0	0	0.985000	0	GROSS PLT	0	0
110	Total State Income Tax --- All Other	(3,338,115)	(1,763,493)	(1,574,622)	0	(1,574,622)	0	(1,574,622)		(1,551,003)		1,292,491	(258,512)
111													
112													
113													
114													
115													
116	**Total State Income Tax --- All States**	(2,778,613)	(2,903,313)	124,699	0	124,699	0	124,699		209,307		(1,173,119)	(963,811)
117													
118													
119	**Current State Income Tax --- All States**	(283,794)	(2,437,098)	2,153,302	0	2,153,302	0	2,153,302		2,207,481		(2,465,610)	(258,128)
120													
121													
122	**Deferred State Income Tax --- All States**	(2,494,819)	(466,215)	(2,028,603)	0	(2,028,603)	0	(2,028,603)		(1,998,174)		1,292,491	(705,683)

ALLOCATION FACTORS:

GROSS PLT	0.9850000
NET PLANT	0.9830000
PROD PLT	0.9850000
TRAN PLT	0.9850000
DIST PLT	0.9990000
T&D PLT	0.9930000
ENERGY	0.9860000
LABOR	0.9920000
O&M EXP	0.9890000
REVENUE	0.9920000
REVENUE-OTH	0.0000000
SPECIFIC	1.0000000
NON-APPLIC	0.0000000
NON-UTILITY	0.0000000

Note:
Consistent with prior KPCO Rate Filings and Commission Orders, State Income Taxes are treated as flow-thru for ratemaking purposes other than those that were obtained as a result of the acquisition of the Mitchell Plant. (-ie- No Deferred State Income Taxes are included in Cost of Service).