



Legal Department

American Electric Power 801 Pennsylvania Ave NW, Suite 320 Washington, DC 20004-2615 AEP.com

November 1, 2012

Honorable Kimberly D Bose Secretary Federal Energy Regulatory Commission 888 First St., N.E. Washington D.C. 20426

Amanda Riggs Conner Senior Counsel -Regulatory Services (202) 383-3436 (P) (202) 383-3459 (F) arconner@aep.com

Re: AEP Generating Company, Docket No. ER13-____

Dear Secretary Bose:

Pursuant to Section 205 of the Federal Power Act ("FPA")¹ and Sections 35.13 and 35.18 of the regulations of the Federal Energy Regulatory Commission ("FERC" or "Commission"),² American Electric Power Service Corporation ("AEPSC"), on behalf of its subsidiary AEP Generating Company ("AEG") submits proposed revisions to its unit power service agreements with Indiana Michigan Power Company ("I&M") and Kentucky Power Company ("Kentucky Power").³ The Agreements govern the sale of AEG's entitlements to output from the Rockport Electric Steam Generating Station ("Rockport Plant") to I&M and Kentucky Power, respectively.

¹⁶ U.S.C. § 824d.

² 18 C.F.R. §§ 35.13, 35.18.

The unit power service agreement between AEG and I&M is designated as AEG's FERC Rate Schedule No. 1 ("I&M Agreement"). The I&M Agreement was originally executed in 1984. AEG and I&M have entered into several supplements to the Agreement. The latest supplement, which was executed in 1989, was designated as "Supplement No. 8." The unit power service agreement between AEG and Kentucky Power is designated as AEG's FERC Rate Schedule No. 2 ("Kentucky Power Agreement"). The Kentucky Power Agreement was originally executed in 1984 and supplemented seven times between 1984 and 1989. On November 1, 2004, in Docket No. ER05-141-000, AEG sought Commission approval to extend the term of the Kentucky Power Agreement, which was originally set to expire in December 2004, to December 7, 2022. In a letter order issued December 29, 2004, the Commission accepted the proposed extension and the associated revisions to the Kentucky Power Agreement. Throughout this filing, the I&M Agreement and Kentucky Power Agreement are referred to collectively as the "Agreements."

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In particular, AEG proposes revisions to the rate design addendum to each of the Agreements to add accounts established for Asset Retirement Obligations ("ARO") which are set forth in the Commission's Order No. 631⁴ (accounts 411.10 and 403.1). Adding these accounts will permit AEG to recover current year ARO amounts related to legal obligations for ash pond and asbestos retirement costs and to begin amortizing the accumulated prior period regulatory asset amount for the ARO costs over the estimated remaining life of the Rockport Plant. Along with the addition of the ARO expense accounts, AEG is currently and plans to continue to remove the ARO asset and ARO accumulated depreciation from "Electric Plant In Service" and "Accumulated Depreciation" from its power bill calculation under each of the Agreements. At August 31, 2012, the ARO balance in Electric Plant In Service totaled \$2,576,019 and the ARO Accumulated Depreciation totaled \$1,109,365.

With respect to the rate design addendum specifically, AEG also proposes to add account 189 to the existing references to Unamortized Loss on Reacquired Debt.

In addition to the revisions to the text of the rate design, AEG proposes to update the sample power bill addendum to each of the Agreements to include accounts 411.10, 403.1, and 189 as well as to update the sample power bill as follows:

- Long-Term Debt Interest Expense revise the reference to include accounts 428 and 429 in addition to the existing account 427, to more precisely reflect the way that long-term debt interest expense, which has always been included in the rate design, is booked;
- Short-Term Debt Interest Expense revise the reference to account 431 to account 430 to correct a typographical error;
- Other Interest Expense revise the reference to account 428 to 431 to correct a typographical error;
- Fuel Stock Oil revise the reference to account 151.20 to 151;
- Coal Inventory revise the supply references from 75 days to 68 days to match the number of days contained in the rate design narrative;
- Accumulated Provision for Depreciation of Electric Utility Plant revise the reference from account 106 to 108 to correct a typographical error;

⁴ Accounting, Financial Reporting, and Rate Filing Requirements for Asset Retirement Obligations, Order No. 631, 103 FERC ¶ 61,021 (2003).

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- Add a note indicating that Fuel Inventory Over Allowed Level includes both units of the Rockport Plant;
- Short-Term Debt add account 233 (Notes Payable, Assoc Co (Money Pool)) to more precisely reflect the way short-term financing needs, which have always been included in the rate design, are booked; and
- Temporary Cash Investments revise reference to include account 145 as well as account 136 to more precisely reflect the way temporary cash investments, which have always been reflected in the rate design, are booked.

The proposed revisions are consistent with the intent of the rate design as specified in each of the Agreements, which is "to recover for [AEG] its total cost of providing power (and the energy associated therewith) available to [AEG] at the Rockport Plant."⁵

I. Background

A. Description of the Parties

AEG is a wholly-owned subsidiary of American Electric Power Company, Inc. ("AEP"), a multistate electric utility holding company system providing electric service at retail and wholesale rates in eleven states. AEG was formed in 1982 to assist in the financing of the Rockport Plant. Since its formation, AEG's business has included the ownership and financing of its 50% interest in Unit 1 of the Rockport Plant and, since 1989, leasing its 50% interest in Unit 2 of the Rockport Plant. AEG is responsible for arranging the wholesale sale of electric power to I&M and Kentucky Power under their respective Agreements.

I&M is a corporation organized and existing under the laws of Indiana. I&M is a wholly-owned subsidiary of AEP and has its principle office in Fort Wayne, Indiana. I&M is engaged in generating, transmitting, and distributing electric energy to the public in northern and eastern Indiana and a portion of southwestern Michigan and is a public utility under Section 201 of the FPA.

I&M Agreement, Rate Design addendum at 1; Kentucky Power Agreement, Rate Design addendum at 1. In the Kentucky Power Agreement, the above-quoted paragraph refers to AEG's total revenue requirement as calculated under the I&M Agreement. Thus, the rate designs for each of the Agreements are intended to be identical.

AEG also owns and operates a combined-cycle, natural-gas power plant with a generating capacity of 1,120 MW in Lawrenceburg, IN.

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Kentucky Power is a corporation organized and existing under the laws of Kentucky. Kentucky Power is a wholly-owned subsidiary of AEP and has its principle office in Ashland, Kentucky. Kentucky Power is engaged in the generation, transmission, and distribution of electric power to the public in eastern Kentucky and is a public utility under Section 201 of the FPA.

B. Description of the Rockport Plant and the Agreement

In the late 1970s, AEP commenced the development of the Rockport Plant. The Rockport Plant consists of two 1,300 MW coal-fired units located near Rockport, Indiana on the Ohio River (for a total capacity of 2,600 MW). Rockport Unit Nos. 1 and 2 commenced commercial operation in 1984 and 1989, respectively.

As originally proposed, the Rockport Plant would be owned by three AEP entities: 50% by I&M, 35% by AEG, and 15% by Kentucky Power, as set forth in an Owners' Agreement dated March 31, 1982. Each participant would be entitled to receive energy from the Rockport Plant equivalent to its ownership share in the plant – i.e., I&M, AEG, and Kentucky Power would have rights and obligations with respect to 1,300 MW, 910 MW, and 390 MW from the Rockport Plant, respectively. For various state regulatory reasons, Kentucky Power terminated its ownership interest, and AEG acquired the 15% interest. Consequently, each of AEG and I&M holds a 50% undivided interest in Rockport Units No. 1 and 2⁷ and an entitlement to 50% of the capacity (and associated energy) from each unit.

With respect to I&M, in addition to its 50% share of the investment in the Rockport Plant, I&M also committed to purchase all of the output of the share of the Rockport Plant owned by AEG pursuant to the I&M Agreement. In lieu of direct ownership, Kentucky Power entered into the Kentucky Power Agreement with AEG, whereby AEG agreed to make available to Kentucky Power 30% of its power (and the associated energy) entitlements from both units of the Rockport Plant for a total of 390 MW (or 15% of the total output of the Rockport Plant – to which Kentucky Power would have been entitled via the originally intended 15% direct ownership interest). Because AEG had previously committed to sell to I&M all of AEG's share of the output of the Rockport Plant, Kentucky Power agreed to compensate AEG for the allotted 30% of AEG's share at the same rate I&M would

AEG and I&M each has a 50% ownership interest in Unit 1 and a 50% lease interest in Unit 2 in accordance with a sale and leaseback transaction with Wilmington Trust Company. The lease expires on December 7, 2022.

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have paid AEG under the I&M Agreement. I&M consented to this arrangement. As a result, the Kentucky Power Agreement references terms of service of the I&M Agreement⁸ and includes the same rate design and sample power bill. Therefore, through this filing, AEG proposes identical revisions to both Agreements.

Both of the Agreements were originally filed at FERC in Docket No. ER84-579 on August 2, 1984. Eight supplements to the I&M Agreement were subsequently filed, the last of which was submitted in Docket No. ER89-470 on January 26, 1996. Seven supplements were filed to the Kentucky Agreement, including a revised rate design identical to the one submitted for the I&M Agreement in Docket No. ER89-470 on January 26, 1996. As explained previously, the Kentucky Agreement was also revised in November 2004 to reflect changes in the previous supplement and to extend the term to December 2022.

Section 1.3 of the original version of the I&M Agreement filed on August 2, 1984 provided that I&M was to pay to AEG,

as a demand charge for the right to receive such power (and as an energy charge for any associated energy taken by [I&M]), such amounts from time to time as, when added to amounts received by [AEG] from any other sources, will be at least sufficient to enable [AEG] to pay, when due, all of its operating and other expenses

Supplement No. 2 to the I&M Agreement, which was filed on February 18, 1986, added a "rate design" addendum, which described the methodology for calculating a power bill and contained references to FERC accounts to be included in the bill calculation as well as an updated sample power bill. Each of the subsequent supplements filed for both the I&M Agreement and the Kentucky Power Agreement continued to add granularity to this methodology and the attached sample power bill, consistent with the intent of the rate described in Section 1.3 and the following introductory language to the rate design addendum, which was included in Supplement No. 2 and continues to appear in the currently effective version submitted as part of Supplement No. 8, provides:

In particular, Section 1.2 of the Kentucky Power Agreement states that Kentucky Power agrees to pay AEG "in consideration for the right to receive that 30% of the power (and energy associated therewith) available to [AEG] at the Rockport Plant those amounts which [I&M] would have paid AEGCO under the terms of the IMECO-AEGCO Unit Power Agreement."

This language was revised in Amendment No. 1, which was filed on May 30, 1989, to reference a lease financing transaction involving AEG and the Rockport Plant.

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The total revenue requirement of [AEG] calculated pursuant to the IMECO-AEGCO Unit Power Agreement designated [AEG] FERC Rate Schedule No. 1 is designed to recover for [AEG] its total cost of providing power (and the energy associated therewith) available to [AEG] at the Rockport Plant.

(emphasis added.)

The Kentucky Power Agreement includes a rate design addendum and sample power bill that are identical to those included as part of the I&M Agreement with the exception of the first sentence under the heading "Determination of Power Bill," which, in the case of Kentucky Power Agreement, references "Section 1.2 of the Unit Power Agreement" (as opposed to Section 1.3, which the I&M rate design addendum references). Because the rate design addendum included with the Kentucky Power Agreement refers to I&M in all places (and does not refer to Kentucky Power), through this filing, AEG proposes to revise the reference to Section 1.3 so that the rate design addendum is an exact copy of the version included as part of the I&M Agreement. ¹⁰

C. Description of Accounting for Asset Retirement Obligations

In 2001, the Financial Accounting Standards Board ("FASB") issued Financial Accounting Standards ("FAS") No. 143, "Accounting for Asset Retirement Obligations" which was effective for fiscal years beginning after June 2002. Additionally, in 2005, FASB issued Interpretation No. 47, "Accounting for Conditional Asset Retirement Obligations," which also addresses ARO accounting. In 2003, FERC issued Order No. 631, which established accounting instructions related to ARO and added the following new income statement ARO accounts to its chart of accounts: (1) 411.10 - Accretion Expense; and (2) 403.1 - Depreciation Expense. Together, the FASB and FERC rules detail specific accounting requirements for asset retirement costs resulting from a legal obligation to retire or decommission assets.

Prior to the version of the Kentucky Power Agreement submitted in 2004, supplements to the Kentucky Power Agreement consistently included a rate design addendum that was an exact copy of that included with the I&M Agreement. As noted previously, the Kentucky Power Agreement, by design, refers to the rate charged to I&M associated with AEG's share of the Rockport Plant.

Both of these FASB documents are now referred to as Accounting Standards Codification 410.20.

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The various AEP operating companies implemented the new ARO accounting requirements in 2003. Existing depreciation rates were reviewed, and it was determined that none of AEP's affiliated utility operating companies were collecting ash pond and landfill ARO type costs through the removal component of traditional depreciation rates. As a result of the review and based on the probability of recovery, in 2003, AEP's affiliated utility operating companies set up regulatory assets in account 182.3, which included a cumulative effect adjustment¹² and monthly amounts of ash pond and landfill ARO depreciation and accretion expenses (accounts 411.10 and 403.1) pending future rate relief. By August 31, 2012, the regulatory asset for AEG equaled \$2,848,088.

As of March 31, 2012, based on retail rate commission orders, AEP has been collecting ash pond (where applicable) and asbestos expenses in cost of service in Arkansas, Indiana, Kentucky, Ohio, Oklahoma, Texas, Virginia and West Virginia. In the states where ash pond and landfill costs were included in ARO balances, AEP's affiliated utility operating companies have amortized the regulatory asset balance in account 182.3 over the remaining life of the related asset to accounts 411.10 and 403.1.

Additionally, in 2005, in accordance with FASB Interpretation No. 47 titled "Accounting for Conditional Asset Retirement Obligations," AEG set up an ARO for its asbestos removal costs at the Rockport Plant. Since it was determined that AEG was collecting this cost through traditional depreciation rates, there was no need to add the ARO asbestos costs to the ash pond regulatory asset in account 182.3.

II. Description of Proposed Formula Rate Revisions

A. Proposed Revisions Related to ARO Accounts

With this application, AEG seeks FERC approval to add ARO accounts 411.10 and 403.1 to the formula rate calculations contained in the rate design addendum and sample power bills of each of the Agreements. Adding these accounts will permit AEG to recover current year amounts and to begin amortizing the regulatory asset amount over the estimated remaining life of the Rockport Plant, which is estimated to retire July 1, 2044.

Under the cumulative effect adjustments required under the FASB and FERC rules, companies were required to establish in their accounts all of the amounts that would have been recorded had the new ARO requirements always been in effect.

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As of August 2012, AEG's ARO costs are as follows:

Account	Description	Monthly Amt.	Annual Amt.
411.10	Accretion Expense	\$23,792	\$285,504
403.1	ARO Depreciation Expense	\$3,561	\$42,732
Am	ortization of Account 182.3 over	er remaining life of	Rockport
411.10	Accretion Expense	\$3,556	\$42,672
403.1	ARO Depreciation Expense	\$2,764	\$33,168
TOTAL		\$33,673	\$404,076

AEG estimates that the total amount accrued for its ARO costs will be approximately \$26 million at the end of the final ARO settlement date for Rockport Plant. However, ARO amounts will vary when future estimates of retirement costs require revisions to the current estimates.

In accordance with the requirements of Section 35.18 of the Commission's regulations, 18 C.F.R. § 35.18, attached as Exhibit A is a calculation of ARO amounts for AEG related to the Rockport Plant, which shows the cash flow (future retirement costs) used to estimate ARO costs. Also included on Exhibit A is the time period when the cash flow is estimated to occur, the direct cost, the discount rate, and the inflation rate. Note that where an ARO has multiple layers, each successive layer represents a revised ARO estimate. As of August 2012, the expected ARO costs after inflation for the Rockport Plant were as follows:

1.	Asbestos (Unit Specific)	\$681,298
2.	Asbestos (Common Plant)	\$454,199
3.	Landfill	\$7,520,930
4.	Ash Pond	\$17,777,263
	Total	\$26,433,690

Exhibit B provides a narrative description of the asbestos removal and landfill and ash pond closure costs. Exhibit C provides details regarding the cost to retire the Rockport landfill and ash pond by activity.

AEG notes that the ARO amounts are removed from account balances (accounts 101, 108, 190, 282, 283) through a single adjustment in preparing the bills under the Agreements.

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B. Proposed Revisions Related to Other FERC Accounts

In addition to the proposed revisions to the rate design related to Asset Retirement Obligations, in the description of the rate design in each of the Agreements, AEG proposes the following revisions: (1) a revision to the reference to Unamortized Debt Expense to include account 189 as well as 181; (2) a revision to the reference to Short-Term Debt to include account 233 as well as 231; and (3) and a revision to the reference to Special Deposits and Working Funds to include account 145 as well as 132-134 and 136. These additions add granularity to the rate design, as was done through prior supplements.

AEG also proposes a number of clean-up changes to the sample power bill included as part of the rate design. The revisions include more account references for the line items in the sample power bill and correct the reference to the coal supply from 75 days to 68 days, which is consistent with the text of the rate design.

Specifically, updates to the monthly sample power bill include the following:

- Long-Term Debt Interest Expense revise the reference to include accounts 428 and 429 in addition to the existing account 427, to more precisely reflect the way that long-term debt interest expense, which has always been included in the rate design, is booked;
- Short-Term Debt Interest Expense revise the reference to account 431 to account 430 to correct a typographical error;
- Other Interest Expense revise the reference to account 428 to 431 to correct a typographical error;
- Fuel Stock Oil revise the reference to account 151.20 to 151;
- Coal Inventory revise the supply references from 75 days to 68 days to match the number of days contained in the rate design narrative;
- Accumulated Provision for Depreciation of Electric Utility Plant revise the reference from account 106 to 108 to correct a typographical error;
- Add a note indicating that Fuel Inventory Over Allowed Level includes both units of the Rockport Plant;
- Short-Term Debt add account 233 (Notes Payable, Assoc Co (Money Pool)) to more precisely reflect the way short-term financing needs, which have always been included in the rate design, are booked; and

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• Temporary Cash Investments – revise reference to include account 145 as well as account 136 to more precisely reflect the way temporary cash investments, which have always been reflected in the rate design, are booked.

Additionally, AEG proposes minor revisions to the sample power bill to correct the page numbers and associated references and to correct a reference on page 1 to an "annual" power bill to "monthly."

III. The Proposed Revisions are Just and Reasonable

The proposed revisions to the Agreement are designed to more precisely capture the costs of operating the Rockport Plant. This is consistent with the I&M Agreement as originally drafted, which required compensation sufficient to enable AEG to pay its operating and other expenses, and the introductory language to the rate design, which establishes that the rate is designed to recover for AEG its total cost of providing power (and the energy associated therewith) available to AEG at the Rockport Plant. The proposed revisions are also consistent with the parties' previous practice of filing supplements that add granularity to the rate calculation based on the accounting regulations available at the time, consistent with the intent of the I&M Agreement (and the Kentucky Power Agreement, which, by design, tracks the I&M Agreement). Consequently, the proposed revisions are just and reasonable.

IV. Communications and Service

AEG requests that all correspondence and communications related to this filing be made to the following persons:

James R. Bacha
Assistant General Counsel
American Electric Power
Service Corporation
1 Riverside Plaza, 29th Floor
Columbus, Ohio 43215
Tel: (614) 716-1615
jrbacha@aep.com

Amanda Riggs Conner Senior Counsel American Electric Power Service Corporation 801 Pennsylvania Ave. N.W. Ste. 320 Washington, D.C. 20004 Tel: (202) 383-3436 arconner@aep.com Honorable Kimberly D. Bose November 1, 2012 Page 11 of 13

V. **Filing Requirements**

The proposed revisions to the Agreements update the rate design and sample power bill to more precisely reflect AEG's costs associated with its cost of providing power from the Rockport Plant to I&M and Kentucky Power, consistent with the intent of the Agreements. Consequently, AEG is filing the proposed revisions in accordance with the abbreviated filing requirements under Section 35.13(a)(2) of the Commission's regulations. AEG requests waiver of the Commission's regulations to the extent necessary to allow the proposed changes to be accepted for filing.

A. **Documents Included:**

Order No. 714 established that parties must electronically submit existing service agreements for filing in the Commission's eTariff filing system when such service agreements are revised or amended. 13 Because the Agreements have not previously been electronically filed, through this filing, AEG submits the currently effective portions of the Agreements in full, in redlined and clean form, reflecting the changes proposed herein.¹⁴

In sum, the documents provided with this filing include:

- this Transmittal Letter:
- Exhibit A (cash flow (future retirement costs) used to estimate ARO
- Exhibit B (description of asbestos removal and landfill and ash pond closure costs);

¹³

Order No. 714 at P 13.

Because Supplement No. 8 to the I&M Agreement contains the rate design currently in effect, the version of the I&M Agreement submitted herein includes the original agreement (which did not include a rate design addendum), Amendment No. 1 to the agreement (which updated the agreement based on the sale/leaseback financing transaction), and the currently effective rate design addendum and associated sample power bill, which was submitted as part of Supplement No. 8, as revised pursuant to this filing. For the redlined version of the I&M Agreement submitted herein, AEG has crossed out pages in previous supplements that have been superseded. With respect to the Kentucky Power Agreement, because the agreement was resubmitted in 2004 as part of the proposed extension of the agreement, AEPSC includes the version accepted by the Commission by letter order in December 2004, as revised pursuant to this filing.

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- Exhibit C (details regarding the cost to retire the Rockport landfill and ash pond by activity);
- Clean copy of the I&M Agreement;
- Redlined copy of the I&M Agreement;
- Clean copy of the Kentucky Power Agreement;
- Redlined copy of the Kentucky Power Agreement.

Pursuant to Section 35.7 of the Commission's regulations, 18 C.F.R. § 35.7, the contents of this filing are being submitted as part of an XML filing package that conforms with the Commission's instructions.

B. Effective Date:

AEG request an effective date of the proposed revisions of December 31, 2012.

C. The Names and Addresses of Persons to Whom a Copy of the Filing has Been Provided:

AEG has served a copy of this filing on:

Kentucky Power Company Ranie Wohnhas 1 Riverside Plaza Columbus, Ohio 43215

Indiana Michigan Power Company Scott Krawec 1 Riverside Plaza Columbus, Ohio 43215

In addition, AEG has served copies of this filing upon the Indiana Utility Regulatory Commission and the Kentucky Public Service Commission.

D. Brief Description of and Reason for the Rate Schedule Change:

A description of and reason for the proposed revisions is provided in Parts II and III of this Transmittal Letter, respectively.

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E. Showing that all Requisite Agreements Have Been Obtained:

I&M and Kentucky Power, the counter parties to the respective Agreements, have consented to the proposed revisions. Consequently, all requisite agreements necessary to submit these revisions have been obtained.

F. Costs that have been Alleged to be Illegal, Duplicative, or Unnecessary that are Demonstrably the Product of Discriminatory Employment Practices:

AEG has no knowledge of any relevant expenses or costs of service that have been alleged or judged in any administrative or judicial proceeding to be illegal, duplicative or unnecessary costs that are demonstrably the product of discriminatory employment practices.

G. Cost of Service Information and Revenue Comparisons:

AEG request waiver of the revenue comparison requirements of Section 35.13(c) of the Commission's rules because the instant filing does not fundamentally alter the nature of the cost-based rate schedules currently in effect.

VI. Conclusion

AEPSC respectfully requests that the Commission accept the proposed revisions to the Agreement, effective December 31, 2012.

Respectfully submitted,

<u>Amanda Riggs Conner</u> Amanda Riggs Conner

Attorney for American Electric Power Service Corporation

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Exhibit A

Exhibit A - ARO CASACPASA So. 2017-00179
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Note: This report is filtered.

ARO Component/Site Stream Details Report AEP Generating Company American Electric Power Company: AEG - Rockport

ARO Description:	ARO Rockport Asbestos	rt Asbestos	Transition ARO					
Layer#: 1	Layer Status: Active	Active	Discount Rate:	Rate: 6.20%	Annual Eff. Rate: 6.38%			
Initial Expected Balance:	lance:	\$22,271.60 Current Layer	nt Layer Asset Dollars	(\$45,870.33)				
		Estimate Fields	<u>अ</u>		Calculation Fields	elds		
Stream # Probability	Month , Yr	Cash Flow	Remaining Cash Flow	Direct Cost	Inflation Allocated Cost Rate		Mark Up Risk Prem. Rate Rate	Gross Cash Flow
%00'0 0	06/2054	\$1,136,070.00	\$0.00	\$0.00	\$0.00 00.00	%00.0 %(0.00%	\$0.00
1 100.00%	06/2054	\$0.00	\$0.00	\$263,640.00	\$0.00 3.09%	%00.0 %	%00.0	\$1,136,070.00
Layer #: 2	Layer Status: Active	Active	Discount Rate:	Rate: 8.72%	Annual Eff. Rate: 9.08%			
Initial Expected Balance:	lance:	\$386,210.97 Current Layer	nt Layer Asset Dollars	(\$130,552.52)				
		Estimate Fields	<u>15</u>		Calculation Fields	elds		
Stream # Probability	Month Yr	Cash Flow	Remaining Cash Flow	Direct Cost	Inflation Allocated Cost Rate	on Mark Up e Rate	Risk Prem. Rate	Gross Cash Flow
%00'0 0	06/2008	\$760.00	\$0.00	\$0.00	\$0.00 00.00	%00.0 %0	0.00%	\$0.00
0 0.00%	06/2010	\$516,695.00	\$0.00	\$0.00	\$0.00 0.00%	%00.0 %	%00.0	\$0.00
0 0.00%	06/2054	(\$1,136,070.00)	\$0.00	\$0.00	\$0.00 0.00%	%00.0 %	%00.0	\$0.00
1 100.00%	06/2008	\$0.00	\$0.00	\$760.00	\$0.00 3.15%	%00.0 %	%00.0	\$760.00
1 100.00%	06/2010	\$0.00	\$0.00	\$500,916.00	\$0.00 3.15%	%00.0 %	0.00%	\$516,695.00
Layer#: 3	Layer Status: Active	Active	Discount Rate:	Rate: 5.07%	Annual Eff. Rate: 5.19%			
Initial Expected Balance:	ılance:	(\$385,135.61) Current Layer	nt Layer Asset Dollars	\$199,769.81				
		Estimate Fields	<u>श</u>		Calculation Fields	elds		
Stream # Probability	Month , Yr	Cash Flow	Remaining Cash Flow	Direct Cost	Inflation Allocated Cost Rate		Mark Up Risk Prem. Rate Rate	Gross Cash Flow
0 0.00%	06/2010	(\$513,434.83)	\$513,434.83	\$0.00	\$0.00 00.0\$	%00.0 %	%00.0	\$0.00
0 0.00%	06/2015	\$35,732.00	\$0.00	\$0.00	\$0.00 0.00%	%00.0 %	%00.0	\$0.00
0 0.00%	06/2020	\$51,629.00	\$0.00	\$0.00	\$0.00 0.00%	%00.0 %	%00.0	\$0.00
0 0.00%	06/2030	\$137,963.00	\$0.00	\$0.00	\$0.00 0.00%	%00.0 %	0.00%	\$0.00
0 0.00%	06/2040	\$184,333.00	\$0.00	\$0.00	\$0.00 0.00%	%00.0 %0	%00.0	\$0.00
0 0.00%	06/2050	\$246,289.00	\$0.00	\$0.00	\$0.00 0.00%	%00.0 %0	%00.0	\$0.00
0 0.00%	06/2051	\$25,352.00	\$0.00	\$0.00	\$0.00 00.00%	%00.0 %	%00.0	\$0.00
Page 1 of 16			ARO - 1	ARO - 1004 - all				10/02/2012 08:30:49

ARO D	escription:	ARO Description: ARO Rockport Asbestos	Asbestos	Transition ARO						
Layer#: 3	#: 3	Layer Status: Active	ctive	Discoun	Discount Rate: 5.07%	Annual Eff. Rate: 5.19%	.19%			
Initial	nitial Expected Balance:	ance:	(\$385,135.61) Current Layer Asset Dollars	yer Asset Dollars	\$199,769.81					
			Estimate Fields			Calculat	Calculation Fields			
Stream #	n Probability	Month Yr	Cash Flow	Remaining Cash Flow	Direct Cost	Ir Allocated Cost	Inflation Rate	Mark Up I Rate	Inflation Mark Up Risk Prem. Rate Rate Rate	Gross Cash Flow
-	100.00% 06/2015	06/2015	\$0.00	\$0.00	\$32,757.00	\$0.00	\$0.00 2.94%	0.00%	%00.0	\$35,732.00
-	100.00%	06/2020	\$0.00	\$0.00	\$40,947.00	\$0.00	2.94%	%00.0	%00.0	\$51,629.00
-	100.00%	06/2030	\$0.00	\$0.00	\$81,893.00	\$0.00	2.94%	%00.0	%00.0	\$137,963.00
-	100.00%	06/2040	\$0.00	\$0.00	\$81,893.00	\$0.00	2.94%	%00.0	%00.0	\$184,333.00
-	100.00%	06/2050	\$0.00	\$0.00	\$81,893.00	\$0.00	2.94%	%00.0	%00.0	\$246,289.00
-	100.00%	06/2051	\$0.00	\$0.00	\$8,189.00	\$0.00	2.94%	%00.0	%00:0	\$25,352.00

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Note: This report is filtered.

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Note: This report is filtered.

ARO Component/Site Stream Details Report **AEP Generating Company** Company: AEG - Rockport American Electric Power

ARO DE	ARO Description:	AND NOCKPOI	ARO ROCKPORT OF ASDESTOS - AE							
Layer #:	-	Layer Status: Active	Active	Discount Rate:	t Rate: 5.75%	Annual Eff. Rate: 5	2.90%			
Initial Ex	Initial Expected Balance:	lance:	\$315,465.40 Current Layer	t Layer Asset Dollars	\$97,581.42					
			Estimate Fields	S		Calculat	Calculation Fields	, σι		
Stream # P	Probability	Month Yr	Cash Flow	Remaining Cash Flow	Direct Cost	Allocated Cost	Inflation Rate	Mark Up Rate	Mark Up Risk Prem. Rate Rate	Gross Cash Flow
0	%00.0	06/2015	\$82,162.00	\$23,821.00	\$0.00	\$0.00	0.00%	%00.0	0.00%	\$0.00
0	%00.0	06/2020	\$94,972.00	\$34,419.00	\$0.00	\$0.00	0.00%	0.00%	%00.0	\$0.00
0	%00.0	06/2030	\$253,785.00	\$91,975.00	\$0.00	\$0.00	0.00%	0.00%	%00.0	\$0.00
0	%00.0	06/2040	\$339,085.00	\$122,889.00	\$0.00	\$0.00	0.00%	%00.0	%00.0	\$0.00
0	%00.0	06/2050	\$453,054.00	\$164,193.00	\$0.00	\$0.00	0.00%	0.00%	%00.0	\$0.00
0	%00.0	06/2051	\$46,638.00	\$16,902.00	\$0.00	\$0.00	0.00%	0.00%	%00.0	\$0.00
τ-	100.00%	06/2015	\$0.00	\$0.00	\$73,170.50	\$0.00	2.94%	0.00%	%00.0	\$82,162.00
-	100.00%	06/2020	\$0.00	\$0.00	\$73,170.50	\$0.00	2.94%	%00.0	%00.0	\$94,972.00
-	100.00%	06/2030	\$0.00	\$0.00	\$146,341.50	\$0.00	2.94%	0.00%	%00.0	\$253,785.00
-	100.00%	06/2040	\$0.00	\$0.00	\$146,341.50	\$0.00	2.94%	0.00%	%00.0	\$339,085.00
-	100.00%	06/2050	\$0.00	\$0.00	\$146,341.50	\$0.00	2.94%	%00.0	%00.0	\$453,054.00
-	100.00%	06/2051	\$0.00	\$0.00	\$14,634.50	\$0.00	2.94%	%00.0	%00.0	\$46,638.00
Layer #:	2	Layer Status: Active	Active	Discount Rate:	t Rate: 5.07%	Annual Eff. Rate: 5.19%	.19%			
Initial Ex	Initial Expected Balance:	lance:	(\$217,883.98) Current Layer	t Layer Asset Dollars	\$0.00					
			Estimate Fields			Calculat	Calculation Fields	, ω		
Stream # P	Probability	Month	Cash Flow	Remaining Cash Flow	Direct Cost	Allocated Cost	Inflation Rate	Mark Up Rate	Mark Up Risk Prem. Rate Rate	Gross Cash Flow
0	%00.0	06/2015	(\$58,341.00)	\$0.00	\$0.00	\$0.00	0.00%	%00.0	%00.0	\$0.00
0	%00.0	06/2020	(\$60,553.00)	\$0.00	\$0.00	\$0.00	0.00%	%00.0	%00.0	\$0.00
0	%00.0	06/2030	(\$161,810.00)	\$0.00	\$0.00	\$0.00	0.00%	%00.0	%00.0	\$0.00
0	%00.0	06/2040	(\$216,196.00)	\$0.00	\$0.00	\$0.00	0.00%	%00.0	%00.0	\$0.00
0	%00.0	06/2050	(\$288,861.00)	\$0.00	\$0.00	\$0.00	0.00%	%00.0	%00.0	\$0.00
0	%00.0	06/2051	(\$29,736.00)	\$0.00	\$0.00	\$0.00	0.00%	0.00%	%00.0	\$0.00
-	100.00%	06/2015	\$0.00	\$0.00	\$21,838.00	\$0.00	2.94%	0.00%	%00.0	\$23,821.00
-	100.00%	06/2020	\$0.00	\$0.00	\$27,298.00	\$0.00	2.94%	0.00%	%00.0	\$34,419.00
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ARO Component/Site Stream Details Report AEP Generating Company American Electric Power Company: AEG - Rockport

ARO D	escription:	ARO Rockport	ARO Description: ARO Rockport U0 Asbestos - AE							
Layer #: 2	¥: 2	Layer Status: Active	Active	Discount Rate: 5.07%	2.07%	Annual Eff. Rate: 5.19%	%6			
Initial E	Initial Expected Balance:	ance:	(\$217,883.98) Current Layer	er Asset Dollars	\$0.00					
			Estimate Fields			Calculation Fields	on Fields			
Stream	_	Month	_	Remaining		드	nflation	Mark Up	Inflation Mark Up Risk Prem.	
#	Probability	Yr	Cash Flow (Cash Flow	Direct Cost	Allocated Cost Rate	Rate	Rate	Rate	Gross Cash Flow
-	100.00% 06/2030	06/2030	\$0.00	\$0.00	\$54,595.50	\$0.00	\$0.00 2.94%	0.00%	%00.0	\$91,975.00
-	100.00%	06/2040	\$0.00	\$0.00	\$54,595.50	\$0.00	2.94%	%00.0	%00.0	\$122,889.00
-	100.00%	06/2050	\$0.00	\$0.00	\$54,595.50	\$0.00	2.94%	%00.0	%00.0	\$164,193.00
-	100.00%	06/2051	\$0.00	\$0.00	\$5,459.50	\$0.00	2.94%	0.00%	%00.0	\$16,902.00

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ARO Component/Site Stream Details Report
AEP Generating Company
American Electric Power
Company: AEG - Rockport

1										
Layer #:	#: 1	Layer Status: Active	: Active	Discount Rate:	ate: 7.76%	Annual Eff. Rate: 8	8.04%			
Initial E	Initial Expected Balance:	lance:	\$740,111.28 Curren	\$740,111.28 Current Layer Asset Dollars	(\$450,076.89)					
			Estimate Fields	- Is		Calculat	Calculation Fields			
Stream #	ı Probability	Month Yr	Cash Flow	Remaining Cash Flow	Direct Cost	Allocated Cost	Inflation Rate	Mark Up Rate	Mark Up Risk Prem. Rate Rate	Gross Cash Flow
0	%00'0	06/2006	\$502,978.00	\$0.00	\$0.00	\$0.00	%00'0	%00.0	%00:0	\$0.00
0	%00.0	06/2007	\$88,243.00	\$0.00	\$0.00	\$0.00	%00.0	%00.0	%00.0	\$0.00
0	%00.0	06/2008	\$91,049.00	\$0.00	\$0.00	\$0.00	%00.0	%00.0	%00.0	\$0.00
0	%00.0	06/2009	\$93,944.00	\$0.00	\$0.00	\$0.00	%00.0	%00.0	%00.0	\$0.00
0	%00.0	06/2010	\$96,932.00	\$0.00	\$0.00	\$0.00	%00.0	%00.0	%00.0	\$0.00
0	%00.0	06/2011	\$100,014.00	\$0.00	\$0.00	\$0.00	%00.0	%00.0	%00.0	\$0.00
0	%00.0	06/2012	\$103,195.00	\$0.00	\$0.00	\$0.00	%00.0	%00.0	%00.0	\$0.00
0	%00.0	06/2013	\$106,476.00	\$0.00	\$0.00	\$0.00	%00.0	%00.0	%00.0	\$0.00
0	%00.0	06/2014	\$109,862.00	\$0.00	\$0.00	\$0.00	%00.0	%00.0	%00.0	\$0.00
0	0.00%	06/2015	\$113,356.00	\$0.00	\$0.00	\$0.00	%00.0	0.00%	%00.0	\$0.00
0	%00.0	06/2016	\$116,961.00	\$0.00	\$0.00	\$0.00	%00.0	%00.0	%00.0	\$0.00
0	%00.0	06/2017	\$120,680.00	\$0.00	\$0.00	\$0.00	%00.0	%00.0	%00.0	\$0.00
0	%00.0	06/2018	\$124,518.00	\$0.00	\$0.00	\$0.00	%00.0	%00.0	%00.0	\$0.00
0	%00.0	06/2019	\$128,477.00	\$0.00	\$0.00	\$0.00	%00.0	%00.0	%00.0	\$0.00
0	%00.0	06/2020	\$132,558.00	\$0.00	\$0.00	\$0.00	%00.0	%00.0	%00.0	\$0.00
_	100.00%	06/2006	\$0.00	\$0.00	\$457,891.00	\$0.00	3.18%	%00.0	%00.0	\$502,978.00
-	100.00%	06/2007	\$0.00	\$0.00	\$77,857.00	\$0.00	3.18%	%00'0	%00.0	\$88,243.00
-	100.00%	06/2008	\$0.00	\$0.00	\$77,857.00	\$0.00	3.18%	0.00%	%00.0	\$91,049.00
-	100.00%	06/2009	\$0.00	\$0.00	\$77,857.00	\$0.00	3.18%	%00.0	%00.0	\$93,944.00
_	100.00%	06/2010	\$0.00	\$0.00	\$77,857.00	\$0.00	3.18%	%00.0	%00.0	\$96,932.00
~	100.00%	06/2011	\$0.00	\$0.00	\$77,857.00	\$0.00	3.18%	0.00%	%00.0	\$100,014.00
_	100.00%	06/2012	\$0.00	\$0.00	\$77,857.00	\$0.00	3.18%	%00.0	%00.0	\$103,195.00
_	100.00%	06/2013	\$0.00	\$0.00	\$77,857.00	\$0.00	3.18%	%00.0	%00.0	\$106,476.00
-	100.00%	06/2014	\$0.00	\$0.00	\$77,857.00	\$0.00	3.18%	%00.0	%00.0	\$109,862.00
-	100.00%	06/2015	\$0.00	\$0.00	\$77,857.00	\$0.00	3.18%	0.00%	%00.0	\$113,356.00
-	400 00%	06/2016	00 0 0	\$0.00	\$77.857.00	00 0\$	3 18%	% 000	/000	6116 061 00

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Note: This report is filtered.

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Note: This report is filtered.

ARO Component/Site Stream Details Report
AEP Generating Company
American Electric Power
Company: AEG - Rockport

ARO Description:	,	ASH Rockport Ash Pond - AEG	Transition ARO						
Layer#: 1	Layer Status: Active	Active	Discount Rate:	Rate: 7.76%	Annual Eff. Rate: 8.04%	4%			
Initial Expected Balance:	Balance:	\$740,111.28 Current Layer	nt Layer Asset Dollars	(\$450,076.89)					
		Estimate Fields	<u>sp</u>		Calculation Fields	on Fields			
Stream # Probability	Month ility Yr	Cash Flow	Remaining Cash Flow	Direct Cost	In Allocated Cost	Inflation Rate	Mark Up Rate	Risk Prem. Rate	Gross Cash Flow
1 100.00%	06/2017	\$0.00	\$0.00	\$77,857.00	\$0.00	3.18%	%00.0	0.00%	\$120,680.00
1 100.00%	06/2018	\$0.00	\$0.00	\$77,857.00	\$0.00	3.18%	%00.0	%00.0	\$124,518.00
1 100.00%	06/2019	\$0.00	\$0.00	\$77,857.00	\$0.00	3.18%	%00.0	%00.0	\$128,477.00
1 100.00%	06/2020	\$0.00	\$0.00	\$77,854.00	\$0.00	3.18%	%00.0	0.00%	\$132,558.00
Layer#: 2	Layer Status: Active	Active	Discount Rate:	Rate: 8.72%	Annual Eff. Rate: 9.0	%80.6			
Initial Expected Balance:	Balance:	\$640,368.08 Current Layer	nt Layer Asset Dollars	\$1,155,467.55					
		Estimate Fields			Calculation Fields				
Stream # Probability	Month ility Yr	Cash Flow	Remaining Cash Flow	Direct Cost	In Allocated Cost	Inflation Rate	Mark Up Rate	Risk Prem. Rate	Gross Cash Flow
0 0.00%	% 06/2006	(\$502,978.00)	\$0.00	\$0.00	\$0.00	%00:0	%00.0	%00.0	\$0.00
0 0.00%	% 06/2007	(\$88,243.00)	\$0.00	\$0.00	\$0.00	%00.0	%00.0	%00.0	\$0.00
0 0.00%	% 06/2008	\$323,048.00	\$0.00	\$0.00	\$0.00	%00.0	%00.0	%00.0	\$0.00
0 0.00%	% 06/2009	\$68,056.00	\$0.00	\$0.00	\$0.00	%00.0	%00.0	%00.0	\$0.00
0 0.00%	% 06/2010	\$70,171.00	\$70,171.00	\$0.00	\$0.00	%00.0	%00.0	%00.0	\$0.00
0 0.00%	% 06/2011	\$72,353.00	\$15,000.00	\$0.00	\$0.00	%00.0	%00.0	%00.0	\$0.00
%00.0 0	% 06/2012	(\$103,195.00)	\$0.00	\$0.00	\$0.00	%00.0	%00.0	%00.0	\$0.00
0 0.00%	% 06/2013	\$76,921.00	\$21,723.00	\$0.00	\$0.00	%00.0	%00.0	%00.0	\$0.00
0 0.00%	% 06/2014	(\$109,862.00)	\$0.00	\$0.00	\$0.00	%00.0	%00.0	%00.0	\$0.00
0 0.00%	% 06/2015	(\$113,356.00)	\$0.00	\$0.00	\$0.00	%00.0	%00.0	%00.0	\$0.00
0 0.00%	% 06/2016	(\$116,961.00)	\$0.00	\$0.00	\$0.00	%00.0	%00.0	%00.0	\$0.00
0 0.00%	% 06/2017	(\$120,680.00)	\$0.00	\$0.00	\$0.00	%00.0	%00.0	%00.0	\$0.00
0 0.00%	% 06/2018	(\$124,518.00)	\$0.00	\$0.00	\$0.00	%00.0	%00.0	%00.0	\$0.00
0 0.00%	% 06/2019	\$1,838,203.00	\$1,838,203.00	\$0.00	\$0.00	%00.0	%00.0	%00.0	\$0.00
0 0.00%	% 06/2020	(\$41,577.00)	\$0.00	\$0.00	\$0.00	%00.0	%00.0	%00.0	\$0.00
0 0.00%	% 06/2021	\$93,847.00	\$82,290.00	\$0.00	\$0.00	%00.0	%00.0	%00.0	\$0.00
Page 6 of 16			ARO - 1	ARO - 1004 - all					10/02/2012 08:30:49

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AEP Generating Company
American Electric Power
Company: AEG - Rockport

ARO Component/Site Stream Details Report

Layer Status: Active	ARO De	ARO Description:	ASH Rockport	ASH Rockport Ash Pond - AEG	Transition ARO						
Amonth Probability Yr 0.00% 06/2022 0.00% 06/2024 0.00% 06/2025 0.00% 06/2025 0.00% 06/2026 0.00% 06/2026 0.00% 06/2030 0.00% 06/2033 0.00% 06/2033 0.00% 06/2033 0.00% 06/2034 0.00% 06/2034 0.00% 06/2034 0.00% 06/2034 0.00% 06/2034 0.00% 06/2034 0.00% 06/2036 0.00% 06/2036 0.00% 06/2040 0.00% 06/2040 0.00% 06/2042 0.00% 06/2042 0.00% 06/2044 0.00% 06/2045 0.00% 06/2045 0.00% 06/2046	Layer #:		Layer Status:	Active	Discount Rate:	ate: 8.72%	Annual Eff. Rate: 9.	%80.6			
Month Estimate Fields 0.00% 06/2022 \$96,803.00 0.00% 06/2023 \$96,803.00 0.00% 06/2024 \$102,998.00 0.00% 06/2025 \$106,242.00 0.00% 06/2025 \$109,898.00 0.00% 06/2025 \$109,898.00 0.00% 06/2026 \$109,898.00 0.00% 06/2026 \$109,899.00 0.00% 06/2026 \$109,899.00 0.00% 06/2026 \$109,899.00 0.00% 06/2028 \$146,602.00 0.00% 06/2039 \$120,275.00 0.00% 06/2031 \$120,275.00 0.00% 06/2034 \$140,450.00 0.00% 06/2035 \$144,874.00 0.00% 06/2036 \$144,874.00 0.00% 06/2036 \$144,874.00 0.00% 06/2036 \$144,874.00 0.00% 06/2036 \$154,145.00 0.00% 06/2040 \$154,000.00 0.00% 06/2041	Initial E	xpected Ba	lance:	\$640,368.08 Current	Layer Asset Dollars	\$1,155,467.55					
Probability Yr Cash Flow Probability Probability Yr Cash Flow Probability Probability<				Estimate Field.			Calculat	Calculation Fields			
0.00% 06/2022 \$96,803.00 0.00% 06/2024 \$102,998.00 0.00% 06/2025 \$102,998.00 0.00% 06/2026 \$109,589.00 0.00% 06/2026 \$109,589.00 0.00% 06/2026 \$113,041.00 0.00% 06/2028 \$113,041.00 0.00% 06/2029 \$124,064.00 0.00% 06/2033 \$124,064.00 0.00% 06/2033 \$144,874.00 0.00% 06/2034 \$144,874.00 0.00% 06/2035 \$144,874.00 0.00% 06/2036 \$144,470.00 0.00% 06/2036 \$144,470.00 0.00% 06/2036 \$144,470.00 0.00% 06/2036 \$154,145.00 0.00% 06/2036 \$154,145.00 0.00% 06/2040 \$154,145.00 0.00% 06/2041 \$154,000.00 0.00% 06/2042 \$180,001.00 0.00% 06/2043 \$185,671.00 0.00% 06/2044 \$197,552.00 0.00% 06/2045		Probability	Month Yr	Cash Flow	Remaining Cash Flow	Direct Cost	Allocated Cost	Inflation Rate	Mark Up Rate	Mark Up Risk Prem. Rate Rate	Gross Cash Flow
06/2023 \$99,853.00 06/2024 \$102,998.00 06/2025 \$106,242.00 06/2026 \$109,589.00 06/2028 \$113,041.00 06/2030 \$1120,275.00 06/2031 \$120,275.00 06/2032 \$132,003.00 06/2034 \$144,874.00 06/2035 \$144,874.00 06/2036 \$149,437.00 06/2036 \$169,175.00 06/2040 \$169,175.00 06/2041 \$174,504.00 06/2042 \$180,001.00 06/2042 \$181,520.00 06/2043 \$187,552.00 06/2045 \$197,552.00 06/2047 \$203,775.00	0	%00.0	06/2022	\$96,803.00	\$84,709.00	\$0.00	\$0.00	%00.0	%00.0	%00:0	\$0.00
06/2024 \$102,998.00 06/2025 \$106,242.00 06/2026 \$109,589.00 06/2027 \$113,041.00 06/2029 \$113,041.00 06/2029 \$124,064.00 06/2031 \$124,064.00 06/2032 \$124,064.00 06/2033 \$144,874.00 06/2035 \$144,874.00 06/2036 \$144,874.00 06/2037 \$154,145.00 06/2039 \$169,175.00 06/2040 \$169,175.00 06/2042 \$185,671.00 06/2043 \$185,671.00 06/2044 \$191,520.00 06/2045 \$191,520.00 06/2046 \$203,775.00 06/2047 \$203,775.00 06/2047 \$203,775.00	0	0.00%	06/2023	\$99,853.00	\$87,199.00	\$0.00	\$0.00	%00.0	%00.0	%00.0	\$0.00
06/2025 \$106,242.00 06/2026 \$109,589.00 06/2028 \$113,041.00 06/2028 \$116,602.00 06/2029 \$124,064.00 06/2031 \$127,972.00 06/2032 \$132,003.00 06/2033 \$140,450.00 06/2034 \$140,450.00 06/2035 \$144,874.00 06/2036 \$154,145.00 06/2039 \$169,000.00 06/2040 \$169,175.00 06/2041 \$174,504.00 06/2042 \$180,001.00 06/2043 \$185,671.00 06/2044 \$197,552.00 06/2045 \$203,775.00 06/2046 \$203,775.00 06/2047 \$203,775.00	0	0.00%	06/2024	\$102,998.00	\$89,763.00	\$0.00	\$0.00	%00.0	%00.0	%00.0	\$0.00
06/2026 \$109,589.00 06/2027 \$113,041.00 06/2028 \$113,041.00 06/2029 \$120,275.00 06/2031 \$124,064.00 06/2032 \$124,064.00 06/2033 \$124,064.00 06/2034 \$132,003.00 06/2035 \$144,874.00 06/2036 \$144,874.00 06/2037 \$154,145.00 06/2039 \$169,175.00 06/2040 \$169,175.00 06/2042 \$180,001.00 06/2043 \$185,671.00 06/2044 \$191,520.00 06/2045 \$191,520.00 06/2046 \$203,775.00 06/2047 \$203,775.00 06/2047 \$203,775.00	0	0.00%	06/2025	\$106,242.00	\$92,402.00	\$0.00	\$0.00	%00.0	%00.0	%00.0	\$0.00
06/2027 \$113,041.00 06/2028 \$116,602.00 06/2029 \$120,275.00 06/2031 \$124,064.00 06/2032 \$124,064.00 06/2033 \$136,161.00 06/2034 \$140,450.00 06/2035 \$144,874.00 06/2036 \$149,437.00 06/2037 \$169,000.00 06/2039 \$169,000.00 06/2040 \$169,175.00 06/2042 \$180,001.00 06/2043 \$185,671.00 06/2044 \$191,520.00 06/2045 \$191,520.00 06/2046 \$203,775.00 06/2047 \$203,775.00 06/2047 \$203,775.00	0	0.00%	06/2026	\$109,589.00	\$95,119.00	\$0.00	\$0.00	%00.0	%00.0	%00.0	\$0.00
06/2028 \$116,602.00 06/2029 \$120,275.00 06/2031 \$124,064.00 06/2031 \$127,972.00 06/2032 \$132,003.00 06/2033 \$140,450.00 06/2036 \$144,874.00 06/2037 \$154,145.00 06/2039 \$169,175.00 06/2040 \$169,175.00 06/2042 \$180,001.00 06/2043 \$185,671.00 06/2044 \$197,552.00 06/2045 \$197,552.00 06/2046 \$203,775.00 06/2047 \$203,775.00 06/2047 \$203,775.00	0	0.00%	06/2027	\$113,041.00	\$97,915.00	\$0.00	\$0.00	%00.0	%00.0	%00.0	\$0.00
06/2029 \$120,275.00 06/2031 \$124,064.00 06/2032 \$127,972.00 06/2033 \$132,003.00 06/2034 \$140,450.00 06/2035 \$144,874.00 06/2036 \$144,874.00 06/2037 \$154,145.00 06/2038 \$169,175.00 06/2040 \$169,175.00 06/2042 \$185,671.00 06/2043 \$185,671.00 06/2044 \$191,520.00 06/2045 \$191,520.00 06/2046 \$203,775.00 06/2047 \$203,775.00 06/2047 \$203,775.00	0	0.00%	06/2028	\$116,602.00	\$100,794.00	\$0.00	\$0.00	%00.0	0.00%	%00.0	\$0.00
06/2030 \$124,064.00 06/2031 \$127,972.00 06/2033 \$132,003.00 06/2033 \$136,161.00 06/2034 \$140,450.00 06/2035 \$144,874.00 06/2036 \$149,437.00 06/2037 \$154,000.00 06/2039 \$164,009.00 06/2040 \$169,017.00 06/2042 \$180,001.00 06/2043 \$185,671.00 06/2044 \$197,552.00 06/2045 \$203,775.00 06/2047 \$203,775.00 06/2047 \$203,775.00	0	0.00%	06/2029	\$120,275.00	\$103,757.00	\$0.00	\$0.00	%00.0	0.00%	%00.0	\$0.00
06/2031 \$127,972.00 06/2032 \$132,003.00 06/2034 \$136,161.00 06/2034 \$140,450.00 06/2035 \$144,874.00 06/2036 \$149,437.00 06/2037 \$154,145.00 06/2039 \$169,175.00 06/2040 \$169,175.00 06/2042 \$180,001.00 06/2043 \$185,671.00 06/2044 \$197,552.00 06/2045 \$197,552.00 06/2046 \$203,775.00 06/2047 \$203,775.00 06/2047 \$203,775.00	0	0.00%	06/2030	\$124,064.00	\$106,808.00	\$0.00	\$0.00	%00.0	0.00%	%00.0	\$0.00
06/2032 \$132,003.00 06/2033 \$136,161.00 06/2034 \$140,450.00 06/2035 \$144,874.00 06/2037 \$154,145.00 06/2038 \$159,000.00 06/2039 \$169,175.00 06/2040 \$169,175.00 06/2042 \$185,671.00 06/2043 \$185,671.00 06/2044 \$191,520.00 06/2045 \$191,552.00 06/2047 \$203,775.00 06/2047 \$203,775.00	0	0.00%	06/2031	\$127,972.00	\$109,948.00	\$0.00	\$0.00	%00.0	0.00%	%00.0	\$0.00
06/2033 \$136,161.00 06/2034 \$140,450.00 06/2036 \$144,874.00 06/2036 \$144,47.00 06/2037 \$154,145.00 06/2039 \$164,009.00 06/2040 \$169,175.00 06/2041 \$174,504.00 06/2042 \$180,001.00 06/2043 \$185,671.00 06/2044 \$197,552.00 06/2045 \$203,775.00 06/2047 \$203,775.00 06/2047 \$210,194.00	0	0.00%	06/2032	\$132,003.00	\$113,180.00	\$0.00	\$0.00	%00.0	0.00%	%00.0	\$0.00
06/2034 \$140,450.00 06/2035 \$144,874.00 06/2037 \$149,437.00 06/2038 \$154,145.00 06/2040 \$164,009.00 06/2041 \$174,504.00 06/2042 \$180,001.00 06/2043 \$185,671.00 06/2045 \$197,552.00 06/2045 \$197,552.00 06/2045 \$203,775.00	0	0.00%	06/2033	\$136,161.00	\$116,508.00	\$0.00	\$0.00	%00.0	%00.0	%00.0	\$0.00
06/2035 \$144,874.00 06/2036 \$149,437.00 06/2038 \$159,000.00 06/2039 \$164,009.00 06/2040 \$169,175.00 06/2041 \$174,504.00 06/2043 \$185,671.00 06/2045 \$197,552.00 06/2045 \$203,775.00	0	0.00%	06/2034	\$140,450.00	\$119,933.00	\$0.00	\$0.00	%00.0	%00.0	%00.0	\$0.00
06/2036 \$149,437.00 06/2037 \$154,145.00 06/2039 \$154,000.00 06/2040 \$169,175.00 06/2042 \$180,001.00 06/2043 \$185,671.00 06/2044 \$191,520.00 06/2045 \$197,552.00 06/2045 \$203,775.00	0	0.00%	06/2035	\$144,874.00	\$123,459.00	\$0.00	\$0.00	%00.0	%00.0	%00.0	\$0.00
06/2037 \$154,145.00 06/2038 \$159,000.00 06/2040 \$164,009.00 06/2041 \$174,504.00 06/2042 \$180,001.00 06/2043 \$185,671.00 06/2044 \$191,520.00 06/2045 \$197,552.00 06/2046 \$203,775.00 06/2047 \$210,194.00	0	0.00%	06/2036	\$149,437.00	\$127,089.00	\$0.00	\$0.00	%00.0	%00.0	%00.0	\$0.00
06/2038 \$159,000.00 06/2039 \$164,009.00 06/2040 \$169,175.00 06/2041 \$174,504.00 06/2042 \$180,001.00 06/2043 \$185,671.00 06/2044 \$191,520.00 06/2045 \$197,552.00 06/2046 \$203,775.00	0	0.00%	06/2037	\$154,145.00	\$130,825.00	\$0.00	\$0.00	%00.0	0.00%	%00.0	\$0.00
06/2039 \$164,009.00 06/2040 \$174,504.00 06/2042 \$180,001.00 06/2043 \$185,671.00 06/2044 \$191,520.00 06/2045 \$197,552.00 06/2046 \$203,775.00 06/2047 \$210,194.00	0	0.00%	06/2038	\$159,000.00	\$134,671.00	\$0.00	\$0.00	%00.0	%00.0	%00.0	\$0.00
06/2040 \$169,175.00 06/2041 \$174,504.00 06/2043 \$185,671.00 06/2044 \$191,520.00 06/2045 \$197,552.00 06/2046 \$203,775.00	0	0.00%	06/2039	\$164,009.00	\$138,631.00	\$0.00	\$0.00	%00.0	0.00%	%00.0	\$0.00
06/2041 \$174,504.00 06/2042 \$180,001.00 06/2044 \$191,520.00 06/2045 \$197,552.00 06/2046 \$203,775.00 06/2047 \$210,194.00	0	0.00%	06/2040	\$169,175.00	\$142,707.00	\$0.00	\$0.00	%00.0	0.00%	%00.0	\$0.00
06/2042 \$180,001.00 06/2043 \$185,671.00 06/2044 \$191,520.00 06/2045 \$197,552.00 06/2046 \$203,775.00 06/2047 \$210,194.00	0	0.00%	06/2041	\$174,504.00	\$146,902.00	\$0.00	\$0.00	%00.0	0.00%	%00.0	\$0.00
06/2043 \$185,671.00 06/2044 \$191,520.00 06/2045 \$197,552.00 06/2046 \$203,775.00 06/2047 \$210,194.00	0	0.00%	06/2042	\$180,001.00	\$151,221.00	\$0.00	\$0.00	%00.0	0.00%	%00.0	\$0.00
06/2044 \$191,520.00 06/2045 \$197,552.00 06/2046 \$203,775.00 06/2047 \$210,194.00	0	0.00%	06/2043	\$185,671.00	\$155,667.00	\$0.00	\$0.00	%00.0	0.00%	%00.0	\$0.00
06/2045 \$197,552.00 06/2046 \$203,775.00 06/2047 \$210,194.00	0	0.00%	06/2044	\$191,520.00	\$160,244.00	\$0.00	\$0.00	%00.0	%00.0	%00.0	\$0.00
06/2046 \$203,775.00 06/2047 \$210,194.00	0	0.00%	06/2045	\$197,552.00	\$164,955.00	\$0.00	\$0.00	%00.0	%00.0	%00.0	\$0.00
06/2047 \$210,194.00	0	0.00%	06/2046	\$203,775.00	\$169,804.00	\$0.00	\$0.00	%00.0	%00.0	%00.0	\$0.00
	0	0.00%	06/2047	\$210,194.00	\$174,797.00	\$0.00	\$0.00	%00.0	%00.0	%00'0	\$0.00

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Note: This report is filtered.

Exhibit A - ARO CASACIDASA No. 2017-00179 Attorney General's First Set of Data Requests Through 2054 Dated August 14, 2017 Item No. 314 Attachment 1 Page 22 of 253

10/02/2012 08:30:49

ARO Component/Site Stream Details Report
AEP Generating Company
American Electric Power
Company: AEG - Rockport

AROL	ARO Description:	ASH ROCKPOR ASH PONG - AEG								
Layer #:	.#: 2	Layer Status: Active	: Active	Discount Rate:	Rate: 8.72%	Annual Eff. Rate: 9	%80.6			
Initial	Initial Expected Balance:	ance:	\$640,368.08 Current	Current Layer Asset Dollars	\$1,155,467.55					
			Estimate Fields	<u>s</u>		Calcula	Calculation Fields			
Stream #	m Probability	Month Yr	Cash Flow	Remaining Cash Flow	Direct Cost	Allocated Cost	Inflation Rate	Mark Up Rate	Mark Up Risk Prem. Rate Rate	Gross Cash Flow
0	0.00%	06/2048	\$216,815.00	\$213,456.99	\$0.00	\$0.00	%00.0	%00.0	%00.0	\$0.00
_	100.00%	06/2008	\$0.00	\$0.00	\$414,097.00	\$0.00	3.15%	%00.0	%00.0	\$414,097.00
_	100.00%	06/2009	\$0.00	\$0.00	\$162,000.00	\$0.00	3.15%	%00.0	%00.0	\$162,000.00
_	100.00%	06/2010	\$0.00	\$0.00	\$162,000.00	\$0.00	3.15%	%00.0	%00.0	\$167,103.00
_	100.00%	06/2011	\$0.00	\$0.00	\$162,000.00	\$0.00	3.15%	%00.0	%00.0	\$172,367.00
_	100.00%	06/2013	\$0.00	\$0.00	\$162,000.00	\$0.00	3.15%	%00.0	%00'0	\$183,397.00
_	100.00%	06/2019	\$0.00	\$0.00	\$1,442,253.00	\$0.00	3.15%	%00.0	%00'0	\$1,966,680.00
_	100.00%	06/2020	\$0.00	\$0.00	\$64,683.00	\$0.00	3.15%	%00.0	%00.0	\$90,981.00
_	100.00%	06/2021	\$0.00	\$0.00	\$64,683.00	\$0.00	3.15%	%00.0	%00.0	\$93,847.00
_	100.00%	06/2022	\$0.00	\$0.00	\$64,683.00	\$0.00	3.15%	%00.0	%00.0	\$96,803.00
_	100.00%	06/2023	\$0.00	\$0.00	\$64,683.00	\$0.00	3.15%	%00.0	%00.0	\$99,853.00
_	100.00%	06/2024	\$0.00	\$0.00	\$64,683.00	\$0.00	3.15%	%00.0	%00.0	\$102,998.00
_	100.00%	06/2025	\$0.00	\$0.00	\$64,683.00	\$0.00	3.15%	%00.0	%00.0	\$106,242.00
_	100.00%	06/2026	\$0.00	\$0.00	\$64,683.00	\$0.00	3.15%	%00.0	%00.0	\$109,589.00
_	100.00%	06/2027	\$0.00	\$0.00	\$64,683.00	\$0.00	3.15%	%00.0	%00'0	\$113,041.00
_	100.00%	06/2028	\$0.00	\$0.00	\$64,683.00	\$0.00	3.15%	%00.0	%00.0	\$116,602.00
_	100.00%	06/2029	\$0.00	\$0.00	\$64,683.00	\$0.00	3.15%	%00.0	%00.0	\$120,275.00
_	100.00%	06/2030	\$0.00	\$0.00	\$64,683.00	\$0.00	3.15%	0.00%	%00.0	\$124,064.00
_	100.00%	06/2031	\$0.00	\$0.00	\$64,683.00	\$0.00	3.15%	%00.0	%00.0	\$127,972.00
_	100.00%	06/2032	\$0.00	\$0.00	\$64,683.00	\$0.00	3.15%	%00.0	%00.0	\$132,003.00
_	100.00%	06/2033	\$0.00	\$0.00	\$64,683.00	\$0.00	3.15%	%00.0	%00'0	\$136,161.00
_	100.00%	06/2034	\$0.00	\$0.00	\$64,683.00	\$0.00	3.15%	%00.0	%00.0	\$140,450.00
_	100.00%	06/2035	\$0.00	\$0.00	\$64,683.00	\$0.00	3.15%	%00.0	%00.0	\$144,874.00
_	100.00%	06/2036	\$0.00	\$0.00	\$64,683.00	\$0.00	3.15%	%00.0	%00'0	\$149,437.00
_	100.00%	06/2037	\$0.00	\$0.00	\$64,683.00	\$0.00	3.15%	%00.0	%00'0	\$154,145.00
-	400 00%	06/2038	00 00	\$0 00	\$64,683,00	00 0\$	3 15%	%000	7000	6450 000 00

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Exhibit A - ARO CASACPASA So. 2017-00179
Attorney General's First Set of Data Requests
Through 2054

Dated August 14, 2017

Item No. 314

Attachment 1

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Note: This report is filtered.

ARO Component/Site Stream Details Report
AEP Generating Company
American Electric Power
Company: AEG - Rockport

ARO D	ARO Description:	ASH Rockport	ASH Rockport Ash Pond - AEG	Transition ARO					
Layer #:	i: 2	Layer Status: Active	Active	Discount Rate:	Rate: 8.72%	Annual Eff. Rate: 9.08%			
Initial E	Initial Expected Balance:	lance:	\$640,368.08 Current Layer Asset Dollars	Layer Asset Dollars	\$1,155,467.55				
Stream		Month	Estimate Fields			<u>Calculation Fields</u> Inflation	Mark Up	Risk Prem.	
#	Probability	Yr	Cash Flow	Cash Flow	Direct Cost	Allocated Cost Rate	Rate	Rate	Gross Cash Flow
-	100.00%	06/2039	\$0.00	\$0.00	\$64,683.00	\$0.00 3.15%	0.00%	%00.0	\$164,009.00
-	100.00%	06/2040	\$0.00	\$0.00	\$64,683.00	\$0.00 3.15%	0 %00.0	%00.0	\$169,175.00
-	100.00%	06/2041	\$0.00	\$0.00	\$64,683.00	\$0.00 3.15%	0 %00.0	%00.0	\$174,504.00
-	100.00%	06/2042	\$0.00	\$0.00	\$64,683.00	\$0.00 3.15%	0.00% 0	%00.0	\$180,001.00
-	100.00%	06/2043	\$0.00	\$0.00	\$64,683.00	\$0.00 3.15%	0.00% 0	%00.0	\$185,671.00
-	100.00%	06/2044	\$0.00	\$0.00	\$64,683.00	\$0.00 3.15%	0.00% 0	%00.0	\$191,520.00
-	100.00%	06/2045	\$0.00	\$0.00	\$64,683.00	\$0.00 3.15%	0 %00.0	%00.0	\$197,552.00
-	100.00%	06/2046	\$0.00	\$0.00	\$64,683.00	\$0.00 3.15%	0 %00.0	%00.0	\$203,775.00
-	100.00%	06/2047	\$0.00	\$0.00	\$64,683.00	\$0.00 3.15%	0 %00.0	%00.0	\$210,194.00
-	100.00%	06/2048	\$0.00	\$0.00	\$64,683.00	\$0.00 3.15%	0 %00.0	%00.0	\$216,815.00
Layer #		Layer Status:	Active	Discount			٦		
Layer #:	۳. س	Layer Status: Active	Active	Discount Rate:	Rate: 6.04%	Annual Eff. Rate: 6.21%	\neg		
Initial E	Initial Expected Balance:	lance:	(\$35,552.17) Current	Current Layer Asset Dollars	\$84,417.56				
i		;	Estimate Fields			Calculation Fields	:		
Stream #	Probability	Month Yr	Cash Flow	Remaining Cash Flow	Direct Cost	Inflation Allocated Cost Rate	Mark Up Rate	Risk Prem. Rate	Gross Cash Flow
0	0.00%	06/2008	\$0.00	\$0.00	\$0.00	%00 [.] 00 00 [.] 0\$	0 %00.0	%00:0	\$0.00
0	0.00%	06/2009	\$0.00	\$0.00	\$0.00	*00.0 00.0\$	0 %00.0	%00.0	\$0.00
0	%00.0	06/2010	\$0.00	\$0.00	\$0.00	\$0.00 0.00%	0 %00.0	%00.0	\$0.00
0	%00.0	06/2011	\$0.00	\$0.00	\$0.00	\$0.00 0.00%	0 %00.0	%00.0	\$0.00
0	%00.0	06/2013	\$0.00	\$0.00	\$0.00	\$0.00 0.00%	0 %00.0	%00.0	\$0.00
0	%00.0	06/2019	(\$110,127.00)	\$0.00	\$0.00	\$0.00 0.00%	0.00% 0	%00.0	\$0.00
0	%00.0	06/2020	(\$9,249.00)	\$0.00	\$0.00	\$0.00 0.00%	0.00% 0	%00.0	\$0.00
0	%00.0	06/2021	(\$9,770.00)	\$0.00	\$0.00	\$0.00 0.00%	0.00% 0	%00.0	\$0.00
0	%00.0	06/2022	(\$10,313.00)	\$0.00	\$0.00	\$0.00 0.00%	0 %00.0	%00.0	\$0.00
0	0.00%	06/2023	(\$10,880.00)	\$0.00	\$0.00	\$0.00 00.00	0 %00.0	%00.0	\$0.00
Page 9 of 16	of 16			ARO - 1	ARO - 1004 - all			~	10/02/2012 08:30:49

Exhibit A - ARO CASACIDASA No. 2017-00179 Attorney General's First Set of Data Requests Through 2054 Dated August 14, 2017 Item No. 314 Attachment 1 Page 24 of 253

10/02/2012 08:30:49

ARO Component/Site Stream Details Report
AEP Generating Company
American Electric Power
Company: AEG - Rockport

ARO D	ARO Description:	ASH Rockpoi	ASH Rockport Ash Pond - AEG	Transition ARO						
Layer #:	8	Layer Status: Active	Active	Discount Rate:	Rate: 6.04%	Annual Eff. Rate: 6.21%	.21%			
Initial E	Initial Expected Balance:	ance:	(\$35,552.17) Current Layer	Layer Asset Dollars	\$84,417.56					
			Estimate Fields	SI		Calculat	Calculation Fields			
Stream #	ı Probability	Month Yr	Cash Flow	Remaining Cash Flow	Direct Cost	Allocated Cost	Inflation Rate	Mark Up Rate	Risk Prem. Rate	Gross Cash Flow
0	%00.0	06/2024	(\$11,472.00)	\$0.00	\$0.00	\$0.00	0.00%	%00'0	%00.0	\$0.00
0	%00.0	06/2025	(\$12,089.00)	\$0.00	\$0.00	\$0.00	%00.0	%00.0	%00.0	\$0.00
0	%00.0	06/2026	(\$12,734.00)	\$0.00	\$0.00	\$0.00	%00.0	%00.0	%00.0	\$0.00
0	%00.0	06/2027	(\$13,406.00)	\$0.00	\$0.00	\$0.00	%00.0	%00.0	%00.0	\$0.00
0	%00.0	06/2028	(\$14,108.00)	\$0.00	\$0.00	\$0.00	%00.0	%00.0	%00.0	\$0.00
0	%00.0	06/2029	(\$14,839.00)	\$0.00	\$0.00	\$0.00	%00.0	0.00%	%00.0	\$0.00
0	%00.0	06/2030	(\$15,602.00)	\$0.00	\$0.00	\$0.00	%00.0	%00.0	%00.0	\$0.00
0	%00.0	06/2031	(\$16,397.00)	\$0.00	\$0.00	\$0.00	%00.0	%00.0	%00.0	\$0.00
0	%00.0	06/2032	(\$17,226.00)	\$0.00	\$0.00	\$0.00	%00.0	0.00%	%00.0	\$0.00
0	%00.0	06/2033	(\$18,090.00)	\$0.00	\$0.00	\$0.00	%00.0	%00.0	%00.0	\$0.00
0	%00.0	06/2034	(\$18,990.00)	\$0.00	\$0.00	\$0.00	%00.0	%00.0	%00.0	\$0.00
0	%00.0	06/2035	(\$19,928.00)	\$0.00	\$0.00	\$0.00	%00.0	%00.0	%00.0	\$0.00
0	%00.0	06/2036	(\$20,905.00)	\$0.00	\$0.00	\$0.00	%00.0	0.00%	%00.0	\$0.00
0	%00.0	06/2037	(\$21,924.00)	\$0.00	\$0.00	\$0.00	%00.0	%00.0	%00.0	\$0.00
0	%00.0	06/2038	(\$22,985.00)	\$0.00	\$0.00	\$0.00	%00.0	0.00%	%00.0	\$0.00
0	%00.0	06/2039	(\$24,090.00)	\$0.00	\$0.00	\$0.00	%00.0	0.00%	%00.0	\$0.00
0	%00.0	06/2040	(\$25,240.00)	\$0.00	\$0.00	\$0.00	%00.0	0.00%	%00.0	\$0.00
0	%00.0	06/2041	(\$26,438.00)	\$0.00	\$0.00	\$0.00	%00.0	0.00%	%00.0	\$0.00
0	%00.0	06/2042	(\$27,686.00)	\$0.00	\$0.00	\$0.00	%00.0	0.00%	%00.0	\$0.00
0	%00'0	06/2043	(\$28,984.00)	\$0.00	\$0.00	\$0.00	0.00%	0.00%	%00.0	\$0.00
0	%00.0	06/2044	(\$30,337.00)	\$0.00	\$0.00	\$0.00	%00.0	0.00%	%00.0	\$0.00
0	%00.0	06/2045	(\$31,743.00)	\$0.00	\$0.00	\$0.00	%00.0	%00.0	%00.0	\$0.00
0	%00.0	06/2046	(\$33,207.00)	\$0.00	\$0.00	\$0.00	%00.0	0.00%	%00.0	\$0.00
0	%00.0	06/2047	(\$34,731.00)	\$0.00	\$0.00	\$0.00	%00.0	0.00%	%00.0	\$0.00
0	%00.0	06/2048	\$858,634.00	\$858,634.01	\$0.00	\$0.00	%00.0	0.00%	%00.0	\$0.00
-	100.00%	06/2008	\$0.00	\$0.00	\$414,097.00	\$0.00	3.15%	%00'0	%00'0	\$414,097.00

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ARO - 1004 - all

Note: This report is filtered.

Exhibit A - ARO CASACIDASA No. 2017-00179 Attorney General's First Set of Data Requests Through 2054 Dated August 14, 2017 Item No. 314 Attachment 1 Page 25 of 253

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ARO Component/Site Stream Details Report
AEP Generating Company
American Electric Power
Company: AEG - Rockport

Layer #: Initial Ex	3	Layer Status:	Active	Discount Rate:	3: 6.04%	Annual Eff. Rate: 6.	6.21%			
Initial Ex			8							
	Initial Expected Balance:	lance:	(\$35,552.17) Current Layer Asset Dollars	Layer Asset Dollars	\$84,417.56					
			Estimate Fields			Calculat	Calculation Fields			
Stream # F	Probability	Month Yr	Cash Flow	Remaining Cash Flow	Direct Cost	Allocated Cost	Inflation Rate	Mark Up Rate	Mark Up Risk Prem. Rate Rate	Gross Cash Flow
-	100.00%	06/2009	\$0.00	\$0.00	\$162,000.00	\$0.00	3.15%	%00.0	%00.0	\$162,000.00
-	100.00%	06/2010	\$0.00	\$0.00	\$162,000.00	\$0.00	3.15%	%00.0	%00.0	\$167,103.00
-	100.00%	06/2011	\$0.00	\$0.00	\$162,000.00	\$0.00	3.15%	%00.0	%00.0	\$172,367.00
-	100.00%	06/2013	\$0.00	\$0.00	\$162,000.00	\$0.00	3.15%	%00.0	%00.0	\$183,397.00
-	100.00%	06/2019	\$0.00	\$0.00	\$1,439,159.00	\$0.00	2.87%	%00.0	%00.0	\$1,856,553.00
-	100.00%	06/2020	\$0.00	\$0.00	\$61,589.00	\$0.00	2.87%	0.00%	%00.0	\$81,732.00
-	100.00%	06/2021	\$0.00	\$0.00	\$61,589.00	\$0.00	2.87%	%00.0	%00.0	\$84,077.00
-	100.00%	06/2022	\$0.00	\$0.00	\$61,589.00	\$0.00	2.87%	%00.0	%00.0	\$86,490.00
-	100.00%	06/2023	\$0.00	\$0.00	\$61,589.00	\$0.00	2.87%	%00.0	%00.0	\$88,973.00
-	100.00%	06/2024	\$0.00	\$0.00	\$61,589.00	\$0.00	2.87%	%00.0	%00.0	\$91,526.00
-	100.00%	06/2025	\$0.00	\$0.00	\$61,589.00	\$0.00	2.87%	%00.0	%00.0	\$94,153.00
-	100.00%	06/2026	\$0.00	\$0.00	\$61,589.00	\$0.00	2.87%	%00.0	%00.0	\$96,855.00
-	100.00%	06/2027	\$0.00	\$0.00	\$61,589.00	\$0.00	2.87%	0.00%	%00.0	\$99,635.00
-	100.00%	06/2028	\$0.00	\$0.00	\$61,589.00	\$0.00	2.87%	%00.0	%00.0	\$102,494.00
-	100.00%	06/2029	\$0.00	\$0.00	\$61,589.00	\$0.00	2.87%	%00.0	%00.0	\$105,436.00
-	100.00%	06/2030	\$0.00	\$0.00	\$61,589.00	\$0.00	2.87%	%00.0	%00.0	\$108,462.00
-	100.00%	06/2031	\$0.00	\$0.00	\$61,589.00	\$0.00	2.87%	0.00%	%00.0	\$111,575.00
-	100.00%	06/2032	\$0.00	\$0.00	\$61,589.00	\$0.00	2.87%	0.00%	%00.0	\$114,777.00
-	100.00%	06/2033	\$0.00	\$0.00	\$61,589.00	\$0.00	2.87%	%00.0	%00.0	\$118,071.00
-	100.00%	06/2034	\$0.00	\$0.00	\$61,589.00	\$0.00	2.87%	%00.0	%00.0	\$121,460.00
-	100.00%	06/2035	\$0.00	\$0.00	\$61,589.00	\$0.00	2.87%	%00.0	%00.0	\$124,946.00
-	100.00%	06/2036	\$0.00	\$0.00	\$61,589.00	\$0.00	2.87%	%00.0	%00.0	\$128,532.00
-	100.00%	06/2037	\$0.00	\$0.00	\$61,589.00	\$0.00	2.87%	%00.0	%00.0	\$132,221.00
-	100.00%	06/2038	\$0.00	\$0.00	\$61,589.00	\$0.00	2.87%	%00.0	%00.0	\$136,015.00
-	100.00%	06/2039	\$0.00	\$0.00	\$61,589.00	\$0.00	2.87%	%00.0	%00.0	\$139,919.00
-	100.00%	06/2040	\$0.00	\$0.00	\$61,589.00	\$0.00	2.87%	%00.0	%00.0	\$143,935.00

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Note: This report is filtered.

Exhibit A - ARO CASACIDASA No. 2017-00179 Attorney General's First Set of Data Requests Through 2054 Dated August 14, 2017 Item No. 314 Attachment 1 Page 26 of 253

Note: This report is filtered.

ARO Component/Site Stream Details Report
AEP Generating Company
American Electric Power
Company: AEG - Rockport

Layer Status: Active	Active	Discount Rate:	(ate: 6.04%	Annual Eff. Rate: 6	6.21%			
Initial Expected Balance:	(\$35,552.17) Currer	(\$35,552.17) Current Layer Asset Dollars	\$84,417.56					
	Estimate Fields	Sk		Calcula	Calculation Fields	(01		
Month Yr	Cash Flow	Remaining Cash Flow	Direct Cost	Allocated Cost	Inflation Rate	Mark Up Rate	Risk Prem. Rate	Gross Cash Flow
06/2041	\$0.00	\$0.00	\$61,589.00	\$0.00	2.87%	0.00%	0.00%	\$148,066.00
06/2042	\$0.00	\$0.00	\$61,589.00	\$0.00	2.87%	0.00%	%00.0	\$152,315.00
06/2043	\$0.00	\$0.00	\$61,589.00	\$0.00	2.87%	0.00%	%00.0	\$156,687.00
06/2044	\$0.00	\$0.00	\$61,589.00	\$0.00	2.87%	0.00%	%00.0	\$161,183.00
06/2045	\$0.00	\$0.00	\$61,589.00	\$0.00	2.87%	0.00%	%00'0	\$165,809.00
06/2046	\$0.00	\$0.00	\$61,589.00	\$0.00	2.87%	0.00%	%00.0	\$170,568.00
06/2047	\$0.00	\$0.00	\$61,589.00	\$0.00	2.87%	0.00%	%00.0	\$175,463.00
06/2048	\$0.00	\$0.00	\$366,959.00	\$0.00	2.87%	0.00%	0.00%	\$1,075,449.00
Laver Status:	Active	Discount	- 1	Annual Eff. Rate: 5	%06:			
Initial Expected Balance:	4,418.62	_ Asset [1	ı		1		
	Estimate Field	्श 		Calcula	tion Fields	(0.1		
Month	4000	Remaining Cash Flow	, to 0, ii	too bottoo IV	Inflation	Mark Up	Risk Prem.	
06/2008	(\$298,666.89)	\$0.00	\$0.00	\$0.00	1	0.00%	0.00%	\$0.00
06/2009	(\$68,056.00)	\$0.00	\$0.00	\$0.00		0.00%	%00.0	\$0.00
06/2010	\$382,538.00	\$382,538.00	\$0.00	\$0.00	%00.0	0.00%	%00.0	\$0.00
06/2011	(\$57,353.00)	\$0.00	\$0.00	\$0.00	%00.0	0.00%	%00.0	\$0.00
06/2012	\$21,103.00	\$21,103.00	\$0.00	\$0.00	%00.0	0.00%	%00.0	\$0.00
06/2013	(\$55,198.00)	\$0.00	\$0.00	\$0.00	%00.0	0.00%	%00.0	\$0.00
06/2014	\$22,362.00	\$22,362.00	\$0.00	\$0.00	%00.0	0.00%	%00.0	\$0.00
06/2015	\$166,749.00	\$166,749.00	\$0.00	\$0.00	%00.0	0.00%	%00.0	\$0.00
06/2019	\$509,754.00	\$509,754.00	\$0.00	\$0.00	%00.0	0.00%	%00.0	\$0.00
06/2020	\$79,939.00	\$79,939.00	\$0.00	\$0.00	%00.0	0.00%	%00.0	\$0.00
06/2021	(\$1,787.00)	\$0.00	\$0.00	\$0.00	%00.0	0.00%	%00.0	\$0.00
06/2022	(\$1,781.00)	\$0.00	\$0.00	\$0.00	%00.0	%00.0	0.00%	\$0.00
		ARO - 10	004 - all					10/02/2012 08:30:49
	06/2042 06/2043 06/2044 06/2045 06/2046 06/2047 06/2048 Month Yr 06/2010 06/2011 06/2013 06/2014 06/2015 06/2019 06/2015	(1042 \$0. (1043 \$0. (1044 \$0. (1045 \$0. (1046 \$0. (1047 \$0. (1048 \$0. (1048 \$0. (1048 \$0. (1048 \$0. (1048 \$0. (1048 \$0. (1048 \$0. (1048 \$0. (1048 \$0. (1048 \$0. (1048 \$0. (1048 \$0. (1049	\$0.00 \$0.00	Section Sect	1042 \$0.00 \$61,589.00 1043 \$0.00 \$61,589.00 1044 \$0.00 \$60.00 \$61,589.00 1045 \$0.00 \$61,589.00 \$61,589.00 1045 \$0.00 \$61,589.00 \$61,589.00 1046 \$0.00 \$61,589.00 \$61,589.00 1047 \$0.00 \$61,689.00 \$61,589.00 1048 \$0.00 \$61,589.00 \$61,589.00 1048 \$0.00 \$0.00 \$61,589.00 1048 \$0.00 \$0.00 \$0.00 104 \$286,668.90 \$0.00 \$0.00 104 \$286,668.90 \$0.00 \$0.00 104 \$286,686.00 \$0.00 \$0.00 104 \$227,382.00 \$0.00 \$0.00 104 \$227,382.00 \$0.00 \$0.00 104 \$227,382.00 \$0.00 \$0.00 105 \$166,749.00 \$0.00 \$0.00 105 \$79,393.00 \$79,393.00 \$0.00 <	1042 \$0.00 \$61,589.00 1043 \$0.00 \$61,589.00 1044 \$0.00 \$6.00 \$61,589.00 1045 \$0.00 \$61,589.00 \$61,589.00 1045 \$0.00 \$6.00 \$61,589.00 1046 \$0.00 \$6.00 \$61,589.00 1047 \$0.00 \$6.00 \$61,589.00 1048 \$0.00 \$61,589.00 \$69.00 1048 \$0.00 \$61,589.00 \$69.00 1048 \$364,418.62 Current Layer Asset Dollars \$919,537.59 Annual Eff. 104 \$366,668.90 \$0.00 \$0.00 \$0.00 \$0.00 104 \$238,686.80 \$0.00 \$0.00 \$0.00 \$0.00 104 \$24,140.00 \$1.00 \$0.00	042 \$0.00 \$61,589.00 \$61,589.00 \$61,589.00 \$61,589.00 \$61,589.00 \$61,589.00 \$61,589.00 \$61,589.00 \$61,589.00 \$61,589.00 \$61,589.00 \$80.00	042 \$0.00 \$61,383.00 \$60.00 \$1,00% \$61,583.00 \$0.00 \$2.87% \$0.00% 044 \$0.00 \$0.00 \$61,589.00 \$0.00 \$2.87% \$0.00% 044 \$0.00 \$0.00 \$61,589.00 \$0.00 \$2.87% \$0.00% 045 \$0.00 \$0.00 \$61,589.00 \$0.00 \$2.87% \$0.00% 047 \$0.00 \$0.00 \$61,589.00 \$0.00 \$2.87% \$0.00% 047 \$0.00 \$0.00 \$61,589.00 \$0.00 \$0.00% \$0.00% 048 \$0.00 \$60.00 \$0.00 \$0.00 \$0.00% \$0.00% 048 \$0.00 \$0.00 \$3.60 \$0.00 \$0.00 \$0.00% \$0.00% 041 \$2.24.103.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00% \$0.00% 041 \$2.24.103.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 041 \$2.24.90 \$0.00

Exhibit A - ARO CASACIDASA No. 2017-00179 Attorney General's First Set of Data Requests Through 2054 Dated August 14, 2017 Item No. 314 Attachment 1 Page 27 of 253

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ARO Component/Site Stream Details Report
AEP Generating Company
American Electric Power
Company: AEG - Rockport

Properties 4 Layor Status: Activo Discount Rate: \$159, Annual Eff. Rate: \$100 Status Status: Activo Estimate Fields Status Status: \$100 Cash Flow Cash Flow Status Status: \$100 Cash Flow Cash Flow Status Status: \$100 Cash Flow Status Status: \$100 Cash Flow Cash Flow Cash Flow Status: \$100 Cash Flow Cash Flow Cash Flow Status: \$100 Cash Flow Cash Flow Cash Flow Cash Flow Cash Flow Status: \$100 Cash Flow Ca	ARO Description:	cription:	ASH Rockport	ASH Rockport Ash Pond - AEG	Transition ARO						
Balance: \$364,416.62 Cartent Layer Asset Dollars \$819,537.56 Morth Estimate Fields Remaining Direct Cost Allocated Cost Fate and Allocated Cost Allocated Cost Allocated Cost Fate and Allocated Cost Allocated Cost Allocated Cost Fate and Allocated Cost Allocate	Layer #:	4			Discount Rate:	5.75%		%06			
No. 10.00% Gizzoza Gizinate Fields Field	Initial Exp	ected Bal	ance:	\$364,418.62 Current La	yer Asset Dollars	\$919,537.59					
Nonth Remaining Direct Cost Allocated Cost Rate 0.00% 0.62023 (\$1,774.00) \$0.00				Estimate Fields			Calculati	ion Fields			
0.00% 0.612023 (\$1,774.00) \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00% \$0.00 \$0.00% \$0.00 \$0.00% \$0.00 \$0.00% \$0.00% \$0.00 \$0.00%	_	obability	Month Yr	Cash Flow	Remaining Cash Flow	Direct Cost		Inflation Rate	Mark Up Rate	Risk Prem. Rate	Gross Cash Flow
0.00% 06/2024 (\$1,751.00) \$0.00	0	%00.0	06/2023	(\$1,774.00)	\$0.00	\$0.00	\$0.00	%00.0	%00.0	%00.0	\$0.00
0.00% 06/2025 (\$1/761.00) \$0.00	0	%00.0	06/2024	(\$1,763.00)	\$0.00	\$0.00	\$0.00	%00.0	%00.0	%00.0	\$0.00
0.00% 06/2026 (\$4,736.00) \$0.00	0	%00.0	06/2025	(\$1,751.00)	\$0.00	\$0.00	\$0.00	%00.0	%00.0	%00.0	\$0.00
0.00% 66/2024 (\$1,720.00) \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00% \$0.00 \$0.00 \$0.00% \$0.00 \$0.00%	0	%00.0	06/2026	(\$1,736.00)	\$0.00	\$0.00	\$0.00	%00.0	%00.0	%00.0	\$0.00
0.00% 06/2028 (\$1,700.00) \$0.00	0	%00.0	06/2027	(\$1,720.00)	\$0.00	\$0.00	\$0.00	%00.0	0.00%	%00.0	\$0.00
0.00% 06/2024 (\$1,679.0) \$0.00	0	%00.0	06/2028	(\$1,700.00)	\$0.00	\$0.00	\$0.00	%00.0	0.00%	%00:0	\$0.00
0.00% 06/203 (\$1,654.00) \$0.00	0	%00.0	06/2029	(\$1,679.00)	\$0.00	\$0.00	\$0.00	%00.0	%00.0	%00.0	\$0.00
0.00% 061/2031 (\$1,627.00) \$0.00	0	%00.0	06/2030	(\$1,654.00)	\$0.00	\$0.00	\$0.00	%00.0	0.00%	%00.0	\$0.00
0.00% 66/2032 (\$1,597.00) \$0.00	0	%00.0	06/2031	(\$1,627.00)	\$0.00	\$0.00	\$0.00	%00.0	0.00%	%00.0	\$0.00
0.00% 66/2033 (\$1,563.00) \$0.00	0	%00.0	06/2032	(\$1,597.00)	\$0.00	\$0.00	\$0.00	%00.0	0.00%	%00.0	\$0.00
0.00% 06/2034 (\$1,527.00) \$0.00	0	%00.0	06/2033	(\$1,563.00)	\$0.00	\$0.00	\$0.00	%00.0	0.00%	%00:0	\$0.00
0.00% 06/2035 (\$1,487.00) \$0.00	0	%00.0	06/2034	(\$1,527.00)	\$0.00	\$0.00	\$0.00	%00.0	0.00%	%00.0	\$0.00
0.00% 06/2036 (\$1,443.00) \$0.00	0	%00.0	06/2035	(\$1,487.00)	\$0.00	\$0.00	\$0.00	%00.0	0.00%	%00.0	\$0.00
0.00% 06/2037 (\$1,396.00) \$0.00 \$0.00 \$0.00 0.00% \$0.00 \$0.00 \$0.00% \$0.00 \$0.00 \$0.00% \$0.00 \$0.00 \$0.00% \$0.00 \$0.00 \$0.00% \$0.00 \$0.00% \$0.00 \$0.00% \$0.00% \$0.00 \$0.00% \$0.00% \$0.00 \$0.00%	0	%00.0	06/2036	(\$1,443.00)	\$0.00	\$0.00	\$0.00	%00.0	0.00%	%00.0	\$0.00
0.00% 06/2038 (\$1,344.00) \$0.00	0	%00.0	06/2037	(\$1,396.00)	\$0.00	\$0.00	\$0.00	%00.0	0.00%	%00.0	\$0.00
0.00% 06/2040 (\$1,288.00) \$0.00	0	%00.0	06/2038	(\$1,344.00)	\$0.00	\$0.00	\$0.00	%00.0	0.00%	%00.0	\$0.00
0.00% 06/2040 (\$1,228.00) \$0.00	0	%00.0	06/2039	(\$1,288.00)	\$0.00	\$0.00	\$0.00	%00.0	0.00%	%00.0	\$0.00
0.00% 06/2041 (\$1,164.00) \$0.00	0	%00.0	06/2040	(\$1,228.00)	\$0.00	\$0.00	\$0.00	%00.0	0.00%	%00.0	\$0.00
0.00% 06/2042 (\$1,094.00) \$0.00	0	%00.0	06/2041	(\$1,164.00)	\$0.00	\$0.00	\$0.00	%00.0	0.00%	%00.0	\$0.00
0.00% 06/2043 (\$1,020.00) \$0.00	0	%00.0	06/2042	(\$1,094.00)	\$0.00	\$0.00	\$0.00	%00.0	0.00%	%00.0	\$0.00
0.00% 06/2045 (\$854.00) \$0.00	0	%00.0	06/2043	(\$1,020.00)	\$0.00	\$0.00	\$0.00	%00.0	0.00%	%00.0	\$0.00
0.00% 06/2045 (\$854.00) \$0.00	0	%00.0	06/2044	(\$939.00)	\$0.00	\$0.00	\$0.00	%00.0	0.00%	%00.0	\$0.00
0.00% 06/2046 (\$766.00) \$0.00	0	%00.0	06/2045	(\$854.00)	\$0.00	\$0.00	\$0.00	%00.0	0.00%	%00.0	\$0.00
0.00% 06/2047 (\$666.00) \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 0.00%	0	%00.0	06/2046	(\$764.00)	\$0.00	\$0.00	\$0.00	%00.0	0.00%	%00.0	\$0.00
0.00% 06/2048 (\$3,358.01) \$0.00 \$0.00 \$0.00 0.00% 0.00%	0	%00.0	06/2047	(\$666.00)	\$0.00	\$0.00	\$0.00	%00.0	0.00%	%00.0	\$0.00
	0	%00.0	06/2048	(\$3,358.01)	\$0.00	\$0.00	\$0.00	%00.0	0.00%	%00.0	\$0.00

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Note: This report is filtered.

Exhibit A - ARO CASACIDASA No. 2017-00179 Attorney General's First Set of Data Requests Through 2054 Dated August 14, 2017 Item No. 314 Attachment 1 Page 28 of 253

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Note: This report is filtered.

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ARO Component/Site Stream Details Report
AEP Generating Company
American Electric Power
Company: AEG - Rockport

Layou'che Balance Sade, 418 kg Carrentt Layor Asset Dollars Sade Sade, 418 kg Carrentt Layor Asset Dollars Sade S	ARO De	ARO Description:	ASH Rockpor	ASH Rockport Ash Pond - AEG	Transition ARO						
th \$304,418.62 Cartent Layer Asset Dollars \$319,537.59 Calculation Fields run Estimate Fields Sn.00 \$452,709.00 \$0.00 \$349,537.69 2011 \$0.00 \$0.00 \$452,709.00 \$0.00 \$348,537.69 2012 \$0.00 \$0.00 \$452,709.00 \$0.00 \$24% 2013 \$0.00 \$0.00 \$452,709.00 \$0.00 \$24% 2014 \$0.00 \$0.00 \$20.00 \$24% \$0.00 \$24% 2013 \$0.00 \$0.00 \$0.00 \$0.00 \$0.94% \$0.00 \$0.94% 2014 \$0.00 \$0.00 \$0.00 \$1.44,500.00 \$0.00 \$0.94% 2015 \$0.00 \$0.00 \$1.44,500.00 \$0.00 \$0.94% </th <th>Layer #:</th> <th>,</th> <th>Layer Status:</th> <th>Active</th> <th>Discount Rate</th> <th></th> <th>Annual Eff. Rate: 5.</th> <th>%06</th> <th></th> <th></th> <th></th>	Layer #:	,	Layer Status:	Active	Discount Rate		Annual Eff. Rate: 5.	%06			
Probability Probability Office Control (Control (Con	Initial E	xpected Bai	lance:	\$364,418.62 Current L	ayer Asset Dollars	\$919,537.59					
Month Remaining Diffect Cost Allocated Cost Allocated Cost Estate 100.00% 66/2012 \$6.00 \$0.00 \$452,709.00 \$6.00 2.94% 100.00% 66/2012 \$0.00 \$0.00 \$10.00 \$1.00 \$1.00 100.00% 66/2012 \$0.00 \$0.00 \$0.00 \$20,00 \$2.4% 100.00% 66/2012 \$0.00 \$0.00 \$2.00 \$2.00 \$2.00 100.00% 66/2013 \$0.00 \$0.00 \$0.00 \$2.00 \$2.00 \$2.00 100.00% 66/2014 \$0.00 \$0.00 \$0.00 \$0.00 \$2.00 \$2.00 \$0.00 </th <th></th> <th></th> <th></th> <th>Estimate Fields</th> <th></th> <th></th> <th>Calculat</th> <th>ion Fields</th> <th></th> <th></th> <th></th>				Estimate Fields			Calculat	ion Fields			
6422,709.00 \$0.00 \$422,709.00 \$0.00 \$422,709.00 \$0.0	_	Probability	Month Yr	Cash Flow	Remaining Cash Flow	Direct Cost		Inflation Rate	Mark Up Rate	Mark Up Risk Prem. Rate Rate	Gross Cash Flow
66/2014 \$0.00 \$10.00<	-	100.00%	06/2010	\$0.00	\$0.00	\$452,709.00	\$0.00	2.94%	%00.0	%00.0	\$452,709.00
66/2012 \$0.00 \$20,00<	-	100.00%	06/2011	\$0.00	\$0.00	\$15,000.00	\$0.00	2.94%	%00.0	%00.0	\$15,000.00
66/2013 \$0.00 \$20,500.00 \$0.00 \$24% 66/2014 \$0.00	-	100.00%	06/2012	\$0.00	\$0.00	\$20,500.00	\$0.00	2.94%	%00.0	%00.0	\$21,103.00
66/2014 \$0.00 \$0.00 \$1.48,500.00 \$0.00 \$1.48,500.00 \$0.00 \$1.48,500.00 \$0.00 \$1.48,500.00 \$0.00 \$0.4% \$0.00 \$0.00 \$1.48,500.00 \$0.00 \$0.4% \$0.00 <td>-</td> <td>100.00%</td> <td>06/2013</td> <td>\$0.00</td> <td>\$0.00</td> <td>\$20,500.00</td> <td>\$0.00</td> <td>2.94%</td> <td>%00.0</td> <td>%00.0</td> <td>\$21,723.00</td>	-	100.00%	06/2013	\$0.00	\$0.00	\$20,500.00	\$0.00	2.94%	%00.0	%00.0	\$21,723.00
06/2015 \$0.00 \$1.00 \$1.48,500.00 \$0.00 \$1.48,500.00 \$0.00 \$1.48,500.00 \$0.00 \$1.48,500.00 \$0.00 \$0.24% \$0.00	-	100.00%	06/2014	\$0.00	\$0.00	\$20,500.00	\$0.00	2.94%	%00.0	%00.0	\$22,362.00
66/2019 \$0.00 \$1,862,159.00 \$0.00 \$24% 66/2020 \$0.00 \$0.00 \$61,889.00 \$0.00 \$24% 66/2021 \$0.00 \$0.00 \$61,589.00 \$0.00 \$24% 66/2022 \$0.00 \$0.00 \$61,589.00 \$0.00 \$24% 66/2024 \$0.00 \$0.00 \$61,589.00 \$0.00 \$24% 66/2024 \$0.00 \$0.00 \$61,589.00 \$0.00 \$24% 66/2025 \$0.00 \$0.00 \$61,589.00 \$0.00 \$24% 66/2026 \$0.00 \$0.00 \$61,589.00 \$0.00 \$24% 66/2026 \$0.00 \$0.00 \$61,589.00 \$0.00 \$24% 66/2026 \$0.00 \$0.00 \$61,589.00 \$0.00 \$24% 66/2027 \$0.00 \$0.00 \$61,589.00 \$0.00 \$24% 66/2028 \$0.00 \$0.00 \$61,589.00 \$0.00 \$24% 66/2029 \$0.00 \$0.00 \$61,589.00	-	100.00%	06/2015	\$0.00	\$0.00	\$148,500.00	\$0.00	2.94%	%00.0	%00.0	\$166,749.00
06/2020 \$0.00 \$0.00 \$61,589.00 \$0.40% \$0.40% 06/2021 \$0.00 \$0.00 \$61,589.00 \$0.40% \$0.40% 06/2022 \$0.00 \$0.00 \$61,689.00 \$0.00 \$0.40% 06/2023 \$0.00<	-	100.00%	06/2019	\$0.00	\$0.00	\$1,862,159.00	\$0.00	2.94%	%00.0	%00.0	\$2,347,957.00
06/2021 \$0.00 \$0.00 \$61,589.00 \$0.00 \$1.4% 06/2022 \$0.00 \$0.00 \$61,589.00 \$0.00 \$1.4% 06/2023 \$0.00 \$0.00 \$61,589.00 \$0.00 \$1.4% 06/2024 \$0.00 \$0.00 \$61,689.00 \$0.00 \$1.4% 06/2024 \$0.00 \$0.00 \$61,689.00 \$0.00 \$1.4% 06/2025 \$0.00 \$0.00 \$61,689.00 \$0.00 \$1.4% 06/2026 \$0.00 \$0.00 \$61,689.00 \$0.00 \$1.4% 06/2027 \$0.00 \$0.00 \$61,689.00 \$0.00 \$1.4% 06/2028 \$0.00 \$0.00 \$61,689.00 \$0.00 \$1.4% 06/2029 \$0.00 \$0.00 \$61,689.00 \$0.00 \$1.4% 06/2031 \$0.00 \$0.00 \$1.4% \$1.4% \$1.4% 06/2032 \$0.00 \$0.00 \$1.4% \$1.4% \$1.4% 06/2033 \$0.00 \$0.00	-	100.00%	06/2020	\$0.00	\$0.00	\$61,589.00	\$0.00	2.94%	%00.0	%00.0	\$79,939.00
06/2022 \$0.00 \$6.00 \$61,589.00 \$0.00 \$2.94% 06/2023 \$0.00 \$0.00 \$61,589.00 \$0.00 \$2.94% 06/2024 \$0.00 \$0.00 \$61,589.00 \$0.00 \$2.94% 06/2025 \$0.00 \$0.00 \$6.00 \$6.00 \$2.94% 06/2026 \$0.00 \$0.00 \$6.00 \$6.00 \$2.94% 06/2027 \$0.00 \$0.00 \$61,589.00 \$0.00 \$2.94% 06/2028 \$0.00 \$0.00 \$61,589.00 \$0.00 \$2.94% 06/2029 \$0.00 \$0.00 \$61,589.00 \$0.00 \$2.94% 06/2031 \$0.00 \$0.00 \$61,589.00 \$0.00 \$2.94% 06/2032 \$0.00 \$0.00 \$61,589.00 \$0.00 \$2.94% 06/2033 \$0.00 \$0.00 \$61,589.00 \$0.00 \$2.94% 06/2034 \$0.00 \$0.00 \$61,589.00 \$0.00 \$2.94% 06/2035 \$0.00 \$0.00	_	100.00%	06/2021	\$0.00	\$0.00	\$61,589.00	\$0.00	2.94%	%00.0	%00.0	\$82,290.00
06/2023 \$0.00 \$61,589.00 \$0.00 \$294% 06/2024 \$0.00 \$0.00 \$61,589.00 \$0.00 \$294% 06/2025 \$0.00 \$0.00 \$61,589.00 \$0.00 \$2.94% 06/2026 \$0.00 \$0.00 \$61,689.00 \$0.00 \$2.94% 06/2026 \$0.00 \$0.00 \$61,689.00 \$0.00 \$2.94% 06/2027 \$0.00 \$0.00 \$61,689.00 \$0.00 \$2.94% 06/2028 \$0.00 \$0.00 \$61,689.00 \$0.00 \$2.94% 06/2039 \$0.00 \$0.00 \$61,689.00 \$0.00 \$2.94% 06/2031 \$0.00 \$0.00 \$61,589.00 \$0.00 \$2.94% 06/2032 \$0.00 \$0.00 \$61,589.00 \$0.00 \$2.94% 06/2033 \$0.00 \$0.00 \$61,589.00 \$0.00 \$2.94% 06/2034 \$0.00 \$0.00 \$61,589.00 \$0.00 \$2.94% 06/2035 \$0.00 \$0.00 <	_	100.00%	06/2022	\$0.00	\$0.00	\$61,589.00	\$0.00	2.94%	%00.0	%00.0	\$84,709.00
06/2024 \$0.00 \$61,589.00 \$0.99% 06/2025 \$0.00 \$0.00 \$61,589.00 \$0.00 \$2.94% 06/2026 \$0.00 \$0.00 \$6.00 \$0.94% \$0.00 \$0.94% 06/2026 \$0.00 \$0.00 \$0.00 \$0.00 \$0.94% \$0.00 \$0.94% 06/2028 \$0.00 \$0.00 \$0.00 \$0.00 \$0.94% \$0.00 \$0.94% 06/2029 \$0.00 \$0.00 \$0.00 \$0.00 \$0.94% \$0.00	-	100.00%	06/2023	\$0.00	\$0.00	\$61,589.00	\$0.00	2.94%	%00.0	%00.0	\$87,199.00
06/2025 \$0.00 \$0.00 \$61,589.00 \$0.94% 06/2026 \$0.00	-	100.00%	06/2024	\$0.00	\$0.00	\$61,589.00	\$0.00	2.94%	%00.0	%00.0	\$89,763.00
06/2026 \$0.00 \$6.00 \$6.1,589.00 \$0.00 \$1.4% 06/2027 \$0.00 \$0.00 \$6.1,589.00 \$0.00 \$0.4% 06/2028 \$0.00 \$0.00 \$6.00 \$6.1,589.00 \$0.00 \$0.4% 06/2029 \$0.00 \$0.00 \$0.00 \$6.1,589.00 \$0.00 \$0.4% 06/2031 \$0.00 \$0.00 \$0.00 \$6.1,589.00 \$0.00 \$0.4% 06/2032 \$0.00 \$0.00 \$0.00 \$6.1,589.00 \$0.00 \$0.4% 06/2033 \$0.00	-	100.00%	06/2025	\$0.00	\$0.00	\$61,589.00	\$0.00	2.94%	%00.0	%00.0	\$92,402.00
06/2027 \$0.00 <	-	100.00%	06/2026	\$0.00	\$0.00	\$61,589.00	\$0.00	2.94%	%00.0	%00.0	\$95,119.00
06/2028 \$0.00 \$0.00 \$61,589.00 \$0.00 \$194% 06/2029 \$0.00 \$0.00 \$61,589.00 \$0.00 \$194% 06/2030 \$0.00 \$0.00 \$61,589.00 \$0.00 \$194% 06/2031 \$0.00 \$0.00 \$61,589.00 \$0.00 \$194% 06/2032 \$0.00 \$0.00 \$61,589.00 \$0.00 \$194% 06/2033 \$0.00 \$0.00 \$61,589.00 \$0.00 \$194% 06/2034 \$0.00 \$0.00 \$61,589.00 \$0.00 \$194% 06/2035 \$0.00 \$0.00 \$61,589.00 \$0.00 \$194% 06/2036 \$0.00 \$0.00 \$61,589.00 \$0.00 \$194% 06/2037 \$0.00 \$0.00 \$61,589.00 \$0.00 \$194% 06/2038 \$0.00 \$0.00 \$61,589.00 \$194% \$194%	-	100.00%	06/2027	\$0.00	\$0.00	\$61,589.00	\$0.00	2.94%	%00.0	%00.0	\$97,915.00
06/2029 \$0.00 \$61,589.00 \$0.00 \$61,589.00 \$0.00 \$194% 06/2030 \$0.00 \$0.00 \$61,589.00 \$0.00 \$194% 06/2031 \$0.00 \$0.00 \$61,589.00 \$0.00 \$194% 06/2032 \$0.00 \$0.00 \$61,589.00 \$0.00 \$194% 06/2034 \$0.00 \$0.00 \$61,589.00 \$0.00 \$194% 06/2035 \$0.00 \$0.00 \$61,589.00 \$0.00 \$194% 06/2036 \$0.00 \$0.00 \$61,589.00 \$0.00 \$194% 06/2037 \$0.00 \$0.00 \$61,589.00 \$0.00 \$194% 06/2038 \$0.00 \$0.00 \$61,589.00 \$0.00 \$194% 06/2037 \$0.00 \$0.00 \$61,589.00 \$194% \$194%	-	100.00%	06/2028	\$0.00	\$0.00	\$61,589.00	\$0.00	2.94%	%00.0	%00.0	\$100,794.00
06/2031 \$0.00 \$61,589.00 \$0.00 \$194% 06/2031 \$0.00 \$0.00 \$61,589.00 \$0.00 \$194% 06/2032 \$0.00 \$0.00 \$61,589.00 \$0.00 \$194% 06/2033 \$0.00 \$0.00 \$61,589.00 \$0.00 \$194% 06/2034 \$0.00 \$0.00 \$61,589.00 \$0.00 \$194% 06/2035 \$0.00 \$0.00 \$61,589.00 \$0.00 \$194% 06/2036 \$0.00 \$0.00 \$61,589.00 \$0.00 \$194% 06/2036 \$0.00 \$0.00 \$61,589.00 \$0.00 \$194% 06/2037 \$0.00 \$0.00 \$61,589.00 \$0.00 \$194% 06/2038 \$0.00 \$0.00 \$61,589.00 \$194% \$194%	-	100.00%	06/2029	\$0.00	\$0.00	\$61,589.00	\$0.00	2.94%	%00.0	%00.0	\$103,757.00
06/2031 \$0.00 \$0.00 \$61,589.00 \$0.00 \$194% 06/2032 \$0.00 \$0.00 \$61,589.00 \$0.00 \$194% 06/2033 \$0.00 \$0.00 \$61,589.00 \$0.00 \$194% 06/2034 \$0.00 \$0.00 \$61,589.00 \$0.00 \$194% 06/2035 \$0.00 \$0.00 \$61,589.00 \$0.00 \$194% 06/2037 \$0.00 \$0.00 \$61,589.00 \$0.00 \$194% 06/2038 \$0.00 \$0.00 \$61,589.00 \$0.00 \$194% 06/2038 \$0.00 \$0.00 \$61,589.00 \$0.00 \$194%	-	100.00%	06/2030	\$0.00	\$0.00	\$61,589.00	\$0.00	2.94%	%00.0	%00.0	\$106,808.00
06/2032 \$0.00 \$61,589.00 \$0.00 \$194% 06/2033 \$0.00 \$0.00 \$61,589.00 \$0.00 \$194% 06/2034 \$0.00 \$0.00 \$61,589.00 \$0.00 \$194% 06/2035 \$0.00 \$0.00 \$61,589.00 \$0.00 \$194% 06/2036 \$0.00 \$0.00 \$61,589.00 \$0.00 \$194% 06/2037 \$0.00 \$0.00 \$61,589.00 \$0.00 \$194% 06/2038 \$0.00 \$0.00 \$61,589.00 \$0.00 \$194%	-	100.00%	06/2031	\$0.00	\$0.00	\$61,589.00	\$0.00	2.94%	%00.0	%00.0	\$109,948.00
06/2034 \$0.00 \$61,589.00 \$0.00 2.94% 06/2034 \$0.00 \$61,589.00 \$0.00 2.94% 06/2035 \$0.00 \$61,589.00 \$0.00 2.94% 06/2036 \$0.00 \$61,589.00 \$0.00 2.94% 06/2037 \$0.00 \$61,589.00 \$0.00 2.94% 06/2038 \$0.00 \$61,589.00 \$0.00 2.94%	-	100.00%	06/2032	\$0.00	\$0.00	\$61,589.00	\$0.00	2.94%	%00.0	%00.0	\$113,180.00
06/2034 \$0.00 \$0.00 \$61,589.00 \$0.00 2.94% 06/2035 \$0.00 \$0.00 \$61,589.00 \$0.00 2.94% 06/2036 \$0.00 \$0.00 \$61,589.00 \$0.00 2.94% 06/2037 \$0.00 \$0.00 \$61,589.00 \$0.00 2.94% 06/2038 \$0.00 \$0.00 \$0.00 \$0.94% \$0.00 \$0.00 \$0.00 \$0.94%	-	100.00%	06/2033	\$0.00	\$0.00	\$61,589.00	\$0.00	2.94%	%00.0	%00.0	\$116,508.00
06/2035 \$0.00 \$0.00 \$61,589.00 \$0.00 2.94% 06/2036 \$0.00 \$0.00 \$61,589.00 \$0.00 2.94% 06/2037 \$0.00 \$0.00 \$61,589.00 \$0.00 2.94% 06/2038 \$0.00 \$0.00 \$0.00 2.94%	-	100.00%	06/2034	\$0.00	\$0.00	\$61,589.00	\$0.00	2.94%	%00.0	%00.0	\$119,933.00
06/2036 \$0.00 \$0.00 \$61,589.00 \$0.00 \$2.94% 06/2038 \$0.00 \$0.00 \$61,589.00 \$0.00 2.94% 06/2038 \$0.00 \$0.00 \$0.00 2.94%	-	100.00%	06/2035	\$0.00	\$0.00	\$61,589.00	\$0.00	2.94%	%00.0	%00.0	\$123,459.00
06/2037 \$0.00 \$0.00 \$61,589.00 \$0.00 2.94% 06/2038 \$0.00 \$0.00 \$0.00 \$0.94%	-	100.00%	06/2036	\$0.00	\$0.00	\$61,589.00	\$0.00	2.94%	%00.0	%00.0	\$127,089.00
06/2038 \$0.00 \$0.00 \$0.00 \$0.00 2.94%	-	100.00%	06/2037	\$0.00	\$0.00	\$61,589.00	\$0.00	2.94%	%00.0	%00.0	\$130,825.00
	-	100.00%	06/2038	\$0.00	\$0.00	\$61,589.00	\$0.00	2.94%	%00.0	%00.0	\$134,671.00

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ARO - 1004 - all

AEP Generating Company	American Electric Power	Company: AEG - Rockport
ΑE	A	Ŝ

ARO Component/Site Stream Details Report

ARO E	escription:	ASH Rockport	ARO Description: ASH Rockport Ash Pond - AEG	Transition ARO						
Layer#: 4	#: 4	Layer Status: Active	Active	Discount R	Discount Rate: 5.75%	Annual Eff. Rate: 5.90%	%06:			
Initial	Initial Expected Balance:	lance:	\$364,418.62 Currer	\$364,418.62 Current Layer Asset Dollars	\$919,537.59					
			Estimate Fields	<u>sp</u>		Calculat	Calculation Fields	(A)		
Stream #	n Probability	Month Yr	Cash Flow	Remaining Cash Flow	Direct Cost	Allocated Cost	Inflation Rate	Mark Up Rate	Inflation Mark Up Risk Prem. Rate Rate Rate	Gross Cash Flow
-	100.00%	06/2039	\$0.00	\$0.00	\$61,589.00	\$0.00	2.94%	%00.0	%00.0	\$138,631.00
-	100.00%	06/2040	\$0.00	\$0.00	\$61,589.00	\$0.00	2.94%	0.00%	%00.0	\$142,707.00
_	100.00%	06/2041	\$0.00	\$0.00	\$61,589.00	\$0.00	2.94%	%00.0	%00.0	\$146,902.00
_	100.00%	06/2042	\$0.00	\$0.00	\$61,589.00	\$0.00	2.94%	%00.0	%00.0	\$151,221.00
-	100.00%	06/2043	\$0.00	\$0.00	\$61,589.00	\$0.00	2.94%	%00.0	0.00%	\$155,667.00
-	100.00%	06/2044	\$0.00	\$0.00	\$61,589.00	\$0.00	2.94%	%00.0	%00.0	\$160,244.00
-	100.00%	06/2045	\$0.00	\$0.00	\$61,589.00	\$0.00	2.94%	%00.0	%00.0	\$164,955.00
_	100.00%	06/2046	\$0.00	\$0.00	\$61,589.00	\$0.00	2.94%	%00.0	%00.0	\$169,804.00
-	100.00%	06/2047	\$0.00	\$0.00	\$61,589.00	\$0.00	2.94%	%00.0	%00.0	\$174,797.00
-	100.00%	06/2048	\$0.00	\$0.00	\$366,959.00	\$0.00	2.94%	%00.0	%00.0	\$1,072,091.00

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Note: This report is filtered.

ARO Component/Site Stream Details Report

ARO D	escription:	ASH2 Rockpo	ARO Description: ASH2 Rockport Ash Pond - AEG							
Layer #:	1	Layer Status: Active	Active	Discount	Discount Rate: 8.72%	Annual Eff. Rate: 9.08%	%80			
Initial E	Initial Expected Balance:	ance:	\$745,745.22 Current Layer	it Layer Asset Dollars	\$745,745.22					
			Estimate Fields	<u>s</u>		Calculati	Calculation Fields			
Stream	_	Month		Remaining		_	Inflation	Mark Up	Inflation Mark Up Risk Prem.	
#	Probability	۲r	Cash Flow	Cash Flow	Direct Cost	Allocated Cost Rate	Rate	Rate	Rate	Gross Cash Flow
0	%00.0	06/2045	\$17,777,263.00	\$17,777,263.00	\$0.00	\$0.00	\$0.00 0.00% 0.00%	%00.0	%00'0	\$0.00
-	100.00% 06/2045	06/2045	\$0.00	\$0.00	\$5,820,664.00	\$0.00	3.15%	\$0.00 3.15% 0.00%	%00.0	\$17,777,263.00

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Note: This report is filtered.

ARO - 1004 - all

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Exhibit B

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

Exhibit B – ARO
Description of Types of Costs

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AEG Rockport

Asbestos Removal Costs

To remove asbestos at generating plants and associated facilities, initial costs include mobilization of units to the site and preparation of that site so the area is sealed off and does not pose a health risk to the workers or surrounding areas. For older inactive locations, a temporary power supply may be needed before the work is initiated. It is also possible that a safety walkthrough of the facility or training exercise may take place with the workers. After these steps are completed, then the crews come in and perform general construction/maintenance work at the facility to prepare for the removal of asbestos (which includes the setup of scaffolding). A series of equipment is rented and used for the removal, disposal, and cleanup of the asbestos (which may include HEPA vacuums, vacuum trucks, water trucks, power tools, asbestos vacuums, portable shower stalls, air machines, saws, flexible asbestos hoses, asbestos bags, etc).

While the work is being done, a majority of the costs are associated with labor and the staff on hand (including mileage & per diem). Personnel on site include foremen, crew workers, safety coordinators, scaffolding staff, etc. Also, additional personnel are on site taking samples of the materials being removed as well as air quality samples. These samples are analyzed during the process to ensure they remain within compliance. There may also be additional personnel maintaining construction and maintenance logs of each day's activity.

After all of the asbestos has been successfully removed from the facility, additional costs are necessary for the cleanup and eventual transport of the asbestos containing material to the landfill. This includes costs for the transport vehicle, travel, and per diem. Medical evaluations are also provided for the staff that assisted with the asbestos removal process.

Rockport Ash Pond/Landfill Closure

Ash Ponds

To close the Rockport Bottom Ash Pond, costs include general excavation as well as excavation of clay. The clay from the borrow area will be used as the fill and additional costs incurred include placing the clay cap and general fill/grading costs. Other closure costs include purchasing and placing of riprap & topsoil, seeding the closure area, installing a silt fence & surface drainage system, and adding surface maintenance roads. Miscellaneous activity includes the demolition and reconfiguration of an outfall structure as well as consultant costs, contractor costs, contingency costs, and labor.

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

Exhibit B – ARO Description of Types of Costs

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AEG Rockport

Landfill

To close the Rockport Landfill, costs include general excavation as well as excavation of clay. The clay from the borrow area will be used as the fill and additional costs incurred include placing this clay cap. Other closure costs include purchasing and placing riprap & topsoil, seeding the closure and borrow areas, installing a silt fence & surface drainage system, adding inspection/maintenance roads, and furnishing and installing drainage trenches. Miscellaneous activity includes the demolition and reconfiguration of an outfall structure as well as consultant costs, contractor costs, contingency costs, and labor.

Additionally, the landfill is subject to post closure costs for a 30 year period. Post closure costs are related to groundwater monitoring, surface water monitoring, groundwater well monitoring, maintenance of the cover system (mowing, reseeding, cap repair), repairs to the surface water monitoring system and access control structures, vector & rodent control, and inspections. Miscellaneous costs include consultant costs, contingency costs and labor. After the 30 year monitoring period, the groundwater monitoring wells will be removed.

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Exhibit C

KPSC Case No. 2017-00179

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Exhibit C - ARO Closure Costs
By ActivityPage 35 of 253

AEG - Rockport Plant Detail of ARO Costs

<u>Description</u>	Rockport Landfill <u>Costs</u>	Rockport Ash Pond <u>Costs</u>
Contractor Mobilization	\$50,000	\$50,000
Borrow Area	\$519,048	\$1,209,168
Clay Cap	\$1,036,000	\$5,185,000
Erosion & Sediment Control	\$1,511,250	\$2,667,500
Surface Drainage System	\$34,000	\$34,000
Roads	\$30,000	\$62,500
Drainage Trenches	\$45,750	\$0
Fly Ash for Structural Fill	\$1,000	\$0
Miscellaneous	\$40,000	\$180,000
Consultant	\$32,670	\$93,882
Internal Labor	\$261,365	\$751,053
Contingency	\$490,057	\$1,408,225
Closure Costs	\$4,051,140	\$11,641,328
Post Closure Monitoring	\$4,306,065	\$0
Total Costs	\$8,357,205	\$11,641,328
AEG's Share of Rockport	50%	50%
AEG's Share of Costs	\$4,178,603	\$5,820,664
Settlements Through 2010	\$452,709	\$0
Total ARO Liability in 2008 Dollars	\$4,631,312	\$5,820,664
ARO Costs Escalated to Years Work to be Performed	\$7,520,930	\$17,777,263
	Rockport U0 Asbestos Abatement	Rockport U1 Asbestos Abatement
<u>Description</u>	Cost	Cost
Cubic Yards of Asbestos Remaining	175.76	263.64
Removal & Disposal Price per Cubic Yard	\$2,485	\$2,485
Asbestos Abatement Cost	\$436,764	\$655,144
AEG's Share of Rockport	50%	50%
AEG's Share of Asbestos Abatement Costs	\$218,382	\$327,572
ARO Cost Escalated to Years Work to be Performed	\$454,199	\$681,298
THE COST ESCAPATION TO THE WORK TO DO I CHOTHICU	ΨΤͿΤ,177	Ψ001,290

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Unit Power Service Agreement Between AEP Generating Company and Indiana Michigan Power Company

Redlined Version

KPSC Case No. 2017-00179 AEP GENERATINGton OF MEPROPRIES First Set of Data Requests

FERC RATE SCHEDULE No.

Dated August 14, 2017

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Company: AFI Gom. FERC El. Rate Sch. No.: / Filing Date: 8-2-84 Effective Date: Tos 12/10/14 (except for test-energy)

AEP GENERATING COMPANY FERC RATE SCHEDULE No. 1

Unit Power Service,

TO

INDIANA & MICHIGAN ELECTRIC COMPANY

Effective: For the sale of Test POWER AND ENERGY ON OR ABOUT SEPTEMBER 1, 1984 WHEN TEST POWER AND ENERGY IS FIRST MADE AVAILABLE TO AEGCO FROM OPERATION OF UNIT No. 1 AT THE ROCKPORT PLANT AND FOR DEMAND AND ENERGY RELATED CHARGES ON OR ABOUT DECEMBER 1, 1984, THE DATE OF COMMERCIAL OPERATION OF UNIT No. 1 AT THE PLANT.

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1

UNIT POWER AGREEMENT

THIS AGREEMENT dated as of March 31, 1982 by and between INDIANA & MICHIGAN ELECTRIC COMPANY ("IMECO") and AEP GENERATING COMPANY ("AEGCO"),

WITNESSETH:

WHEREAS, IMECO, a subsidiary company of American Electric Power Company, Inc. ("AEP") under the Public Utility Holding Company Act of 1935 (the "1935 Act"), is presently constructing the Rockport Steam Electric Generating Plant at a site along the Ohio River near the Town of Rockport, Indiana, which will consist of two 1,300,000-kilowatt fossil-fired steam electric generating units and associated equipment and facilities (the "Rockport Plant"), the first unit ("Unit No. 1") of which is presently expected to be placed in commercial operation in 1984 and the second unit ("Unit No. 2") of which is presently expected to be placed in commercial operation in 1986; and

WHEREAS, AEGCO proposes to enter into an Owners' Agreement, dated as of March 31, 1982 (the "Owners' Agreement"), with IMECO and Kentucky Power Company ("KEPCO"), another subsidiary company of AEP under the 1935 Act, pursuant to which AEGCO and KEPCO plan to acquire undivided ownership interests, as tenants in common without right of partition, in the Rockport Plant which, upon completion of the construction of Unit No. 1, is thereafter to be operated as a part of the interconnected, integrated electric system comprising the American Electric Power System (the "AEP System"); and

WHEREAS, AEGCO proposes, upon completion of the construction of Unit No. 1 and the completion thereafter of the construction of Unit No. 2, to make available to IMECO, pursuant to this agreement, all of the available power (and the energy associated therewith) to which AEGCO shall from time to time be entitled at the Rockport Plant; and

WHEREAS, IMECO proposes to complete the construction of, the Rockport Plant pursuant to the provisions of the Owners' Agreement, and, upon completion of such construction, to operate the Rockport Plant pursuant to an operating agreement to be entered into by IMECO, AEGCO and KEPCO in accordance with the Owners' Agreement;

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NOW, THEREFORE, in consideration of the terms and of the agreements hereinafter set forth, the parties hereto agree with each other as follows:

- 1.1 IMECO and AEGCO shall, subject to the provisions and upon compliance with the then applicable requirements of Section 2.1 and Section 2.2 of this agreement, use their respective best efforts to complete and to make effective the arrangements described and specified in Section 1.1 and in Section 1.2 of the Capital Funds Agreement, dated as of March 31, 1982, between AEP and AEGCO.
- 1.2 AEGCO shall, subject to the provisions and upon compliance with the then applicable requirements of Section 2.1 of this agreement, make available, or cause to be made available, to IMECO all of the power (and the energy associated therewith) which shall be available to AEGCO at the Rockport Plant, including test power produced during the course of the construction of generating units installed as a part of the Rockport Plant.
- IMECO shall, subject to the provisions and 1.3 upon compliance with the then applicable requirements of Section 2.2 of this agreement, be entitled to receive all power (and the energy associated therewith) which shall be available to AEGCO at the Rockport Plant, and IMECO agrees to pay to AEGCO in consideration for the right to receive all such power (and the energy associated therewith) available to AEGCO at the Rockport Plant, as a demand charge for the right to receive such power (and as an energy charge for any associated energy taken by IMECO), such amounts from time to time as, when added to amounts received by AEGCO from any other sources, will be at least sufficient to enable AEGCO to pay, when due, all of its operating and other expenses, including provision for the depreciation and/or amortization of the cost of AEGCO's facilities and also including for the purposes of this agreement (i) any amount which AEGCO may be required to pay on account of any interest and/or any commitment fee on all indebtedness for borrowed money issued or assumed by AEGCO (or by any corporation or other entity with which AEGCO shall have merged or consolidated or to which it shall have sold or otherwise disposed of all or substantially all of its assets) and outstanding at the time and (ii) such additional amounts as are necessary after any required provision for taxes on, or measured by, income to enable AEGCO to pay required dividends on any preferred stock which it may issue and such amount as will represent a return on the common equity of AEGCO equal to the return most recently found in the period of the 24 calendar months immediately preceding the time when payments are to commence under this Section 1.3 to be

fair, and authorized, by the Federal Energy Regulatory Commission ("FERC", such term also including any successor Federal regulatory agency) as an appropriate return on the common equity of IMECO in a wholesale electric proceeding before FERC under the Federal Power Act, or any legislation enacted in substitution for, or to replace, the Federal Power Act or, if within such period of 24 calendar months immediately preceding the date when payments are to begin under this Section 1.3 no such action by FERC shall have become final and not subject to further proceedings before FERC or a court, the return most recently found to be fair and authorized by the Public Service Commission of Indiana as an appropriate return on the common equity of IMECO in a retail electric proceeding before that Commission. shall commence the payment of such amounts to AEGCO on the earlier of the following dates: (i) June 30, 1985 and, (ii) the date on which power, including any test power, and any energy associated therewith, shall become available to AEGCO at the Rockport Plant.

- 2.1 The performance of the obligations of AEGCO hereunder shall be subject to the receipt and continued effectiveness of all authorizations of governmental regulatory authorities at the time necessary to permit AEGCO to perform its duties and obligations hereunder, including the receipt and continued effectiveness of all authorizations by governmental regulatory authorities at the time necessary to permit the completion by IMECO of the construction of the Rockport Plant, the operation of the Rockport Plant, and for AEGCO to make available to IMECO all of the power (and the energy associated therewith) available to AEGCO at the Rockport Plant. AEGCO shall use its best efforts to secure and maintain all such authorizations by governmental regulatory authorities.
- The performance of the obligations of IMECO hereunder shall be subject to the receipt and continued effectiveness of all authorizations of governmental regulatory authorities necessary at the time to permit IMECO to perform its duties and obligations hereunder, including the receipt and continued effectiveness of all authorizations by governmental regulatory authorities necessary at the time to permit IMECO to pay to AEGCO in consideration for the right to receive all of the power (and the energy assoclated therewith) available to AEGCO at the Rockport Plant the charges provided for in Section 1.3 of this agreement. IMECO shall use its best efforts to secure and maintain all such authorizations by governmental regulatory authorities. IMECO shall, to the extent permitted by law, be obligated to perform its duties and obligations hereunder, subject to then applicable provisions of this Section 2.2, (a)

whether or not AEGCO shall have received all authorizations of governmental regulatory authorities necessary to permit AEGCO to perform its duties and obligations hereunder, (b) whether or not such authorizations, or any such authorization, shall at any time in question be in effect, and (c) so long as AEGCO and IMECO shall continue to be subsidiary companies of AEP (as said term is defined in Section 2(a)(8) of the 1935 Act) or a successor thereto, whether or not, at any time in question, IMECO shall have performed its duties and obligations under this agreement. In the event that either AEGCO or IMECO shall cease to be such a subsidiary company, then and thereafter IMECO shall not be relieved of its obligation to make payments pursuant to Section 1.3 of this agreement by reason of the failure of AEGCO to perform its duties and obligations hereunder occasioned by Act of God, fire, flood, explosion, strike, civil or military authority, insurrection, riot, act of the elements, failure of equipment, or for any other cause beyond the control of AEGCO; provided that, in any such event, AEGCO shall use its best efforts to put itself in a position where it can perform its duties and obligations hereunder as soon as is reasonably practicable.

- and AEGCO each hereby irrevocably waives any defense based on the adequacy of a remedy at law which may be asserted as a bar to the remedy of specific performance in any action brought against it for specific performance of this agreement by IMECO, by AEGCO, or by a trustee under any mortgage or other debt instrument which IMECO or AEGCO may, subject to requisite regulatory authority, enter into, or by any receiver or trustee appointed for IMECO or AEGCO under the bankruptcy or insolvency laws of any jurisdiction to which IMECO or AEGCO is or may be subject; provided, however, that nothing herein contained shall be deemed to constitute a representation or warranty by IMECO or AEGCO that the respective obligations of IMECO or AEGCO under this agreement are, as a matter of law, subject to the equitable remedy of specific performance.
- 4. IMECO shall not be entitled to set off against any payment required to be made by IMECO under this agreement (i) any amounts owed by AEGCO to IMECO or (ii) the amount of any claim by IMECO against AEGCO. The foregoing, however, shall not affect in any other way the rights and remedies of IMECO with respect to any such amounts owed to IMECO by AEGCO or any such claim by IMECO against AEGCO.
- 5. The invalidity and unenforceability of any provision of this agreement shall not affect the remaining provisions hereof.

- 6. This agreement shall become effective forthwith and shall continue until all of the Notes issued by AEGCO under the Revolving Credit Agreement, dated as of March 31, 1982, of AEGCO shall have been paid in full, together with all accrued interest thereon; provided, however, that in the event that AEGCO shall, prior to such payment, create a Mortgage and Deed of Trust secured by a lien on all, or certain of its fixed physical properties, and shall issue bonds thereunder, this agreement shall continue until said Mortgage and Deed of Trust shall have been satisfied and discharged or said Notes have been paid in full, whichever event shall be the later.
- 7. This agreement shall be binding upon the parties hereto and their successors and assigns, but no assignment hereof, or of any right to any funds due or to become due under this agreement, shall in any event relieve either IMECO or AEGCO of any of their respective obligations hereunder, or, in the case of IMECO, reduce to any extent its entitlement to receive all of the power (and the energy associated therewith) available to AEGCO from time to time at the Rockport Plant.
- 8. The agreements herein set forth have been made for the benefit of IMECO and AEGCO and their respective successors and assigns, and no other person shall acquire or have any right under or by virtue of this agreement.
- 9. IMECO and AEGCO may, subject to the provisions of this agreement, enter into a further agreement or agreements between IMECO and AEGCO setting forth detailed terms and provisions relating to the performance by IMECO and AEGCO of their respective obligations under this agreement. No agreement entered into under this Section 9 shall, however, alter to any substantive degree the obligations of either party to this agreement in any manner inconsistent with any of the foregoing sections of this agreement.
- 10. IMECO shall, at any time and from time to time, be entitled to assign all of its right, title and interest in and to all of the power (and the energy associated therewith) to which IMECO shall be entitled under this agreement, but IMECO shall not, by such assignment, be relieved of any of its obligations and duties under this agreement except through the payment to AEGCO, by or on behalf of IMECO, of the amount or amounts which IMECO shall be obligated to pay pursuant to the terms of this agreement.

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IN WITNESS WHEREOF, the parties hereto have caused this agreement to be duly executed as of the day and year first above written.

INDIANA & MICHIGAN ELECTRIC COMPANY

By <u>C. P. Maloney</u> Vice President

AEP GENERATING COMPANY

By <u>G. P. Malonev</u> Vice President SE SEHERATING COMPANY SAMPLE POWER BILL

ASSUMING A 50% OWNERSHIP INTEREST IN ROCKPORT PLANTFERC EI. Rate Schage 253

Supp. No.: 1 (\$000)

Filing Date: 8-2-84 Amounts Effective Dates TOS Total Received Unit 1 From Power Bill IRME Share Period Others (A) 2762 0 2762 September 1984 Û 6547 6547 October 1984 7631 0 7631 Hovember 1984

(A) Assumes that IRME is responsible for all test energy from AEG's ownership share of Rockport 1

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AEP GENERATING COMPANY

SAMPLE POWER BILL

SUMMARY OF UNIT 1 POWER BILL DURING TEST EMERGY
ASSUMING A 50% OWNERSHIP INTEREST IN ROCKPORT PLANT

(\$000)

Line No.		September October Howember 1984 1984 1984
ſ	Fuel Expense	2762 6547 7631
2	Total Power Bill	2762 6547 7631

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AEP GENERATING COMPANY SAMPLE POWER BILL

SUMMARY OF UNIT 1 POWER BILL

ASSUMING A 50% OWNERSHIP INTEREST IN ROCKPORT PLANT (\$000)

		Total Unit 1	Amounts Received From	
Perio	a -	Power Bill	Others (A)	1&ME Share
December	1984	15423	4627	10796
January	1985	17584	5275	12309
February	1985	18387	5501	12836
Narch	1985	18 989	569 <i>7</i>	13292
April	1985	17262	5179	1 20 84
llay	1985	17076	5123	11953
June	1985	16360	5058	11802
July	1985	16953	5086	11867
August	1985	17186	5156	12038
September	1985	16661	4998	11663
October	1985	16904	5071	11833
November	1985	13561	4068	1493
December	1985	12415	3724	36 [.] 70

⁽A) Assumed to be received from Kentucky Power Company.

31	30			27		25			2	21	20		-	17	16	5		ដ	12	=	10	و بر ،	•	~	• •	, ,	n .	. ω	2		₹./
= Total Federal Income Taxes		= Current F1I	x Current Tax Rate	⇒ Taxable Income	- Schedule # (Unit I)	= Pre-Tax Book Income	- Interest Expense (Unit 1)	- laxes Other Than FII	- Depreciation Expenses	- Operation & Maintenance Expenses	Unit 1 Power Bill (Line 8)	Proof Of Federal Income Taxes:	= Total Federal Income Taxes	+ Deferred FII	= Current FIT	x Gross-up (46% / 54%)	= Sub-total	- Schedule M (Unit 1)	- Interest Expense (Unit 1)	+ Deferred FIT	Total Return (Line 3)	Federal Income Taxes:	= Unit 1 Power Bill	* rederal income laxes	t faces other than Fit	* Depreciation typense	+ Operation & Maintenance Expenses	Total Return	Return On Other Capital	Return On Common Equity	
1599	11282	-9683	462	-21050	24526	3476	4665	216	•	7066	15423		1599	11282	-9683	85.185%	-11367	24526	4665	11282	6542	/	15423	1399	012		7066	6542	4665	1877	1984
1656	1123	533	462	1158	2423	3581	4655	216	1679	7453	17584		1656	1123	533	85, 185%	625	2423	4655	1123	6580		17584	1606	617	16/9	7453	6580	4659	1922	1985
1665	1123	542	46%	1178	2424	3602	4556	217	1679	8283	18337		1665	1123	542	85.185%	636	2424	356	1123	6493		18337	C991	, (1	31.7	8283	6493	4556	1937	1985
1678	1123	555	46%	1207	2423	3630	4436	217	1679	9027	18989		. 1678	1123	555	85, 185%	65/	2423	4436	1123	6388		18989	8/91		16/9	9027	6388	4436	1952	1985
1643	1123	520	46%	1131	2424	3555	4346	217	1679	7465	17262		1643	1123	520	85.185%	611	2424	4346	1123	6258		17262	1643	717	1679	7465	6258	4346	2161	1985
1656	1123	533	46%	1159	2423	3582	4313	217	1679	7285	17076		1656	/L23	533	85.185%	626	2423	4313	1123	6239		17076	1656	717	1679	7285	6239	4313	1926	1985
1666	1123	5	46%	1181	2424	3605	1295	217	1679	7064	16860		1666	1123	543	85.185%	638	2424	1295	1123	6234		16860	1666	717	1679	7864	6234	4295	1333	1985
1857	1123	774	46%	1596	2423	4019	4093	217	1679	6945	- - - - - - - - - - - - - - - - - - -		1857	1123	734	85,185%	862	2423	4093	1123	6255		16953	1857	717	1679	6945	6255	4093	2162	1985
286	1123	779	46%	1605	2424	4029	4035	217	1629	7226	17186		1861	1123	738	85, 185%	867	2424	4035	1123	62¥3		17186	1861	715	1679	.7226	6203	4036	2167	1985
1871	1121	750	46%	1631	2418	4049	4021	217	1684	6690	16661		1871	1121	750	85, 185%	881	2418	4021	1121	6199		16661	1871	21/	1684	6690	6199	4021	2177	1985
1823	1121	7/10	46%	1526	χ ξ <u>ξ</u>	3945	4136	217	1684	7022	16991		1823	1121	702	85.185%	824	2419	4036	1121	6158	; ; ;	16904	1823	217	1684	7022	6158	4036	2122	1985
1828	H21	707	*	1536	2418	Pace	\$	21?	1684	3695	13561	1 1 9 9 9	1828	1121	707	85.185%	830	2418	\$	1121	6138		13561	1828	217	1684	3695	6138	4011	2127	1985 1985
18.35	1121/1		46%	1552	2419	3971	3992	217	1684	251	19415	# 1 1 1 1	1835	1121	714	85.185%	8838	2419	3992	1121	6128) 1 6 6 1 1 1	12415	1835	217	1684	2551	6128	3992	2136	1985
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NET IN-SERVICE INVESTMENT RATIO じれば、(Line・27 / Line 37)	Total Net In-Service Investment (Line 27 + Line 36)	Total Unit 2	+ Unrecovered Levelized Fuel Expense - Accumulated Deferred F11 - Accumulated Deferred IIC	Materials & Supplies Prenouseasts	Unit 2: Electric Plant In Service - Decimal and Deposits to	Total Unit i	- Accumulated Deferred IIC	 Unrecovered Levelized Fuel Expense Accumulated Deferred FII 	+ Materials & Supplies + Prepayments		Unit 1:	Net In-Service Investment Ratio:	OPERATING RATIO (Line 10 / Line 16)	Total Investment (Line 10 + Line 15)	Total Construction Work In Progress		Construction Work In Progress: Construction Work In Progress * Materials & Supplies	Total Net In-Service Investment	 Accumulated Deferred FIT Accumulated Deferred ITC 	 Prepayments Unrecovered Levelized Fuel Expense 		Net In-Service Investment: Electric Plant In Service - Accumulated Depreciation	Operating Ratio:	•
2000-001	587662		D 3 5 5			587662		25428	40677 0	9	572417		71.575%	821046	233384	10798	244182	587662	25428 0		40677	572413		DETERI December 1984
100.000%	574207	0	0 6 6 4		• •	574207	0	36711	38504 0	- 3	573413		70.725%	811883	237676	1165/5	249331	574207	3671 0		38504	572413		ASSUMIN ASSUMIN January 1985
100.000%	572658	6			.	572658	9	37833 0	39757 0	1679	572413		70.373%	813744	24/486	12549	253635	572658	37833 0	- -	39757	572 4 13		F OPERATING A 50% ON February 1985
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	567694	= -		, es c		567694	0	400.79	40397 0	5037	570410		69.802%	815629	247935	14320	262255	567694	400?9 0		40397	572413 5037		HET IN-SER TEREST IN) April 1985
	566337	9	೭೫೦೯	,	> -	566337	1000	0 0	0 11842	6716	611643		69, 204%	818361	252024	15198	267222 fi	566337	∮1202 0	~ ~	41842	572413 6716		WICE INVEST PROCKPORT PROC
	565174	0	G = 0 C		• •	565174	0	10305	4348! @	8395		/	68.8132	821319	256145	16086	272231	565174	42325 0		43481	572413		CANT LANT June 1985
	564203	e.		,	, 0	564203	0	67449	153\2 8	10074	677467		68.429%	824506	260 30 3	16986	277289	564203	43448 0	o o	45312	572413		10 1017 1985
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	557577	0	~~~			557572	0.50		42525 8				67.179%	829978	272406	18750	291156	557572	45694 0		42525		1	September 1985
	555171		0 -		_ /	555171	0 0 0						66.603%	833547	278376	19659	298035	555171	€815 0	- -	42929			September October Howember 1985 1985 1985
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190.000%	4036 4011 3992	4021	103	£6.0%	6678	1013	4040	30.64	300	4007	.000		
	· * *		,			4110	, M.C.	36.88	1557	1450	£6.5	Unit I Return On Other Capital	32
6019 5809	6060 66.603% 600.000% 10	5986 67.179% 100.000%	5958 67.734% 100.000%	5982 68.4292 100.0003	6241 68.8132 100.000%	6233 69.2042 100.0002	6244 69.6022 190.0002	6337 69,9987 100,000	6474 70.3732 100.0002	6587 70.725% 100.000%	6517 71.575% 100.000%	 Other Capital Return x Operating Ratio x Het In-Service Investment Ratio 	3 R S
6885	6060	9865	5958 0	5982 0	6241	6233	6244	6337	6474	6587	6517 0	 Het Interest Expense Preferred Stock Dividends 	27 28
6085	6060	5986 0	5958 0	5982 1	62 4 1	6233	6244	6337	6474	6587	6517	Long Term Debt Interest + Short Term Debt Interest - Temporary Cash Investment Earnings (@ Weighted Cost of Debt)	24 25 26
		/										Return On Other Capital:	23
2127 2136	2122	2177	2167	2162	1939	1926	1912	1952	1937	1922	1877	Unit 1 Return On Equity (Line 15 + Line 21)	22
~	•	-	-	0	-	6		0	0			= Sub-total	21
65.914% 65.349% 100.000% 100.000%	0 66.603% 1	67.1792 100.0002	0 67.734% 100.000%	68.429% 100.000%	68.8137 100.0007	69.2042 100.0002	69.6022	69.998%	70.373% 100.000%	70.725% 100.000%	0 71.575% 100.000%	= Return On Excess Equity x Operating Ratio x Net In-Service Investment Ratio	19 2 0
0 0 1.1202 1.1202	0 1.120%	0 1.120%	0 1.120%	0 1.120%	1.120	1.110%	1.1102	1.1102	1.110%	1.1002	1.1102	Excess of Line 5 Over Line 8 x Weighted Cost of Debt	17
2127 2136	2122	2177	2167	2162	1939	1926	7912	1952	1937	1922	1877	= Sub-total	15
3227 3268 65.914% 65.349% 100.000% 100.000%	3186 66.6032 100.0002 1	3241 67.179% 100.000%	3288 67.734% 100.000%	3159 68,4292 100,0002	2818 68.8132 100.0001	2782 69.2042 100.0002	2747 69.602% 100.000%	2788 69,498; 100.000;	2753 70.373% 100.000%	2717 70.7252 100.0003	2623 71.575% 100.000%	= Equity Return × Operating Ratio × Net In-Service Investment Ratio	¥ 3 7
249794 253087 1.292% 1.292%	246622 1.2922	250 908 1.2922	247719 1.292%	244556 1.292%	218179	215408 1.292%	212668	215866	213099	210356	203056 1.2922	Lessor of Line 5 or Line 8 x Equity Return Rate	= 10
		329470	327318	327078		324553	323988	328391	332526	335730	329995	40% of Capitalization Return On Common Equity:	ح ب
832088 837120	826899	823675	818296	817694	814455	811383	809971	820977	831314	839324	824988	Total Capitalization	7
582294 584113 9 9 0 0 243794 253007	589277 0 0 246622 0	572767 th 0 250908	570577 0 0 247719	573138 0 244556	596276 0 0 218179	595975 0 0 215408	597303 D D 212668	605111 0 215866	618215 0 213099 0	628968 0 0 210356	621932 0 0 203056	Long Term Debt + Short Term Debt + Preferred Stock + Common Equity - Temporary Cash Investment	കധാചയം —
1985 1985	October November 1985 1985	September 1985	August 1985	July 1985	June 1985	Nav 1985	Apr.1 1985	March 1985	February 1985	Januaru 1985	December 1984	<i>'</i>	₹ /ne

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AEP GENERATING COMPANY SAMPLE POWER BILL

ROCKPORT OPERATION & MAINTENANCE EXPENSES ASSUMING A 50% OWNERSHIP INTEREST ON ROCKPORT PLANT (\$000)

Line				
No.		Column A	Column B	Column C
- 1	Oper	ration and maintenance expense		
2	resu	ulting from Rockport 1 and related		
. 3		llities being placed in service.		
4	A/C	Description		
5	500	Supervision and Engineering	1,209	
6	502	Steam Expenses	397	
7	505	Electric Expenses	183	
8		Misc. Steam Power Expense	741	
9	507	Rents	<u>76</u>	
10		AEG's Share of Operation Expense	2,606	
11	510	Maintenance Super. and Engineering	600	
12	511	Maintenance of Structures	212	
13	512	Maintenance of Boiler Plant	2,061	
14		Maintenance of Electric Plant	769	
15		Maintenance of Misc. Steam Plant	364	
16		AEG's Share of Maintenance Expense	4,006	
17	625	Injuries and Damages	36	
18	626	Employee Pensions and Benefits	307	
19		AEG's Share of Administrative & General		
20		Expenses	343	
21	Tota	1 AEG Operation & Maintenance Expenses		6,955

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AEP GENERATING COMPANY SAMPLE POWER BILL

ROCKPORT OPERATION & MAINTENANCE EXPENSES ASSUMING A 50% OWNERSHIP INTEREST ON ROCKPORT PLANT (\$000)

Line No.	Column A	Column B	Column C
. 1 2	Rockport 1 operation expense excluding administrative and general expenses		
. 3 4 5 6	1983 Mountaineer Plant operation forecast Increase in expense at 6% per year (1.06 x 1.06)	4,638,000 x 1.1236	
7 8	1985 Rockport 1 operation expense	5,211,257 x 50%	
9	AEG's share of operation expense		2,606
10	Rockport 1 maintenance expense for 1985		
11	1983 Moutaineer Plant approved budget	6,945,000	
12 13	Less: Centralized plant maintenance 1983 plant expense	402,000 6,543,000	
14	Increase in expense at 6% per year	, .	
15	(1.06×1.06)	x <u>1.1236</u>	
16	1985 plant exp <mark>e</mark> nse	7,351,715	
17	Plus: contract labor:		
18	100 men x 1.18 load factor x		
19	4 week outage x 40 hours/week	660.000	
20	x \$35/hour	660,800	
21	1985 Rockport 1 maintenance	0.010.515	
22	forecast	8,012,515	
23		x50%	
24	AFG's share of maintenance expense		4,006

Assumptions: 1. Rockport 1 commercial December 1, 1984.

2. Based on Mountaineer Plant expenses.

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AEP GENERATING COMPANY SAMPLE POWER BILL

ROCKPORT OPERATION & MAINTENANCE EXPENSES ASSUMING A 50% OWNERSHIP INTEREST ON ROCKPORT PLANT (\$000)

Line No.	Column A	Column B	Column C
1 2	1985 Rockport 1 administrative and general expense		
3 4 5 6 7	Workers' Compensation (A/C 625): Payroll Historic Rate Total Workers' Compensation	5,601 x 1.4194% *	
, 8 9	AEG's share Percent charged to expense	x 50% 40 x 90%	
10 11	Workers' Compensation Expense (Total Account 625)		36
12 13 14	Savings Plan (A/C 626): Payroll Historic Rate	5,601 x 1.7102% *	
15 16 17	Total Savings Plan AEG's share	96 x 50%	
18	Percent charged to expense	x90%	
19	Savings Plan Expense		43
20 21	Pensions (A/C 626): Payroll	5,601	
22 23	Historic Rate Total Pensions	x 3.6645% *	
24 25	AEG's share	x 50%	
26 27	Percent charged to expense Pension Expense	x 90%	93
28	Group Insurance (A/C 626):		93
29	Payrol1	5,601	
30	Historic Rate	x 6.7782% *	
31	Total Group Insurance	380	
32	100d1 Gloup Insulance	500	
33	AEG's share	x	
34	Percent charged to expense	x90%	
35	Group Insurance Expense		<u>171</u>
36	Total Administrative & General Expenses		<u>343</u>

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AEP GENERATING COMPANY SAMPLE POWER BILL ROCKPORT DEPRECIATION EXPENSE ASSUMING A 50% OWNERSHIP INTEREST ON ROCKPORT PLANT (\$000)

Line No.	Column A	Column B	Column C
1 2	1985 Depreciation expense for Rockport and related facilities	: 1	
2	and related facilities		
3	Rockport Unit No. 1: (A)		
4	Book depreciable basis	572,413	
5	Times depreciation rate	3.52%	
6	Depreciation expense		20,148
7	Rockport Unit No. I Clean-Up:		
8	In-Service at August 31, 1985	1,760	
9	Times depreciation rate	3.52%	
10	Depreciation expense (4 months)		20
11	Total 1985 Depreciation Expense		20,168

(A) Includes Spare 1300 MW Equipment

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AEP GENERATING COMPANY SAMPLE POWER BILL ROCKPORT TAXES OTHER THAN INCOME TAXES ASSUMING A 50% OWNERSHIP INTEREST ON ROCKPORT PLANT (\$000)

Line No.	Column A	Column B	Column C
1	Taxes other than income taxes result	ing	
2	from Rockport Unit No. 1 and related	l	
3	facilities being placed in service.		
4	Rockport property taxes	1,583	
5	Spare parts property taxes	20	
6	Payroll taxes	191	
7	Ohio franchise tax	809	
8	Total Taxes Other Than Income Taxes		<u>2,603</u>
			

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AEP GENERATING COMPANY SAMPLE POWER BILL

ROCKPORT TAXES OTHER THAN INCOME TAXES ASSUMING A 50% OWNERSHIP INTEREST ON ROCKPORT PLANT (\$000)

Line			
No.	Column A	Column B	Column C
1	Rockport Unit No. 1 related property taxes	s /	
2	1985 accrual		
3	Original cost at		
	Original cost at		
4	December 31, 1984	1,172,925	
5	Less: AFUDC	374,032	
6	Pollution equipment	143,819	
7	Accumulated tax depreciation	38,534	
8	Appreciation credit	295,264*	
9	Net plant cost	321,276	
10	Times assessment ratio	1/3	
11	Assessed value	107,092	
12	Times tax rate	3.695%	
13	Total property taxes	3,957	
14	Less: 20% credit	x 80%	
15	Property taxes (after credit)	3,166	
16		x 50%	
		· 	
17	AEG's share of Rockport Unit No. 1		
18	Property Tax Expense		1,583
	<u>-</u>		

* Original cost (Unit No. 1 only) \$1,105,091
Less: AFUDC 374,032
Pollution Equipment 143,819
Accum. tax depreciation 38,534
Buildings 56,600
492,106
x 60%
Appreciation credit 295,264

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AEP GENERATING COMPANY SAMPLE POWER BILL ROCKPORT TAXES OTHER THAN INCOME TAXES ASSUMING A 50% OWNERSHIP INTEREST ON ROCKPORT PLANT (\$000)

Lin	e		
No.	Column A	Column B	Column C
,	3005		
1	1985 accrual for property taxes on sp	/	
2	1300 MW turbine parts stored at Mount	aineer /	
3	Plant (\$000's omitted)		
4	Amount reported to assessor	3,287	
5	Assessment ratio	50%	
6	Assessed value	1,644	
7	Tax rate	2.358%	
8	Total Property Tax on Turbine Parts	39	
9	Joseph Florest Tunn on Telephone Taylor	x 50%	
_		<u> </u>	
10	AEG's Share of Property Taxes on Spar	e	
11	1300 MW Turbine		<u>20</u>
			==
12	1985 Ohio franchise tax:		
13	Common equity at December 31, 1984	A) 138,925	
	Time to the control (Till (2000)	130,923	
14	Times tax rate (mills/\$000)	5.82	
15	Ohio Franchise Zax		ena
1.0	Onio Franchise lax		<u>809</u>
	/		
(A)	Total Net Plant 0 12/31/84 \$821.04	6	

(A)	Total Net P/ant @ 12/31/84	\$821,046
	x Equity ratio	0.25
	= Common Equity @ 12/31/84	\$205,262
	x Operating ratio	0.67682
	= Unit 1 Common Equity @ 12/31/84	s138,925

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AEP GENERATING COMPANY SAMPLE POWER BILL

ROCKPORT TAXES OTHER THAN INCOME TAXES ASSUMING A 50% OWNERSHIP INTEREST ON ROCKPORT PLANT (\$000)

Line			
No.	Column A	Column B	Column C
1	Payroll taxes on added employees at Rockport		
2	Unit No. 1		
. 4	OHIC NO. I	/	
3	FICA Tax Expenses:		
4	Expected payroll	5,601	
5	Less: Payroll not subject to tax	67	
6	Expected payroll subject to tax	5 5 34	
7	Tax rate	x <u>/7.05</u> %	
8	Total FICA tax	390	
9	Percent charged to expense	/x <u>90</u> %	
10	FICA tax expense	351	
11		x <u>50</u> %	
12	AEG's share of FICA tax expense		175
13	Federal Unemployment Tax Expense:		
14	Expected payroll	5,601	
15	Less: payroll not subject to tax	3,837	
16	Expected payroll subject to tax	$\frac{37337}{1,764}$	
17	Tax rate	x 0.8%	
18	Total Federal unemployment tax expense	14	
19	Percent charged to expense	x 90%	
20	Federal unemployment tax expense	13	
21		x 50%	
22	AEG's share of Federal unemployment tax expense		6
23	Indiana Unemployment Tax Expense:		
24	Expected payroll	5,601	
25	Less: payroll not subject to tax	3,837	
2 6	Expected payroll subject to tax	1,764	
27	Tax rate	x <u>1.3</u> %	
28	Total FICA tax	23	
29	Percent charged to expense	x <u> </u>	
30	FICA tax expen <mark>s</mark> e	21	
31		x <u>50</u> %	
32	AEG's share of FACA tax expense		10
2 2	Motel Desmell Masses on Added Dumlesses of		
33 34	Total Payroll Taxes on Added Employees at Rockport Unit No. 1.		101
34	ROCKPOPE UNITE NO. 1.		<u>191</u>
Note	: Based on 252 employees		
	Indiana employees - 252		
	Michigan employees - 0		
	Federal Unemployment base - \$7,000		
	Indiana Unemployment base - \$7,000		
	FACA Salary Limit - \$38,000		

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EXHIBIT A

Supp. No.: 2
Filing Date: 2-11-11
Effective Date:

FERC El. Rate Sch. No.1 /

RATE DESIGN

The total revenue requirement of AEGCO calculated pursuant to the IMECO-AEGCO Unit Power Agreement designated AEGCO FERC Rate Schedule No. 1 is designed to recover for AEGCO its total cost of providing power (and the energy associated therewith) available to AEGCO at the Rockport Plant.

DETERMINATION OF POWER BILL

In accordance with Section 1.3 of the Unit Power Agreement, I&M agrees to pay AEGCO in consideration for the right to receive all power (and the energy associated therewith) available to AEGCO at the Rockport Plant, as a demand charge for the right to receive such power (and as an energy charge for any associated energy taken by I&M), such amounts, less any amounts recovered by AEGCO from other sources, as shall be determined monthly as described below. Such amounts shall be calculated separately for Unit No. 1 (including Common Facilities) and for Unit No. 2. I&M shall then commence the payment of such amounts (power bill) on the earlier of the following dates: (i) June 30, 1985 and (ii) the date on which power including any test power, and any energy associated therewith, shall become available to AEGCO at the Rockport Plant.

The power bill for Unit No. 1 (including Common Facilities) shall be calculated each month and shall reflect recovery only of those costs related to the plant in service. It shall consist of the sum of (a) a return on common equity, (b) a return on other capital, (c) recovery of operating expenses and (d) provision for federal income taxes as described below and as illustrated in the example attached.

(a) Return on Common Equity, which shall be equal to the product of (i) the amount of common equity outstanding at the end of the previous month, but not more than 40% of the capitalization of AEGCO at the end of the previous month; (ii) 1.20833% (14.50% annual rate) as described in Note 1 below; (iii) the Operating Ratio, as defined in Note 2 below, and (iv) the Unit No. 1 Net In-Service Investment Ratio, as defined in Note 3 below, plus the product of (v) the amount of common equity in excess of 40% of the capitalization of AEGCO at the end of the previous month, if any such excess shall be determined; (vi) the weighted cost of debt outstanding at the end of the previous month; (vii) the Operating Ratio, as defined in Note 2 below; and

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(viii) the Unit No. 1 Net In-Service Investment Ratio, as defined in Note 3 below.

For the purposes of these calculations, the amount of common equity shall be equal to the sum of the Common Stock (Accounts 201-203, 209, 210, 212, 214 and 217), Other Paid-In Capital (Accounts 207, 208, 211 and 213), and Retained Earnings (Accounts 215-216) outstanding at the end of the previous month. Total capitalization shall be equal to the sum of Long-Term Debt (Accounts 221-226 including current maturities and unamortized debt premium and discounts), Short-Term Debt (Account 231), Preferred Stock (Accounts 204-206), and Common Equity less any Temporary Cash Investments, Special Deposits and Working Funds (Accounts 132-134 and 136) outstanding at the end of the previous month.

(b) Return on Other Capital, which shall be equal to the product of (i) the amount equal to the net Interest expense associated with Long-Term and Short-Term Debt, Net of any Temporary Cash Investments, Special Deposits and Working Funds, plus the preferred stock dividend requirement associated with the Preferred Stock outstanding at the end of the previous month; (ii) the Operating Ratio, as defined in Note 2 below; and (iii) the Unit No. 1 Net In-Service Investment Ratio, as defined in Note 3 below.

For the purposes of these calculations, Net Interest expenses shall be equal to the sum of (i) the amount of Long-Term Debt outstanding at the end of the previous month multiplied by the weighted cost of such Long-Term Debt and (ii) the amount of Short-Term Debt outstanding at the end of the previous month multiplied by the weighted cost of such Short-Term Debt, less (iii) the amount of Temporary Cash Investments, Special Deposits and Working Funds outstanding at the end of the previous month multiplied by the weighted cost of Long-Term and Short-Term Debt combined determined pursuant to (i) and (ii) above.

of Operating Expenses, excluding federal Recovery income taxes, which shall consist of a provision for depreciation and amortization (Accounts 403-407), operation and maintenance expenses and taxes other than federal income taxes 408.1) associated with Unit No. 1 (including Common Facilities) offset by Other Operating Revenues as recorded on the Company's books during the month in accordance with the FERC Uniform System of Accounts For Major Electric Utilities (See Note 6). of expenses/ for test energy shall be limited to recovery of actual fue / expense as recorded on the Company's books during the month in accordance with the FERC Uniform System of Accounts For Major Electric Utilities. Operating and maintenance expenses shall include, and reflect recovery of, Steam Power Generation Expenses (Accounts 500-515), Other Power Supply Expenses (Accounts 555-557), Transmission Expenses (Accounts Distribution Expenses (Accounts 580-598), Customer Expenses (Accounts 901-905), Customer Service and Informational

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Expenses (Accounts 906-910), Sales Expenses (Accounts 911-917) and Administrative and General Expenses (Accounts 920-933 and 935). Recovery of 501 fuel expenses shall be adjusted to reflect the deferral and/or feedback of unrecovered levelized fuel expenses may be recorded on the Company's books or as is currently recorded on the books of I&M.

(d) Provision for Unit No. 1's (including Common Facilities) allocated share of net current and deferred federal income tax expense and investment tax credit included in operating income as determined by the Company in accordance with federal income tax law, SEC approved consolidated current tax allocation procedures, and FERC rules and regulations.

For purposes of computing federal income taxes, the interest expense deduction shall be equal to the sum of the net interest expense computed in accordance with paragraph (b) above plus the imputed interest expense associated with common equity that is in excess of 40% of AEGCO's net capitalization.

The power bill for Unit No. 2 shall be calculated in the same manner as described for Unit No. 1 above except that it shall reflect the Unit No. 2 Net In-Service Investment Ratio and those expenses associated with Unit No. 2.

Notes:

1. Return on Equity

The return on common equity allowance shall be based upon a rate of return of 14.50% as set forth in sub-paragraph (a) above.

Operating Ratio

The Operation Ratio shall be computed each month commencing with the month in which Unit No. 1 at the Plant is placed in commercia/ operation. It shall be based on the balances, as recorded/on the Company's books in accordance with the FERC Uniform System of Accounts For Major Electric Utilities, outstanding at the end of the previous month and shall be derived by dividing (a) the amount of Electric Plant In Service (Account 101) less Accumulated Provision for Depreciation (Account 108); plus Plant Held for Future Use (Account 105 pursuant to the provisions of Note 4.D. below), Materials and Supplies (Accounts 151-156 and 163 as adjusted pursuant to the provisions of Note 4.C. below) Other Deferred Debits (Account 186 pursuant to the provision's of Note 4.D. below), and Prepayments (Account 165); less Accumulated Deferred Federal Income Taxes (Accounts 190 and 281-283) and Accumulated Deferred Investment Tax Credit (Account 255) related to the plant in service by (b) the sum of (i) the amount determined pursuant to (a) plus (ii) the amount of

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Construction Work in Progress (Account 107) plus Materials and Supplies (Accounts 151-156 and 163), less Accumulated Deferred Federal Income Taxes related to the construction work in progress plus (iii) Plant Held for Future Use (Account 105), Other Deferred Debits (Account 186) and the amount of fuel inventory over the allowed level (Account 151.10) not otherwise included in (a) above.

3. Net In-Service Investment Ratio

The Unit No. 1 Net In-Service Investment Ratio shall be equal to 1.0 during the period commencing with the month in which Unit No. 1 at the Plant is placed in commercial operation and shall remain at 1.0 up to, but not including, the month in which Unit No. 2 at the Plant is placed in commercial operation. Thereafter, the Net In-Service Investment Ratio shall be computed each month, based on the balances, as recorded on the Company's books in accordance with the FERC Uniform System of Accounts for Major Electric Utilities, outstanding at the end of the previous month and shall be derived as follows:

- A. Unit No. 1 Net In-Service Investment Ratio shall be derived by dividing (a) the Net In-Service Investment associated with Unit No. 1 and Common Facilities by (b) the sum of the Net In-Service Investment associated with Unit No. 1 and Common Facilities plus the Net In-Service Investment associated with Unit No. 2.
- B. Unit No. 2 Net In-Service Investment Ratio shall be derived by dividing (a) the Net In-Service Investment associated with Unit No. 2 by (b) the sum of the Net In-Service Investment associated with Unit No. 1 and Common Facilities plus the Net In-Service Investment associated with Unit No. 2.

4. Net In-Service Investment

The Net In-Service Investment shall be computed each month commencing with the month in which Unit No. 2 at the Plant is placed in commercial operation. It shall be based on the balances, as recorded on the Company's books in accordance with the FERC Uniform System of Accounts for Major Electric Utilities, outstanding at the end of the previous month and shall consist of the following:

Unit No. 1 Net In-Service Investment shall consist of the sum of Electric Plant in Service (Account 101), Plant Held for Future Use (Account 105 pursuant to the provisions of Note 4.D. below), Materials and Supplies (Accounts 151-156 and 163 pursuant to the provisions of Note 4.C. below),

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and Prepayments (Account 165), and Other Deferred Debits (Account 186 pursuant to the provisions of Note 4.D. below), less Accumulated Provision for Depreciation (Account 108), Accumulated Deferred Federal Income Taxes (Accounts 190 and 281-283) and Accumulated Deferred Investment Tax Credit (Account 255) related to such Unit No. 1 and Common Facilities in-service investment.

- B. Unit No. 2 Net In-Service Investment shall consist of the sum of Electric Plant in Service (Account 101), Plant Held for Future Use (Account 105 pursuant to the provisions of Note 4.D. below), Materials and Supplies (Accounts 151-156 and 163 pursuant to the provisions of Note 4.C. below), Prepayments (Account 165), and Other Deferred Debits (Account 186 pursuant to Note 4.D. below), less Accumulated Provision for Depreciation (Account 108), Accumulated Deferred Federal Income Taxes (Accounts 190 and 281-283) and Accumulated Deferred Investment Tax Credit (Account 255) related to the Unit No. 2 in-service investment.
- C. AEGCO shall be permitted to earn a return on its fuel inventory, recorded in Account 151.10, not in excess of a 75-day coal supply as defined herein. To the extent AEGCO's actual fuel inventory exceeds the allowable 75-day level, the return on such excess shall be recorded in a memo account. When AEGCO's actual fuel inventory is less than the allowable 75-day level, AEGCO shall be permitted to recover the return previously unrecovered, but in no event shall the power bill reflect a return on fuel inventory in excess of a 75-day supply.

A 75-day coal inventory level shall be determined for each unit annually and shall be based upon the actual experienced daily burn during the preceding calendar year. The actual experienced daily burn shall be defined to exclude the effect of forced and scheduled outages as well as curtailments as follows:

For each unit:

Actual experienced daily burn = 24 hours (Tons burned per year)
Operating hours

Where:

Operating hours = Hours in year minus forced and scheduled outage hours minus curtailment equivalent outage hours

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and:

Curtailment equivalent The product for outage hours = each curtailment of:

kW of curtailed capacity
kW of rated capacity x Curtailment
hours

The value of the allowable 75-day coal supply used to determine each month's power bill shall be equal to the number of tons determined above multiplied by the cost per ton of coal in inventory at the end of the previous month.

For 1985, a 75-day coal supply for AEGCO's 50% ownership share of Rockport Unit No. 1 shall be based on 10 months ending October 1985 data which results in an initial inventory level of 398,581 tons.

AEGCO shall maintain a cumulative record of the unrecovered return as well as the subsequent recovery of that return as follows:

- the extent /that AEGCO's actual fuel i) inventory exceeds the allowable 75-day coal supply, AEGCO/shall record each month an amount equal /to the sum of the unrecovered return on fuel inventory and the return on previously /unrecovered amounts. The unrecovered return on fuel inventory shall be calculated each month by deriving the difference between the power bill that would result if full/recovery were provided and the power bill that results with the 75-day limitation The return on previously imposéd. shall be calculated covered amounts multiplying the cumulative return unrecovered at/ the end of the previous month by the capital costs used to derive the power bill, adjusted for federal income taxes.
- To the extent that AEGCO's fuel inventory is ii) less than the allowable 75-day coal supply, AEGCO shall record each month an amount equal return on previously unrecovered amounts less the recovered return in excess The return on of actual inventory levels. previously unrecovered amounts shall calculated as described in (i) above. recovered return in excess of actual inventory levels shall be calculated by deriving the difference between the power bill that would result if actual inventory balances were used

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and the power bill that results with an imputed inventory level. In no event will the cumulative value of the unrecovered return be allowed to fall below zero.

D. AEGCO shall be permitted to include as part of its Net In-Service Investment Numerator amounts subsequently recorded in Accounts 105 and 186 subject to the conditions set forth in the Offer of Settlement in FERC Docket No. ER84-579-000, et al.

Investment Balances

For the purpose of calculating the Operating Ratio and Net In-Service Investment Ratio, amounts shall reflect the balances, as recorded on the Company's books in accordance with the FERC Uniform System of Accounts for Major Electric Utilities, outstanding at the end of the previous month, except that when plant greater than or equal to 1% of the prior month ending plant value is transferred into service during the current month, such prior month balances shall be adjusted to reflect such transfers to service. Such adjustment shall be pro-rated for the number of days during the month that such plant addition was in-service.

6. Allocation of Expenses

Operating expenses shall be directly assigned to Unit No. 1 (including Common Facilities) or Unit No. 2 whenever possible. Whenever such direct assignment is not practical, such expenses shall be allocated between the units in accordance with the basis that gave rise to such expense.

AEGCO's operating and maintenance expenses shall include, and AEGCO shall be allowed recovery of, administrative and general expenses, related payroll taxes and other costs, allocated to AEGCO by I&M as operator of the Rockport Plant or incurred directly by AEGCO.

I&M shall allocate to AEGCO, a portion of I&M's administrative and general expenses charged to Accounts 920, 921, 922, 923, 924, 925, 926, 931, and 935; related payroll taxes charged to Account 408; and a portion of the expenses of the Rockport Information Center charged to Accounts 506, 511 and 514 that generally relate to Rockport Plant operations. Such charges shall be allocated to AEGCO on the basis of the ratio of AEGCO's share of the Rockport Plant operation and maintenance wages and salaries, divided by the sum of total Rockport Plant operations and maintenance wages and salaries, plus all other I&M operation and maintenance wages and salaries, less I&M's administrative and general wages and salaries. For the period beginning December 10, 1984 and ending December 31, 1985 this ratio will be

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developed based on actual 1985 amounts. In subsequent calendar years, this ratio will be adjusted annually based on the prior calendar year's amounts.

AEGCO's operation and maintenance expenses shall also include, and AEGCO shall be allowed recovery of, other administrative and general expenses directly incurred by AEGCO and included in the appropriate administrative and general expense accounts.

BILLINGS AND PAYMENTS

All bills for amounts owing hereunder shall be due and payable on the fifteenth day of the month next following the month or other period to which such bills are applicable, or on the tenth day following receipt of the bill, whichever date is later. Interest on unpaid amounts shall accrue daily at the prime interest rate per annum in effect on the due date at the Citibank, plus 2% per annum, from the due date until the date upon which payment is made. Unless otherwise agreed upon, the calendar month shall be the standard period for the purpose of settlements under this Agreement. If bills cannot be accurately determined at any time, they shall be rendered on an estimated basis and subsequently adjusted to conform to the terms of the unit power agreements.

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4	Determination of Net In-Service Investment Ratio
5	Determination of Unit 1 Equity and Other Capital Returns
6	Determination of Weighted Cost of Debt
7	Determination of Unit 1 Materials and Supplies
8	Detail of Other Operating Revenues, by Account
9	Detail of Operation & Maintenance Expenses, by Account
10	Detail of Depreciation Expense, by Account
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12	Detail of Schedule M Adjustments and Deferred Federal Income Tax
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Detail of Net Capitalization, by Account

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AEP Generating Company Sample Power Bill Summary of Unit 1 Power Bill (\$000)

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Period

Total Unit 1 Power Bill

KPCo Share

I&ME Share

January 1985

10,086

3,026

7,060

20121101-5114 FERC PDF (Unofficial) 11/1/2012 3:40:12 PM AEP Generating Company Sample Power Bill Summary of Monthly Power Bill KPSC Case No. 2017-00179
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ine	No.	January 1985
1	Return on Common Equity	1,774
_		3,959
2	Return on Other Capital	/
3	Total Return	5,733
4 5 6 7 8	- Other Operating Revenues + Operation and Maintenance Expenses + Depreciation Expense + Taxes Other Than Federal Income Tax + Federal Income Tax	0 1,040 1,660 65 1,588
9	= Total Unit 1 Monthly Power Bill	10,086
10	Determination of Federal Income Tax:	
11 12 13 14	Total Return (Line 3) + Unit 1 Schedule M Adjustments + Unit 1 Deferred Federal Income Taxes - Unit 1 Interest Expense Deduction *	5,733 (2,344) 1,120 (3,959)
15 16 17 18	<pre>= Subtotal x Gross-Up (FIT Rate / 1-FIT Rate) = Unit 1 Current Federal Income Tax + Unit 1 Deferred Federal Income Taxes</pre>	550 0.851852 468 1,120
19	= Total Unit 1 Federal Income Taxes	1,588
20	Proof of Federal Income Tax :	
21 22 23 24 25	Total Unit 1 Monthly Power Bill - Operation and Maintenance Expenses - Depreciation Expense - Taxes Other Than Federal Income Tax - Unit 1 Interest Expense Deduction *	10,086 (1,040) (1,660) (65) (3,959)
26	= Pre-Tax Book Income	3,362
27	+ Unit 1 Schedule M Adjustments	(2,344)
28 29	= Unit 1 Taxable Income x Current Federal Income Tax Rate	1,018 46%
30 1	= Unit 1 Current Federal Income Tax + Unit 1 Deferred Federal Income Taxes	468 1,120
32	= Total Unit 1 Federal Income Taxes	1,588
/	* From Page 5 of 17 : Line 21 + (Line 28 x Line	31 x Line 32)

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AEP Generating Company Sample Power Bill Operating Ratio (\$000)

_ine No.		January 1985
1	Operating Ratio:	
2	Net In-Service Investment:	/
3 4 5 6 7 8 9	Electric Plant In-Service - Accumulated Depreciation + Materials & Supplies + Prepayments + Plant Held For Future Use (A/C 105) * + Other Deferred Debits (A/C 186) * - Accumulated Deferred FIT - Accumulated Deferred ITC	572,175 0 19,359 9 0 0 (37,001) (6,446)
11	Total Net In-Service Investment	548,096
12	Non-In-Service Investment - CWIP :	
13 14 15	Construction Work In Progress + Materials & Supplies - Accumulated Deferred FIT	249,485 0 (13,164)
16	Total Non-In-Service Investment - CWIP	236,321
17	Non-In-Service Investment - Other :	
18 19 20	Plant Held for Future Use (A/C 105) ** + Other Deferred Debits (A/C 186) ** + Fuel Inventory Over Allowed Level	681 551 14,688
21	Total Non-In-Service Investment - Other	15,920
22	Total Investment (Lines 11+16+21)	800,337
23	Operating Ratio (Line 11/Line 22)	68.4832%
24	Non-In-Service Investment-CWIP Ratio (Line 16/Line 22)	29.5277%
25	Non-In-Service Investment-Other Ratio (Line 21/Line 22)	1.9891%
26	Total Investment	100.0000%
(A. 1.)	* As Permitted By FERC	

** Excluding Amounts on Lines 7 and 8

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Net In-Service Investment Ratio

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(\$000)

ine No.		January 1985
1	Net In-Service Investment Ratio:	
2	Unit 1 Net In-Service Investment:	
3	Electric Plant In-Service	572,175
. 4 . 5	- Accumulated Depreciation + Materials & Supplies	19,359
6	+ Prepayments	9
6 7 8	+ Plant Held For Future Use (A/C 105) *	Ō
8	+ Other Deferred Debits (A/C 186) *	0
9	- Accumulated Deferred FIT	(37,001)
10	- Accumulated Deferred ITC	(6,446)
11	Total Unit 1 Net In-Service Investment	548,096
12	Unit 2 Net In-Service Investment:	
13	Electric Plant In-Service	0
14	- Accumulated Depreciation	0
15	+ Materials & Supplies	0
16	+ Prepayments	o
17	+ Plant Held For Future Use (A/C 105) *	Ō
18	+ Other Deferred Debits (A/C 186) *	o
19	- Accumulated Deferred FIT	0
20	- Accumulated Deferred ITC	0
21	Total Unit 2 Net In-Service Investment	0
22	Total Net In-Service Investment	548,096
		3 2232 42233
_ 23	Net In-Service Investment Ratio:	
24	Unit 1 (Line 11 / Line 22)	100.0000%
25	Unit 2 (Line 21 / Line 22)	80000%
•		

* As Permitted By FERC

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AEP Generating Company Attorney Generating Company Sample Power Bill Calculation of Common Equity & Other Capital Returns

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ine No.		January 1985
	Net Capitalization:	
2	Long-Term Debt	520,000
3	+ Short-Term Debt	148,841
4	+ Preferred Stock	0
5	+ Common Equity	214,332
6	- Temporary Cash Investments	(79,800)
7	Net Capitalization	803,373
8	40% of Net Capitalization	321,349
9	Return on Common Equity:	
10	Lesser of Line 5 or Line 8	214,332
11	x Equity Return (Monthly Rate)	1.20833%
12	= Equity Return /	2,590
13	x Operating Ratio	68.4832%
14	x Net In-Service Investment Ratio	100.0000%
15	= Subtotal	1,774
16	Excess of Line 5 Over Line 8	0
17	x Weighted Cost of Debt (Monthly Rate)	0.9814%
18	= Return on Equity over 40% of Capitalization	0
19	x Operating Ratio	68.4832%
20	x Net In-Service Investment Ratio	100.0000%
21	= Subtotal	0
22	Unit 1 Return on Equity (Line 15 + Line 21)	1,774
23	Return on Other Capital:	
24	Long-Term Debt Interest Expense (a/c 427)	5,384
25	+ Short-Term Debt Interest Expense (a/c 431)	1,180
26	+ Other Interest Expense (a/c 428-431)	0
27	- Temporary Cash Investment Income *	(783)
28	= Net/Interest Expense	5,781
29	+ Preferred Stock Dividends (a/c 437)	0
_ 30	Met Cost of Other Capital	5,781
31	x Operating Ratio	68.4832%
32	x Net In-Service Investment Ratio	100.0000%
3 3	Unit 1 Return on Other Capital	3,959
/		

AEP Generating Company
Sample Power Bill
Determination of Weighted -Cost of Debt

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sine No.		January 1985
1	Debt Balances (Prior Month Ending) :	/
2 3 4	Long-Term Debt + Short-Term Debt + Other Debt	520,000 148,841 0
5	Total Debt Balances (Prior Month Ending)	668,841
· 6	Weighting of Debt Balances:	
7 8 9	Long-Term Debt + Short-Term Debt + Other Debt	77.7464% 22.2536% 0.0000%
10	Total Debt Balances	100.0000%
11	Debt Cost Rates :	
1.2 1.3 1.4	Long-Term Debt Short-Term Debt Other Debt	12.1921% 9.3314% 0.0000
15	Weighted Cost of Debt :	
16 17 18	Long-Term Debt + Short-Term Debt + Other Debt	9.4789% 2.0766% 0.0000%
19	Total Weighted Cost of Debt	11.5555%

20121101-5114 FERC PDF (Unofficial) Generating Company
Sample Power Bill

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Determination of Unit 1 Materials and Supplies

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(\$000)

in	e No.		January 1985
	1	Unit 1 Materials and Supplies:	
	2 3 4 5 5	Fuel Stock - Coal (per Line 21) Fuel Stock Expenses - Undistributed (152) Fuel Stock - Oil (151.20) Plant Materials & Operating Supplies Merchandise Undistributed Stores Expense	17,263 699 538 851 0 8
;	3	Total Materials & Supplies	19,359
	€	Support of Coal Inventory Value:	
1		Actual Coal Inventory (a/c 151.10) + Equivalent Inventory re: Deferred Return	31,951
1	2	= Imputed Coal Inventory	31,951
1	3	Coal Inventory W/75 Day Supply Cap	
2 2 2	5 5 7 8 9 0 1 2	Tons Consumed % Hours Available * = Tons Consumed per Hour x 24 Hours per Day = Tons Consumed Per Day x 75 days = 75 day Supply (Tons) x Coal Cost per Ton (151.10 at End of Prior Month) = 75 day Coal Inventory (\$000) Lesser of Imputed or Capped Coal Inventory	1,357,502 6130.5 221.43 24 5314.42 75 398,581 43.312 17,263
2	4	Imputed Inventory Minus Line 23	14,688
2	5	Accumulated Deferred Inventory Return - Unit 1 (Memo I	tem):
2 2 2 2	7 8 ·	Beginning Balance + Current Month Return on Beginning Balance + Current Month Deferral - Current Month Recovery	142 2 194 0
3	0	= Ending Balance **	338

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

^{**} May Not Be Less Than Zero

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AEP Generating Company Sample Power Bill Detail of Other Operating Revenues

Line	Account No.	Description	January <u>1985</u>
1	450	Forfeited Discounts	
2	451	Miscellaneous Service Revenues	
3	453	Sales of Water and Water Power	
- 4	454.10	Rent From Electric Property - Associated Companies	
5	454.20	Rent From Electric Property - Non-Associated Companies	
6	455	Interdepartmental Rents	
7	456	Other Electric Revenues	
8		Total Other Operating Revenues	

AEP Generating Company Sample Power Bill Detail of Operation & Maintenance Expenses (\$000)

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Line No.	Account No.	Description	January 1985
1	500-508	Steam Power Generation - Operation	714
2	510-515	Steam Power Generation - Maintenance	271
3		Total Steam Power Generation Expenses	<u>985</u>
4	555-557	Other Power Supply Expenses	
5	560-567.1	Transmission Expenses - Operation	~-
6	568-574	Transmission Expenses - Maintenance	
7		Total Transmission Expenses	
8	580-589	Distribution Expenses - Operation	•
9	590~598	Distribution Expenses - Maintenance	
10		Total Distribution Expenses	
11	901-905	Customer Accounts Expenses - Operation	
. 12	906-910	Customer Service and Informational Expenses - Operation	
13	911-917	Sales Expenses - Operation	
14	920-933	Administrative and General Expenses -	
1 =	025	Operation	53
15	935	Administrative and General Expenses - Maintenance	2
16		Total Administrative & General Exp.	55
17		Total Operation & Maintenance Expenses	1.040

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AEP Generating Company
Sample Power Bill
of Depreciation Expense & Amortization Expenses
(\$000)

Line No.	Account No.	Description	January 1985
1	403	Depreciation Expense	1,660
.2	404	Amortization of Limited Term Electric Plant	
3	405	Amortization of Other Electric Plant	
4	406	Amortization of Electric Plant Acquisition Adjustments	
5	407	Amortization of Property Losses, Unrecovered Plant and Regulatory	
6		Study Costs	3 660
ס		Total Depreciation Exp. & Amortization	<u> 1,660</u>

20121101-513	14 FERC PDE dino	foriabx41/1/2012 3:40112r Waral Income Taxes (\$000) Attorney General	s First Set of Data Requests
Line	Account		Dated August 14, 2017 Item No. 314 Attachment 1 January 77 of 253
No.		Description	1985
1	408.1	Taxes Other Than Federal Income Taxes, Utility Operating Income	65

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Line	Account		Attachment January of 25
No.	No.	<u>Description</u>	1985
1		Unit 1 Schedule 'M' Adjustments*	
2	N/A	Excess ACRS Over Normalization Base Depreciation	(2,609)
.	N/A	Excess Normalization Base Over Book Depreciation	265
4	N/A	Other Unit 1 Schedule 'M' Adjustments	
5		Total Unit 1 Schedule 'M' Adjustments	(2,344)
6		Unit 1 Deferred Federal Income Tax	
7	410.1	Excess ACRS Over Norm. Base Depr. (Line 2 x FIT Rate)	1,200
8	410.1&411.1	Other Unit 1 Schedule 'M' Adjustments - Utility (Line 3 x FIT Rate)	
9	411.1	Feedback of Accumulated DFIT re: ABFUDC - Unit 1	(77)
10	411.1	Feedback of Accumulated DFIT re: Overheads Capitalized - Unit 1	(3)
11	411.1	Feedback of Accumulated DFIT re: Other Schedule 'M' AdjUtility	
12		Total Unit 1 Deferred Federal Income Tax	1_120

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

AEP Generating Company Sample Power Bill Detail of Net In-Service Investment Unit 1

	- 1		
Line No.	Account No.	Description	January 1985
1	*	ELECTRIC PLANT IN SERVICE	,
2	101	Electric Plant In Service	572,175
3	102	Electric Plant Purchased	, - · ·
4	103	Experimental Elec. Plant Unclassified	
. 5	103.1	Electric Plant In Process of	
	·	Reclassification	
6	104	Electric Plant Leased to Others	
7	106	Completed Construction Not Classified	
8	114	Electric Plant Acquisition Adjustments	
9	116	Other Electric Plant Adjustments	
10	118	Other Utility Plant	
11		Total Electric Plant In Service	572,175
			<u> </u>
12	105	Plant Held For Future Use	
13		ACCUMULATED DEPRECIATION	
14	108	Accumulated Provision for Depreciation of Electric Utility Plant	
15	110	Accumulated Provision for Depreciation and Amort. of Elec. Utility Plant	
16	111	Accumulated Provision for Amortization of Electric Utility Plant	~-
17	115	Accumulated Provision for Amortization of Electric Plant Acquisition	
18	119	Adjustments Accumulated Provision for Depreciation and Amortization of Other Utility	
• •		/ Plant	
19		Total Accumulated Depreciation	
20		MATERIALS AND SUPPLIES	
21	151 /	Fuel Stock	17,801
22	152	Fuel Stock Expenses - Undistributed	[′] 699
23	153	Residuals	
24	154	Plant Materials and Operating Supplies	851
25	15/5	Merchandise	
26	1/56	Other Materials and Supplies	
27	163		
	103	Stores Expense Undistributed	8
28		Total Materials and Supplies (In-Service Portion)	19,359
29	165	Prepayments	9
30	186	Other Deferred Debits	

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AEP Generating Company Sample Power Bill of Net In-Service Investment Unit 1

Line No.	Account	Description	January 1985
29	*	ACCUMULATED DEFERRED INCOME TAXES	
30 31	190 281	Accumulated Deferred Income Taxes Accumulated Deferred Income Taxes -	
32	282	Accelerated Amortization Property Accumulated Deferred Income Taxes - Other Property	37,001
33	283	Accumulated Deferred Income Taxes - Other	
34		Total Accumulated Deferred Income Taxes (In-Service Portion)	37,001
35	255	Accumulated Deferred Investment Tax Credits	6,446
36	186.50	Accumulated Deferred Investment Tax Credits	·
37		Total Accumulated Deferred Investment Tax Credits	6,446
38		Total Net In-Service Investment - Unit 1	548,096

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AEP Generating Company Sample Power Bill of Non-In-Service Investment - CWIP and Other

	and the second		
Line	Account No.	Description	January 1985
Non-In-	Service Inves	tment - CWIP	
1	107	Construction Work In Progress	249,485
2		MATERIALS AND SUPPLIES	
3	151	Fuel Stock	
4	152	Fuel Stock Expenses - Undistributed	
5	153	Residuals	
5 6 7	154	Plant Materials and Operating Supplies	
7	155	Merchandise	
8	156	Other Materials and Supplies	
9	163	Stores Expense Undistributed	
10		Total Materials and Supplies	
20		(CWIP Portion)	
11		ACCUMULATED DEFERRED INCOME TAXES	
12	190	Accumulated Deferred Income Taxes	
. 13	281	Accumulated Deferred Income Taxes -	
		Accelerated Amortization Property	
14	282	Accumulated Deferred Income Taxes -	
 -		Other Property	13,164
15	283	Accumulated Deferred Income Taxes -	13,104
. .		Other	
16		Total Accumulated Deferred Income	
		Taxes (CWIP Portion)	13,164
17		Total Non-In-Service Investment -	
-	/	CMID	236,321
Non-In-	Service Inves	tment - Other	
18	105	Plant Held For Future Use	681
19	186	Other Deferred Debits	551
20	151.10	Fuel Inventory Over Allowed Level	14,688
21	/	Total Non-In-Service Investment - Other	<u> 15,920</u>

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AEP Generating Company Sample Power Bill Detail of Net Capitalization

Line	Account Fo.	Description	January 1985
1	•	COMMON CAPITAL STOCK	
2	201	Common Stock Issued	1,000
3	202	Common Stock Subscribed	
-4	203	Common Stock Liability for Conversion	
5	209	Reduction In Par or Stated Value of Capital Stock	- -
6	210	Gain on Resale or Cancellation of Reacquired Capital Stock	
7	212	Installments Received on Capital Stock	
8	214	Capital Stock Expense	
9	217	Reacquired Capital Stock	
	~~.	Wending orbital brown	
10		Total Common Capital Stock	1,000
11		OTHER PAID-IN CAPITAL	
12	207	Premium on Capital Stock	
13	208	Donations Received from Stockholders	186,485
14	211	Miscellangous Paid-In Capital	
15	213	Discount on Capital Stock	
	223	bibooding on dapitud become	
16		Total Other Paid-In Capital	186,485
17		RETAINED EARNINGS	
18	215	Appropriated Retained Earnings	
19	215.1	Appropriated Retained Earnings-	
17	213.1	Amortization Reserve, Federal	
20	216	Unappropriated Retained Earnings	26,847
20	210	onaphiohitaced recained parmings	20,047
21		Total Retained Earnings	26,847
22		Total Common Equity	214,332
23		PREFERRED CAPITAL STOCK	
24	204	Preferred Stock Issued	
25	205	Preferred Stock Subscribed	
26	206	Preferred Stock Liability	
20	/ 200	for Conversion	
. 27		Total Preferred Capital Stock	
. 21		roder rrerered ambrear poace	

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AEP Generating Company Sample Power Bill Detail of Net Capitalization (Cont'd)

		/	
Line No.	Account No.	Description	January 1985
	,		
28		LONG-TERM DEBT	
29	221	Bonds	
30	222	Reacquired Bonds	
31	223	Advances from Associated Companies	
32	224	Other Long-Term Debt	520,000
33	225	Unamortized Premium on	
		Long-Term Debt	
34	226	Unamortized Discount on Long-Term	
		Debt-Debit	
35		Total Long-Term Debt	520,000
36	231	Notes Payable (Short-Term Debt)	148,841
37		TEMPORARY CASH INVESTMENTS	
38	132	Interest Charles Demonite	
36 39	133	Interest Special Deposits	
=		Dividend Special Deposits	40.400
40	134	Other Special Deposits	40,492
41	136	Temporary Cash Investments	<u>39,308</u>
42		Total Temporary Cash Investments	<u>79,800</u>
43		NET CAPITALIZATION	<u>803,373</u>
- -			4244X2X

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Supp. No.: 4

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AEP GENERATING COMPANY

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Supplement to Rate Schedule FEDERAL ENERGY SION

RETURN ON COMMON EQUITY: Effective July 1, 1987, the return on common equity in AEGCO's formulary rate will be reduced from 14.5% to 13% and in recognition of this change, no filings under \$206 of the Federal Power Act are to be made prior to October 1, 1988 by any participant to these proceedings who either supported this Offer or did not oppose it to change the return on equity.

EQUITY REOPENER: In October of 1988, and every October thereafter for the effective duration of AEGCO's formula rate, any purchaser under AEGCO's two unit power agreements, any state regulatory commission having jurisdiction over the retail rates of purchasers under these agreements, or any other entity representing customers' interests, may file a complaint with the Commission with respect to the specified rate of return on common equity. If the Commission, in response to such a complaint, or on its own motion, institutes an investigation into the reasonableness of the specified return on common equity, such investigation shall be pursued under the special procedures set forth as follows:

- (1) The only issue to be addressed under these special procedures shall be the continued collection of the return on equity as incorporated in the formula rate; and
- (2) Refunds will be due, should the return on equity specified in the formula be found not just and reasonable, dating from the first day of January immediately following the date the complaint is filed or an investigation is instituted by the Commission on its own motion, calculated on the resulting difference in rates due to the application of the return found to be just and reasonable and the return stated in the formula. The first such effective date for the calculation of refunds shall be January 1, 1989.

Any other complaint which challenges the justness and reasonableness of any other component of the filed formula rate or any other complaint filed at any other

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time which challenges the justness and reasonableness of the specified rate of return on common equity and which is set for investigation by the Commission shall be pursued under Section 206 of the Federal Power Act.

Further, if the Commission or reviewing court should decide in Yankee Atomic Electric Company, Docket No. EL87-21-001, Vermont Yankee Nuclear Power Corporation, Docket No. EL87-22-001, or in Connecticut Yankee Atomic Power Company, Docket No. EL87-23-001, that the Commission does not have legal authority to impose an equity reopener provision, permitting a return on common equity reduction with refund protection upon the filing of a complaint, then AEGCO's agreement to add the above provision shall not be construed as preventing AEGCO from filing to remove such provision. In such event, the removal of the equity reopener shall not affect the specified return on common equity, which shall remain fixed at 13%, unless otherwise changed.

FEDERAL INCOME TAX: To recognize the changes occasioned by the Tax Reform Act of 1986, AEGCO will use in its formulary rate for 1987 a Federal income tax rate of 40%. Effective January 1, 1988, AEGCO will use in its formulary rate a Federal income tax rate of 34%.

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FERC El. Rate Soh. No.1 / Supp. No.:

Filing Date: 5-30-19
Effective Date: Zos

Supplement No. 5 To

AEP Generating Company FERC RATE SCHEDULE

Nos. 1, 2/and 3

Supercedes Supplement No. 4 to AEP Generating Company FERC Rate Schedule Nos. 1, 2 and 3

Effective:

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EXHIBIT A

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RATE DESIGN

The total revenue requirement of AEGCO calculated pursuant to the IMECO-AEGCO Unit Power Agreement designated AEGCO FERC Rate Schedule No. 1 is designed to recover for AEGCO its total cost of providing power (and the energy associated therewith) available to AEGCO at the Rockport Plant.

DETERMINATION OF POWER BILL

1./3 of the Unit Power In accordance with Section Agreement, I&M agrees to pay AEGCO in consideration for the right to receive all power (and the energy associated therewith) available to AEGCO at the Rockport Plant, as a demand charge for the right to receive such power (and as an energy charge for any associated energy taken by I&M), such amounts, less any amounts recovered by AEGCO from other sources, as shall be determined monthly as described below. Such amounts shall be calculated separately for /Unit No. 1 (including Common Facilities) and for Unit No. /2. I&M shall then commence the payment of such amounts (power bill) on the earlier of the following dates: (i) June $\frac{3}{2}$ 0, 1985 and (ii) the date on which power including any test power, and any energy associated therewith, shall become available to AEGCO at the Rockport Plant.

The power bill for Unit No. 1 (including Common Facilities) shall be calculated each month and shall reflect recovery only of those costs related to the plant in service. It shall consist of the sum of (a) a return on common equity, (b) a return on other capital, (c) recovery of operating expenses and (d) provision for federal income taxes as described below and as illustrated in the example attached.

(a) Return on Common Equity, which shall be equal to the product of (i) the amount of common equity outstanding at the end of the previous month, but not more than 40% of the capitalization of AEGCO at the end of the previous month; (ii) 1.08333 (13.00% annual rate) as described in Note 1 below; (iii) the Operating Ratio, as defined in Note 2 below; and (iv) the Unit No. 1 Net In-Service Investment Ratio, as defined in Note 3 below, plus the product of (v) the amount of common equity in excess of 40% of the capitalization of AEGCO at the end of the previous month, if any such excess shall be determined; (vi) the weighted cost of debt outstanding at the end of the previous month; (vii) the Operating Ratio, as defined in Note 2 below; and (viii) the Unit No. 1 Net In-Service Investment Ratio, as defined in Note 3 below.

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For the purposes of these calculations, the amount of common equity shall be equal to the sum of the Common Stock (Accounts 201-203, 209, 210, 212, 214 and 217), Other Paid-In Capital (Accounts 207, 208, 211 and 213), and Retained Earnings (Accounts 215-216) outstanding at the end of the previous month. Total capitalization shall be equal to the sum of Long-Term (Accounts 221-226 including current maturities debt premium discounts), unamortized and Short-Term (Account 231), Preferred Stock (Accounts 204-206), and Common Equity less any Temporary Cash Investments, Special Deposits and Working Funds (Accounts 132-134 and 138) outstanding at the end of the previous month.

(b) Return on Other Capital, which shall be equal to the product of (i) the amount equal to the net interest expense associated with Long-Term and Short-Term Debt, net of any Temporary Cash Investments, Special Deposits and Working Funds, plus the preferred stock dividend requirement associated with the Preferred Stock outstanding at the end of the previous month; (ii) the Operating Ratio, as defined in Note 2 below; and (iii) the Unit No. 1 Net In-Service Investment Ratio, as defined in Note 3 below.

For the purposes of these calculations, net interest expense shall be equal to the sum of (i) the amount of Long-Term Debt outstanding at the end of the previous month multiplied by the weighted cost of such Long-Term Debt and (ii) the amount of Short-Term Debt outstanding at the end of the previous month multiplied by the weighted cost of such Short-Term Debt, less (iii) the amount of Temporary Cash Investments, Special Deposits and Working Funds outstanding at the end of the previous month multiplied by the weighted cost of Long-Term and Short-Term Debt combined determined pursuant to (i) and (ii) above.

(c) Recovery of Operating Expenses, excluding federal income taxes, which shall consist of a provision for depreciation and amortization (Accounts 403-407), taxes other than federal income taxes (Accounts 408-411) and operating and maintenance expenses associated with Unit No. 1 (including Common Facilities) offset by other operating revenues as recorded on the Company's books during the month in accordance with the FERC Uniform System of Accounts for Major Electric Utilities (See Note 6). Recovery of expenses for test energy shall be limited to recovery of actual fuel expense as recorded on the Company's books during the month in accordance with the FERC Uniform System of Accounts for Major Electric Utilities. Operating and maintenance expenses shall include, and reflect recovery of, Steam Power Generation Expenses (Accounts 500-515 including lease rental payments recorded in Account 507), Other Power Supply Expenses (Accounts 555-557), Transmission Expenses (Accounts Expenses (Accounts 580-598), Customer Accounts Expenses (Accounts

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901-905), Customer Service and Informational Expenses (Accounts 906-910), Sales Expenses (Accounts 911-917) and Administrative and General Expenses (Accounts 920-933 and 935). Recovery of 501 fuel expenses shall be adjusted to reflect the deferral and/or feedback of unrecovered levelized fuel expenses as may be recorded on the Company's books or as is currently recorded on the books of I&M.

(d) Provision for Unit No. 1's (including Common Facilities) allocated share of net current and deferred federal income tax expense and investment tax credit included in operating income as determined by the Company in accordance with federal income tax law, SEC approved consolidated current tax allocation procedures, and FERC rules and regulations.

For purposes of computing federal income taxes, the interest expense deduction shall be equal to the sum of the net interest expense computed in accordance with paragraph (b) above plus the imputed interest expense associated with common equity that is in excess of 40% of AEGCO's net capitalization.

The power bill for Unit No. 2 shall be calculated in the same manner as described for Unit No. 1 above except that it shall reflect the Unit No. 2 Net In-Service Investment Ratio and those expenses associated with Unit No. 2.

Notes:

l. Return on Equit

The return of common equity allowance shall be based upon a rate of return of 13.00% as set forth in sub-paragraph (a) above.

2. Operating Ratio

The Operating Ratio shall be computed each month commencing with the month in which Unit No. 1 at the Plant is placed in commercial operation. It shall be based on the balances, as recorded on the Company's books in accordance with the FERC Uniform System of Accounts for Major Electric Utilities, outstanding at the end of the previous month and shall be derived by dividing (a) the amount of Electric Plant In Service (Account 101 including amounts associated with leasehold improvements but excluding amounts associated with capitalized leased assets); less Accumulated Provision for Depreciation and Amortization (Accounts 108 and 111); plus Plant Held for Future Use (Account 105 pursuant to the provisions of Note 4.D. below); Materials and Supplies (Accounts 151-156 and 163 as adjusted parsuant to the provisions of Note Peferred

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Debits (Account 186 pursuant to the provisions of Note 4.D. below); Prepayments (Account 165); other working capital (Accounts 128, 131, 135, 143, 146, 171 and 174 less Accounts 232-234, 236, 237, 238, 241 and 242), and Unamortized Debt Expense (Account 181), less Other Deferred Credits (Account 253 including the unamortized gain on the sale of/Rockport Unit No. 2); less Accumulated Deferred Federal Income Taxes (Accounts 190 and 281-283) and Accumulated Deferred Investment Tax Credit (Account 255) related to the plant in service by (b) the sum of (i) the amount determined pursuant to (a) plus (ii) the amount of Construction Work In Progress (Account 107) plus Materials (Accounts 151-156 and 163/, less Accumulated and Supplies Deferred Federal Income Taxes related to the construction work in progress plus (iii) Plant Held for Fuxure Use (Account 105), Other Deferred Debits (Account 186) and the amount of fuel inventory over the allowed level (Account 151.10) not otherwise included in (a) above.

3. Net In-Service Investment Ratio

The Unit No. 1 Net In-Service Investment Ratio shall be equal to 1.0 during the period commencing with the month in which Unit No. 1 at the Plant is placed in commercial operation and shall remain at 1.0 up to, but not including, the month in which Unit No. 2 at the Plant is placed in commercial operation. Thereafter, the Net In-Service Investment Ratio shall be computed each month, based on the balances, as recorded on the Company's books in accordance with the FERC Uniform System of Accounts for Major Electric Utilities, outstanding at the end of the previous month and shall be derived as follows:

- A. Unit No. 1 Net In-Service Investment Ratio shall be derived by dividing (a) the Net In-Service Investment associated with Unit No. 1 and Common Facilities by (b) the sum of the Net In-Service Investment associated with Unit No. 1 and Common Facilities plus the Net In-Service Investment associated with Unit No. 2.
- B. Unit No. 2 Net In-Service Investment Ratio shall be derived by dividing (a) the Net In-Service Investment associated with Unit No. 2 by (b) the sum of the Net In-Service Investment associated with Unit No. 1 and Common Facilities plus the Net In-Service Investment associated with Unit No. 2.

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4. Net In-Service Investment

The Net In-Service Investment shall be computed each month commencing with the month in which Unit No. 2 at the Plant is placed in commercial operation. It shall be based on the balances, as recorded on the Company's books in accordance with the FERC Uniform System of Accounts for Major Electric Utilities, outstanding at the end of the previous month and shall consist of the following:

- Unit No. 1 Net In-Service Investment shall consist Α. of the sum of Electric Plant in Service (Account 101 including amounts associated with leasehold improvements but excluding /amounts associated with capitalized leased assets), Plant Held for Future Use (Account 105 purs uant to the provisions Note 4.D. below), Materials and Supplies (Accounts 151-156 and /163 pursuant to provisions of Note 4.C. below), and Prepayments (Account 165), Other Deferred Debits (Account pursuant to the provisions of Note 4.D. below), other working capital (Accounts 131, 135, 143, 146, 171 and 174 less Accounts 232-234, 236, 237, 238, 241 and 242), Unamortized Debt / Expense (Account 181), Deferred / Credits (Account 253), Accumulated Provision for Depreciation Amortization (Accounts 108 and 111), Accumulated Deferred Federal Income Taxes (Accounts 190 and and Accumulated Deferred Investment 281-283) Tax Credit/(Account 255) related to such Unit No. 1 and Common Facilities in-service investment.
- Unit No. 2 Net In-Service Investment shall consist в. of the sum of Electric Plant in Service (Account 101 including amounts associated with leasehold improvements but excluding amounts associated with capitalized leased assets), Plant Held for Future Use (Account 105 pursuant to the provisions of Note 4.D. below), Materials and Supplies Accounts 151-156 and 163 pursuant to the provisions of Note 4.C. below), Prepayments (Account 165), Other Deferred Debits (Account 186 pursuant to Note 4.D. below), other working capital (Accounts 128, 131, 135, 143, 146, 171 and 174 less Accounts 232-234, 236, 237, 238, and 242), and Unamortized Debt Expense (Account 181), less Other Deferred (Account 253 including the unamortized gain on the sale of Rockport Unit No. 2), less Accumulated Provision for Depreciation and Amortization (Accounts 108 and 111), Accumulated Deferred Federal Income Taxes (Accounts 190 and 281-283) and Accumulated Deferred Investment Tax Credit (Account 255) related to the Unit No. 2 in-service investment.

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AEGCO shall be permitted to earn a return on its fuel inventory, recorded in Account 151.10, not in excess of a 75-day coal supply as defined herein. To the extent AEGCO's actual fuel inventory exceeds the allowable 75-day level, the return on such excess shall be recorded in a memo account. When AEGCO's actual fuel inventory is less than the allowable 75-day level, AEGCO shall be permitted to recover the return previously unrecovered, but in no event shall the power bill reflect a return on fuel inventory

A 75-day coal inventory level shall be determined for each unit annually and shall be based upon the actual experienced daily burn during the preceding calendar year. The actual experienced daily burn shall be defined to exclude the effect of forced and scheduled outages as well as curtailments as follows:

For each unit:

Actual experienced daily burn = 24 hours ($\frac{\text{Tons burned per year}}{\text{Operating hours}}$)

in excess of a 75-day supply.

Where:

Operating hours = Hours in year minus forced and scheduled outage hours minus curtailment equivalent outage hours

and:

Curtailment equivalent = The product for each curtailment of:

The value of the allowable 75-day coal supply used to determine each month's power bill shall be equal to the number of tons determined above multiplied by the cost per ton of coal in inventory at the end of the previous month.

For 1985, a 75-day coal supply for AEGCO's 50% ownership share of Rockport Unit No. 1 shall be based on 10 months ending October 1985 data which results in an initial inventory level of 398,581 tons.

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For 1990, a 75-day coal supply for AEGCO's share of Rockport Unit No. 2 shall be based on 12 months ending December 1990 data. For 1990 billing purposes, however, a 75-day coal supply for AEGCO's share of Rockport Unit No. 2 shall initially be assumed to be equal to the 75-day coal supply for AEGCO's share of Rockport Unit No. 1, adjusted to reflect the Btu content and the unit cost of the coal for Rockport Unit No. 2.

AEGCO shall maintain a cumulative record of the unrecovered return as well as the subsequent recovery of that return as follows:

- i) To the extent that /AEGCO's actual fuel inventory exceeds the allowable 75-day coal supply, AEGCO shall record each month an amount equal to the sum of the unrecovered return on fuel inventory and return on previously unrecovered amounts. The wnrecovered return on fuel inventory shal / be calculated each month by deriving the difference between the power bill that would result if full recovery were provided and the power bill that results with the 75-day limitation imposed. The return on previously unrecovered amounts shall be calculated multiplying the cumulative return unrecovered at the end of the previous month by the capital costs used to derive the power bill, adjusted for federal income taxes.
- ii) To/the extent that AEGCO's fuel inventory i≰ less than the allowable 75-day coal supply, AEGCO shall record each month an amount equal to the return on previously less the recovered unrecovered amounts return in excess of actual inventory levels. The return on previously unrecovered amounts shall be calculated as described in (i) The recovered return in excess actual inventory levels shall calculated by deriving the difference between the power bill that would result if actual inventory balances were used and the power bill that results with an imputed inventory level. In no event will the cumulative value of the unrecovered return be allowed to fall below zero.

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 D. AEGCO shall be permitted to include as part of
 its Net In-Service Investment Numerator amounts
 subsequently recorded in Accounts 105 and 186
 subject to the conditions set forth in the Offer
 of Settlement in FERC Docket No. ER84-579-000,
- Other Special Funds (Account 128), Other Current and Accrued Assets (Accounts 131, 135, 143, 146, 171 and 174), Other Deferred Debits (Account 181), Other Current and Accrued Liabilities (Accounts 232-234, 236, 237, 23/8, 241 and 242), and Other Deferred Credits (Account 253) shall be directly assigned to Unit No. 1 (including Facilities) Unit No. 2 Common or Whenever such direct assignment is possible. not practical, such balanges shall be allocated between the units in proportion to the net dependable capability of /each of the units.

5. Investment Balances

et al.

For the purpose of calculating the Operating Ratio and Net In-Service Investment Ratio, amounts shall reflect the balances, as recorded on the Company's books in accordance with the FERC Uniform System of Accounts for Major Electric Utilities, outstanding at the end of the previous month, except that when plant greater than or equal to 1% of the prior month ending plant value is transferred into service during the current month, such prior month balances shall be adjusted to reflect such transfers to service. Such adjustment shall be pro-rated for the number of days during the month that such plant addition was in-service.

6. Allocation of Expenses

Operating expenses shall be directly assigned to Unit No. 1 (including Common Facilities) or Unit No. 2 whenever possible. Whenever such direct assignment is not practical, such expenses shall be allocated between the units in accordance with the basis that gave rise to such expense.

AEGCO's operating and maintenance expenses shall include, and AEGCO shall be allowed recovery of, administrative and general expenses, related payroll taxes and other costs, allocated to AEGCO by I&M as operator of the Rockport Plant or incurred directly by AEGCO.

I&M shall allocate to AEGCO, a portion of I&M's administrative and general expenses charged to Accounts 920, 921, 922, 921, 925, 926, 931 and 935; related payroll taxes charged

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to Account 408; and a portion of the expenses of the Rockport Information Center charged to Accounts 506, 511 and 514 that generally relate to Rockport Plant operations. Such charges shall be allocated to AEGCO on the basis of the ratio of AEGCO's share of the Rockport Plant operation and maintenance wages and salaries, divided by the sum of total Rockport Plant operations and maintenance wages and salaries, plus all other I&M operation and maintenance wages and salaries, less I&M's administrative and general wages and salaries. For the period beginning December 10, 1984 and ending December 31, 1985 this ratio will be developed based on actual 1985 amounts. In subsequent calendar years, this ratio will be adjusted annually based on the prior calendar year's amounts.

AEGCO's operation and maintenance expenses shall also include, and AEGCO shall be allowed recovery of, other administrative and general expenses directly incurred by AEGCO and included in the appropriate administrative and general expense accounts.

BILLINGS AND PAYMENTS

All bills for amounts owing hereunder shall be due and payable on the fifteenth day of the month next following the month or other period to which such bills are applicable, or on the tenth day following receipt of the bill, whichever date is later. Interest on unpaid amounts shall accrue daily at the prime interest rate per annum in effect on the due date at the Citibank, plus 2% per annum, from the due date until the date upon which payment is made. Unless otherwise agreed upon, the calendar month shall be the standard period for the purpose of settlements under this Agreement. If bills cannot be accurately determined at any time, they shall be rendered on an estimated basis and subsequently adjusted to conform to the terms of the unit power agreements.

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AEP GENERATING COMPANY SAMPLE POWER BILL SUMMARY OF MONTHLY POWER BILL

Line No. TAMOMA 1 Return on Common Equity 2 Return on Other Capital 3 Total Return + Fuel + Purchased Power - Other Operating Revenues + Operation and Maintenance Expenses 8 + Depreciation Expense + Taxes Other Than Federal Income Tax 10 + Federal and State Income Tax 11 = Total Unit 1 Monthly Power Bill 12 Determination of Federal Income Tax : 13 Total Return (Line 3) 14 + Unit 1 Schedule M Adjustments 15 + Unit 1 Deferred Federal and State Income Taxes - Unit 1 Interest Expense Deduction * 16 17 Subtotal x Gross-Up (FIT Rate / 1-5/IT Rate) 18 = Unit 1 Current Federal Income Tax + Unit 1 Deferred Federal and State Income Taxes 19 20 = Total Unit 1 Federal and State Income Taxes 21 ----------22 Proof of Federal Income Tax : 23 Total Unit 1 Annual Power Bill 24 25 Operation and Maintenance Expenses Depreciation Expense 26 · Taxes Other Than Federal Income Tax 27 nit 1 Interest Expense Deduction * 28 Other Operating Revenues 29 = Pre-Tax Book Income 30 + Unit 1 Schedule M Adjustments = Unit 1 Taxable Income 32 x Current Federal Income Tax Rate 3/3 = Unit 1 Current Federal Income Tax 34

+ Unit 1 Deferred Federal and State Income Taxes

= Total Unit 1 Federal and State Income Taxes

35

.

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

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AEP GENERATING COMPANY SAMPLE POWER BILL OPERATING RATIO

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Line No.		AMOUNT
1	Operating Ratio:	, Artisolity
2	Net In-Service Investment:	
3 4 5 6 7 8 9 10 11 12 13	Electric Plant In-Service - Accumulated Depreciation + Materials & Supplies + Prepayments + Plant Held For Future Use (A/C 105) * + Other Deferred Debits (A/C 186) * + Other Working Capital *** + Unamortized Debt Expense (A/C 181) - Other Deferred Credits (A/C 253) - Accumulated Deferred FIT - Accumulated Deferred ITC	
14	Total Net In-Service Investment	*******
15	Non-In-Service Investment - CWIP	
16 17 18	Construction Work In Progress + Materials & Supplies - Accumulated Deferred FIT	
19	Total Non-In-Service Investment - CWJP	
20	Non-In-Service Investment - Other :	
21 22 23	Plant Heid for Future Use (A/C 105) ** + Other Deferred Debits (A/C 186) ** + Fuel Invent. Over Allowed Level ****	
24	Total Non-In-Service Investment - Other	
25	Total Investment (Lines 14+19+24)	
26	Operating Ratio (Line 14/Line 25)	
27	Non-In-Service Investment-CWIP Ratio (Line 19/Line 25)	
28	Non-In-Service Investment-Other Ratio (Line 24/Line 25)	
29	Total Investment	*=======
	* As Permitted By FERC	
,	** Excluding Amounts on Lines 7 and 8	
	*** Accounts 128, 131, 135, 143, 146, 171 and 174 less Accounts 232-234, 236, 237, 238, 241 and 242	
	*** 1 and order Declarate 1 and 2	

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

Pg 4 of 18

Line No.		
1		AMOUNT
•	The state investment katio:	/
2	Unit 1 Net In-Service Investment:	
3 4 5 6 7 8 9 10 11 12 13	Electric Plant In-Service - Accumulated Depreciation + Materials & Supplies + Prepayments + Plant Held For Future Use (A/C 105) * + Other Deferred Debits (A/C 186) * + Other Working Capital ** + Unamortized Debt Expense (A/C 181) - Other Deferred Credits (A/C 253) - Accumulated Deferred FIT - Accumulated Deferred ITC	
14	Total Unit 1 Net In-Service Investment	***,******
15	Unit 2 Net In-Service Investment:	
16 17 18 19 20 21 22 23 24 25 26	Electric Plant In-Service - Accumulated Depreciation + Materials & Supplies + Prepayments + Plant Held For Future Use (A/C 105) * + Other Deferred Debits (A/C 186) * + Other Working Capital ** + Unamortized Debt Expense (A/C 181) - Other Deferred Credits (A/C 253) - Accumulated Deferred FIT - Accumulated Deferred ITC	
27	Total Unit 2 Net In-Service Investment	•••••
28	Total Net In-Service Investment	========
29	Net In-Service Investment Ratio:	
30	Unit 1 (Line 14 / Line 28)	
31	Unit 2 (Line 27/ Line 28)	
	* As Permitted By FERC	
	** Accounts 128, 131, 135, 143, 146, 171 and 174, less Accounts 232- 234, 236, 237, 238, 241 and 242	*========

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

Pg 5 of 18

Line No.		AMOUNIT
		AMOUNT
1	Net Capitalization:	
2 3 4 5 6	Long-Term Debt + Short-Term Debt + Preferred Stock + Common Equity - Temporary Cash Investments	
7	Net Capitalization	=========
8	40% of Net Capitalization	
9	Return on Common Equity:	
10 11 12 13 14 15	Lesser of Line 5 or Line 8 x Equity Return (Monthly Rate) = Equity Return x Operating Ratio x Net In-Service Investment Ratio = Subtotal	
16 17 18	Excess of Line 5 Over Line 8 x Weighted Cost of Debt (Monthly Rate) = Return on Equity over 40% of Capitalization	
19 20 21	x Operating Ratio x Net In-Service Investment Ratio = Subtotal	
22	Unit 1 Return on Equity (Line 15 + Line 21)	*********
23	Return on Other Capital:	
24 25 26 27	Long-Term Debt Interest Expense (a/c 427) + Short-Term Debt Interest Expense (a/c 431) + Other Interest Expense (a/c 428-431) - Temporary Cash Investment Income *	
28 29	 Net Interest Expense Preferred Stock Dividends (a/c 437) 	********
30 31 32	= Net Cost of Other Capital x Operating Ratio x Net In-Service Investment Ratio	•••••
33	= Unit 1 Return on Other Capital	
	A Line 6 to Line 10 (co. p. c. c. p.	######################################

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

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ine No.		
1	Debt Balances (Prior Month Ending):	AMOUNT
2 3 4	Long-Term Debt + Short-Term Debt + Other Debt	
5	Total Debt Balances (Prior Month Ending)	*******
6	Weighting of Debt Balances :	
7 8 9	Long-Term Debt + Short-Term Debt + Other Debt	
10	Total Debt Balances	********
11	Debt Cost Rates :	
12 13 14	Long-Term Debt Short-Term Debt Other Debt	
15	Weighted Cost of Debt :	
16 17 18	Long-Term Debt + Short Term Debt + Other Debt	
9	Total Weighted Cost of Debt	

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

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Line No.		/
1	Unit 1 Materials and Supplies:	AMOUNT
2 3 4 5 6 7	Fuel Stock · Coal (per Line 23) Fuel Stock Expenses · Undistributed (152) Fuel Stock · Oil (151.20) Plant Materials & Operating Supplies Merchandise Undistributed Stores Expense	•••••
8	Total Materials & Supplies	
Ü	Total Materials & Supplies	*******
9	Support of Coal Inventory Value:	
10 11	Actual Coal Inventory (a/c 151.10) + Equivalent Inventory re: Deferred Return	
12	= Imputed Coal Inventory	
13	Coal Inventory W/75 Day Supply Cap	
14 15 16 17 18 19 20 21	Tons Consumed / Hours Available * = Tons Consumed per Hour x 24 Hours per Day = Tons Consumed Per Day x 75 days = 75 day Supply (Tons) x Coal Cost per Ton (151.10 at End of Prior Month)	
22	= 75 day Coal Inventory	•••••
23	Lesser of Imputed or Capped Coal Inventory	••••
24	Imputed Inventory Minus Line 23	•
25	Accumulated Deferred Inventory Return · Unit 1 (Memo Item):	
26 27 28 29	Beginning Balance + Current Month Return on Beginning Balance + Current Month Deferral - Current Month Recovery	
30	= Ending Balance **	********
		========
	* Exoludes Forced Outages, Scheduled Outages, and Curtailments	

^{**} May Not Be Less Than Zero

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AEP GENERATING COMPANY SAMPLE POWER BILL DETAIL OF OTHER OPERATING REVENUES

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No.	Account No.	Description	AMOUNT
1	450	Forfeited Discounts	•••••
2	451	Miscellaneous Service Revenues	•
3	453	Sales of Water and Water Power	
4	454.10	Rent From Electric Property - Associated Companies	
5	454.20	Rent From Electric Property - Non-Associated Companies	
6	455	Interdepartmental Rents	
7	456	Other Electric Revenues	
8		Total Other Operating Revenues	********
-			=======================================

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

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Line No.	Account No.	Description	AMOUNT
1 2 3	500,502-508 501 510-515	Steam Power Generation - Operation Fuel - Operation	*****
3	210-212	Steam Power Generating - Maintenance	
4		Total Steam Power Generation Expenses	*********
5	555-557	Other Power Supply Expenses	**********
6 7	560-567.1 568-574	Transmission Expenses - Operation Transmission Expenses - Maintenance	******
8		Total Transmission Expenses	••••••
			•••••
9 10	580-589 590-598	Distribution Expenses - Operation Distribution Expense - Maintenance	
11		Total Distribution Expenese	
12	901-905	Customer Accounts Expenses - Operation	•••••
13	906-910	Customer Service and Informational Expenses Operation	
14	911-917	Sales Expenses - Operation	*********
15	920-933	Administrative and General Expenses	**********
16	935	Operation Administrative and General Expenses - Maintenance	
17		Total Administrative & General Exp.	
18		Total Operation & Maintenance Expenses	
		·	========

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AEP GENERATING COMPANY SAMPLE POWER BILL DETAIL OF DEPRECIATION EXPENSE & AMORTIZATION EXPENSES

Line No.	Account No.	Description	AMOUNT
		Description	******
1	403	Depreciation Expense	
2	404	Amortization of Limited-Term Electric Plant	
3	405	Amortization of Other Electric Plant	
4	406	Amortization of Electric Dtant Acquistion Adjustments	
5	407	Amortization of Property Losses, Unrecovered Plant and Regulatory Study Costs	
6		Total Depreciation Exp. & Amortization	

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

Line No.	Account No.	Decription	AMOUNT
1	408.1	Taxes Other Than Federal Income Taxes, Utility Operating Income	•
2	409.1	State Income Laxes	
3		Total Taxes Other than FIT	======================================

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

		***************************************	/
No.	Account No.	Description	AMOUNT
1	<u> </u>	Unit 1 Schedule 'M' Adjustments*	
2	N/A	Excess ACRS Over Normalization Base Depreciation	,
3	N/A	Excess Normalization Base Over Book Depreciation	
4	N/A	Other Unit 1 Schedule 'M' Adjustments	
5	·	Total Unit 1 Schedule 'M' Adjustments	=========
	-		
6		Unit 1 Deferred Federal Income Tax	
7	410.1	Excess ACRS Over Norm. Base Depr. (Line 2 x FIT Rate * - 1)	
8	410.1 & 411.1	Other Unit 1 Schedule M' Adjustments - Utility	
9	410.1	Feedback of Deferred State Income Taxes	•
10	411.1	Feedback of Accumulated DFIT re: ABFUDC - Unit 1 Negative amount Denotes Reduction.	
11	411.1	Feedback of Accumulated DFIT re: Overheads Capitalized - Unit 1	
12	411.1	Feedback of Accumulated DFIT - Other	
13	411.1	Feedback of Accumulated DFIT re: Other Schedule 'M' Adj. Utility	
14		Total Unit 1 Deferred Federal and State Income Tax	**********
			==========

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

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

Line	Account	, ,	
No.	No.	Description	AMOUNT
1		ELECTRIC PLANT IN SERVICE	
2 3 4	101 102 103	Electric Plant In Service Electric Plant Purchased Experimental Elec. Plant Unclassified	
5	103.1	Electric Plant In Process of Reclassification	
6 7	104 106	Electric Plant Leased to Others Completed Construction Not Classified	/
8	114	Electric Plant Acquisition Adjustments	
9	116 118	Other Electric Plant Adjustments Other Utility Plant	
11		Total Electric Plant In Service	*********
12	105	Plant Held For future Use	
13		ACCUMULATED DEPRECIATION	
14	108	Accumulated Provision for Depreciation of Electric Utility Plant	
15	110	Accumulated Provision for Depreciation and Amort. of Elec. Utility Plant	
16	111	Accumulated Provision for Amortization of Electric Utility Plant	-
17	115	Accumulated Provision for Amortization of Electric Plant Acquisition Adjustments	
18	119	Accumulated Provision for Depreciation and Amortization of Other Utility Plant	
19		Total Accumulated Depreciation	*****
20		MATERIAL AND SUPPLIES	
21	151	Fuel Stock	
22	152	fuel Stock Expenses - Undistributed	
23 24	153 154 /	Residuals Plant Materials and Operating Supplies	
25	155	Merchandise	
26	156	Other Materials and Supplies	
27	16/3	Stores Expense Undistributed	
28		Total Materials and Supplies (In-Service Portion)	*******
29	165	Prepayments	********
30 /	186	Other Deferred Debits	********

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

Line	Account		
No.	No.	Description *	THUOMA
7	128	Other Special Funds	
- 2	131	Cash	
2 3 4 5 6 7 8 9	135	Other Intra Company Adjustments	
- 4	143	Accounts Receivable-Miscellaneous	
5	146	Accounts Receivable-Associated Company	
6	171	Interest and Dividends Receivable	
. 7	174	Miscellaneous Current and Accrued Assets	
8	232	Accounts Payable-General	
9	234	Accounts Payable Associated Company	
10	236	Taxes Accrued	
11	237	Interest Accrued	
12	238	Dividends Declared	
13	241	Tax Collections Payable	
14	242	Miscellaneous Current and Accrued Liabilities	
15		Total Other Working Capital	
			222232
16	181	Unamortized Debt Expense	
17	253	Other Deferred Credits	
		•	

^{*} debit <credit>

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AEP GENERATING COMPANY SAMPLE POWER BILL DETAIL OF NET-SERVICE INVESTMENT UNIT 1 (Cont'd)

No.	Account No.	Description	AMOUNT

31		ACCUMULATED DEFERRED INCOME TAXES	
32	190	-Accumulated Deferred Income Taxes	
33	281	+Accumulated Deferred Income Taxes -	
		Accelerated Amortization Property	
34	282	+Accumulated Deferred Income Taxes -	
		Other Property	
35	283	+Accumulated Deferred Income Taxes - Other	
36		Total Accumulated Deferred Income	
		Taxes (In-Service Portion)	
37	255	+Accumulated Deferred Investment Tax	
		Coedits	
38	186.50	-Accumulated Deferred Investment Tax	
		Credit	
39		Total Accumulated Deferred Investment	
		Tax Credits	
40		Total Net In-Service Investment -	
		Unit 1	
			=======

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

Line No.	≘ Account	Description	AMOUNT
		******	AMOUNT
		Non-in-Service Investment -CWIP	
1	107	Construction Work In Process	
2		MATERIAL AND SUPPLIES	/
3	151	Fuel Stock	
4	152	Fuel Stock Expenses - Undistributed	
5	15 3	Residuals /	
6	154	Plant Materials and Operating Supplies	
7 8	155	Merchandise - /	
8	156	Other Material and Supplies	
9	163	Stores Expense Undistributed	-
10		Total Material and Supplies	
		(CWIP Portion)	********
11		ACCUMULATED DEFERRED INCOME TAXES	******
43		••••••	·
12 13	190	Accumulated Deferred Income Taxes	
13	281	+Accumulated Deferred Income Taxes -	
14	282	Accelerated Amortization Property +Accumulated Deferred Income Taxes	
• •	LUL	Other Property	
15	283	+Accumulated Deferred Income Taxes -	-
16		Total Accumulated Deferred Income Taxes (CW/P Portion)	•••••
17			
• •			
		TOTAL NON-IN-SERVICE INVESTMENT .	
		Non-in-Service Investment- Other	=========
18	105	Plant Held for Future Use	
19	186	Other Deferred Debits	
20	15 <i>1</i> .10	Fuel Inventory Over Allowed Level	
21		Total Non-In-Service Investment - Other	
			========

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AEP GENERATING COMPANY SAMPLE POWER BILL DETAIL OF NET CAPITALIZATION

Line	Account		
No.	. No.	Description	
		Description	TRUCOMA
1		COMMON CAPITAL STOCK	
2	201	Common Charle 1 I	
3		Common Stock Issued	
	202	Common Stock Subscribed	
4	203	Common Stock Liability for Conversion	
5	209	Reduction In Par or Stated Value of Capital Stock	
6	210	Gain on Resale or Cancellation of Reacquired Capital Stock	
7	212	Installments Received on Capital Stock	
8	214	Constactments Received on Capital Stock	
		Capital Stock Expense	
9	217	Reacquired Capital Stock	
			•••••
10		Total Common Capital Stock	
11		OTHER PAID-IN CAPITAL	********
12	207	Description of the second	
		Premium on Capital Stock	
13	208	Donations Received from Stockholders	
14	211	Miscellaneous Paid-In Capital	
15	213	Discount on Capital Stock	
		<u> </u>	******
16		Total Other Paid-In Capital	
17		RETAINED EARNINGS	-
18	215	Appropriated Retained Earnings	
19	215.1	Appropriated Revained Earnings	
17	213.1	Appropriated Retained Earnings-	
20		Amortization Reserve, Federal	
20	216	Unappropriated Retained Earnings	
_			******
21		Total Retained Earnings	
22		Total Common Equity	••••••
23		PREFERRED CAPITAL STOCK	••••••
24	204/	Drofonned Charle Tenned	
25		Preferred Stock Issued	
	205	Preferred Stock Subscribed	
26	2 06	Preferred Stock Liability	
		for Conversion	

27		Total Preferred Capital Stock	

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

		**********	/
Line	Account		
No.	No.	Description	AMOUNT
		*******	Ariout
28	L	ONG-TERM DEBT	
	•	• • • • • • • • • • • • • • • • • • • •	
29	221	Bonds	
30	222	Reacquired Bonds	
31	223	Advances from Associated Companies	
32	224	Other Long-Term Debt	
3 3	225	Unamortized Premium on	
		Long-Term Debt-Credit	
34	226	Unamortized Discount on Long-Term	
		Debt-Debit /	
35		Total Long-Term Debt	

	S	HORT-TERM DEBT	
~.		······································	
36	231.02	Notes Payable (Short-Term Debt)	
37	231.03	Unamortized Discount /	
70			*******
38		Total Short-Term Debt	
70			*******
39	71	EMPORARY CASH INVESTMENTS	
40	170	1.2	
41	132	Interest Special Deposits	•
	133	Dividend Special Deposits	
42 43	134	Other Special Deposits	
43	136	Temporary Cash Investments	
44			*******
44		Total Temporary Cash Investments	
		/	
45		NET CACTAL STATION	
4.3		NET CAPITALIZATION	
			=======================================

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

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Line N	. /	
1	Capitalization Balances (Prior Month Ending):	AMOUNT
2	Long-Term Debt	
3	+ Short-Term Debt	
4	+ Preferred Stock	
5	+ Common Equity	
6	Capitalization Offsets	
7	Total Capitalization Balances	••••••
		======================================
8	Weighting of Capitalization Balances :	
9	Long-Term Debt	
10	+ Short-Term Debt	
11	+ Preferred Stock	
12	+ Common Equity	
13	- Capitalization Offsets	
14	Total Capitalization	
15	Capitalization Cost Rates :	=========
16	Long-Term Debt	
17	Short-Term Debt	
18	Preferred Stock	
19	Common Equity	
20	Capitalization Offsets	
-	· · · · · · · · · · · · · · · · · · ·	
21	Rate of Return (Net of Tax):	
22	Long-Term Debt	
23	+ Short-Term Debt	
24	+ Preferred Stock	
25	+ Common Equity	•
26	- Capitalization Offsets	
27	Total Rate of Return (Net of Tax)	********
	retarif (net of fax)	
28	Weighted Net Cost of Debt	
20		
29	+ Pre-Tax Common Equity (Line 25 / .66)	
30	Rate of Return (Pre-Tax)	********
	/	

Docket No. First Set of Data Requests
Company: Dated August 14, 2017
FERC El. Rate Soh. No.: Item No. 314
Supp. No.: Attachment 1
Filing Date: To 5

AMENDMENT NO. 1

TO UNIT POWER AGREEMENT

This Amendment No. 1 dated as of May 8, 1989 by and between Indiana Michigan Power Company ("I&M" or "IMECO", formerly known as Indiana & Michigan Electric Company) and AEP Generating Company ("AEGCO") to the Unit Power Agreement dated as of March 31, 1982 by and between I&M and AEGCO ("Unit Power Agreement"), WITNESSETH:

WHEREAS, I&M and AEGCO have entered into the Unit Power Agreement whereby, subject to regulatory approvals and certain other conditions, AEGCO agreed to make available, or cause to be made available, to I&M all of the power (and the energy associated therewith) which is available to AEGCO at the Rockport Plant and I&M agreed to pay AEGCO certain amounts;

WHEREAS, AEGCO has entered into six Participation Agreements, dated as of March 15, 1989, whereby it has agreed, subject to regulatory approvals and certain other conditions, to sell its 50% undivided interest in Unit 2 of the Rockport Plant and pursuant to six separate leases (the "Leases"), to leaseback a 50% undivided interest in the unit; and

WHEREAS, Section 3.01 of the Participation Agreements specify that as a condition to closing AEGCO and I&M shall have entered into, and shall have filed with the Federal Energy Regulatory Commission ("FERC") for its approval, an amendment to the Unit Power Agreement which shall, among other things, (i)

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specifically confirm that basic rent payable under the Leases is an item of operating and other expenses of AEGCO referred to in Section 1.3 thereof, and (ii) specifically provide that the Unit Power Agreement shall continue in full force and effect until the lease term shall have expired or been terminated and all basic rent payable under the Leases shall have been paid in full;

NOW, THEREFORE, in consideration of the terms and agreements hereinafter set forth, the parties hereto agree as follows:

- 1. Section 1.3 of the Unit Power Agreement is hereby amended to read as follows:
 - IMECO shall, subject to the provisions and upon "1.3 compliance with the then applicable requirements of Section 2.2 of this agreement, be entitled to receive all power (and the energy associated therewith) which shall be available to AEGCO at the Rockport Plant, and IMECO agrees to pay to AEGCO in consideration for the right to receive all such power (and the energy associated therewith) available to AEGCO at the Rockport Plant, as a demand charge for the right to receive such power (and as an energy charge for any associated energy taken by IMECO), such amounts from time to time as, when added to amounts received by AEGCO from any other sources, will be at least sufficient to enable AEGCO to pay, when due, all of its operating and other expenses, including provision for the depreciation and/or amortization of the cost of AEGCO's facilities, and lease rental payments, including any amount of Basic Rent (as such term is defined in Section 3(a) of the forms of Lease attached as Exhibit A to the Participation Agreements) which AEGCO may be required to pay pursuant to the Leases, and also including for the purposes of this agreement (i) any amount which AEGCO may be required to pay on account of any interest and/or any commitment fee on all indebtedness for borrowed money issued or assumed by AEGCO (or by any corporation or other entity with which AEGCO shall have merged or consolidated or to which it shall have sold or otherwise disposed of all or substantially all of its assets) and outstanding at the time, and (ii) such additional amounts as are necessary after any required provision for taxes on, or measured by, income to enable AEGCO to pay required dividends on any preferred stock which it may issue and such amount as will represent a return on the common equity of AEGCO equal to the return most recently found in the period of the 24 calendar months immediately preceding the time when payments

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are to commence under this Section 1.3 to be fair, and authorized, by the FERC, including any successor Federal regulatory agency as an appropriate return on the common equity of IMECO in a wholesale electric proceeding before FERC under the Federal Power Act, or any legislation enacted in substitution for, or to replace, the Federal Power Act or, if within such period of 24 calendar months immediately preceding the date when payments are to begin under this Section 1.3 no such action by FERC shall have become final and not subject to further proceedings before FERC or a court, the return most recently found to be fair and authorized by the Indiana Utility Regulatory Commission as an appropriate return on the common equity of IMECO in a retail electric proceeding before that Commission. shall commence the payment of such amounts to AEGCO on the earlier of the following dates: (i) June 30, 1985 and, (ii) the date on which power, including any test power, and any energy associated therewith, shall become available to AEGCO at the Rockport Plant."

- 2. Section 6 of the Unit Power Agreement is hereby amended to read as follows:
 - This agreement shall become effective forthwith and shall continue in full force and effect until the latter (1) all of the Notes issued by AEGCO of the date that: under the Revolving Credit Agreement, dated as of March 31, 1982, of AEGCO shall have been paid in full, together with all accrued interest thereon; or (ii) the last of the Lease Terms (as that term is defined in the Participation Agreements) shall have expired or been terminated and all Basic Rent payable under all of the Leases shall have been paid in full; provided, however, that in the event that AEGCO shall, prior to such payment, create a Mortgage and Deed of Trust secured by a lien on all, or certain of its fixed physical properties, and shall issue bonds thereunder, this agreement shall continue until said Mortgage and Deed of Trust shall have been satisfied and discharged."
- 3. This Amendment No. 1 shall become effective on the date on which the last of the following events shall have occurred: (i) this Amendment No. 1 shall have been filed with and accepted for filing without condition or change by the FERC under the Federal Power Act (FPA) as a rate schedule under circumstances where the FERC (a) shall have issued an order under the FPA that

this Amendment No. 1 shall become effective in its entirety as such rate schedule under the FPA, as proposed by the parties in their filings with the FERC, and (b) shall not have, in such order or any separate order, instituted an investigation or proceeding under the provisions of the FPA with respect to the justness and reasonableness of the provisions of this Amendment No. 1; (ii) the order or orders of the FERC, referred to in (i) above, shall have become final and not subject to review under Section 313 of the FPA; or (iii) the Closings (as defined in the Participation Agreements).

IN WITNESS WHEREOF, the parties hereto have caused this Amendment No. 1 to be duly executed as of the date and year first above written.

INDIANA MICHIGAN POWER COMPANY

AEP GENERATING COMPANY

Item No. 314

Discount FR P9 - 470 Attacyment 1

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A Rate Sch No. Sty - 1012 7 Filey Bates 10 -19 - 19

Stratifier Date/

SUPPLEMENT NO. 7 TO

AEP GENERATING COMPANY FERC RATE SCHEDULE

NO. 1

and

SUPPLEMENT/NO. 6 TO

AEP GENERATING COMPANY FERC RATE SCHEDULE

NOS. 2 AND 3

EFFECTIVE:

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AEP GENERATING COMPANY

Supplement to Rate Schedule

EQUITY REOPENER: In October of 1988, and every October thereafter for the effective duration of AEGCO's formula rate, any purchaser under AEGCO's two unit power agreements, any state regulatory commission having jurisdiction over the retail rates of purchasers under these agreements, or any other entity representing customers' interests, may file a complaint with the Commission with respect to the specified rate of return on common equity. If the Commission, in response to such a complaint, or on its own motion, institutes an investigation into the reasonableness of the specified return on common equity, such investigation shall be pursued under the special procedures set forth as follows:

- (1) The only issue to be addressed under these special procedures shall be the continued collection of the return on equity as incorporated in the formula rate; and
- (2) Refund will be due, should the return on equity specified in the formula be found not just and reasonable, dating from the first day of January immediately following the date the complaint is filed or an investigation is instituted by the Commission on its own motion, calculated on the resulting difference in rates due to the application of the return found to be just and reasonable and the return stated in the formula. The first such effective date for the calculation of refunds shall be January 1, 1989.

Any other complaint which challenges the justness and reasonableness of any other component of the filed formula rate or any other complaint filed at any other time which challenges the justness and reasonableness of the specified rate of return on common equity and which is set for investigation by the Commission shall be pursued under Section 206 of the Federal Power Act.

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Attorney Ger
Docket No.1 FR 99-476-000

Company: AEI
FERC El. Rate 30h. No.1 /
Supp. No.1 Pring Dolle: 1-21-96

Extentiva Data; 12-1-11.

SUPPLEMENT NO. 8/

TO

AEP GENERATING COMPANY

FERC RATE SCHEDULE NO. 1

AND

SUPPLEMENT NO. 7

TO AEP GENERATING COMPANY

FERC RATE SCHEDULE NOS.

2 AND 3

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RATE DESIGN

The total revenue requirement of AEGCO calculated pursuant to the IMECO-AEGCO Unit Power Agreement designated AEGCO FERC Rate Schedule No. 1 is designed to recover for AEGCO its total cost of providing power (and the energy associated therewith) available to AEGCO at the Rockport Plant.

DETERMINATION OF POWER BILL

In accordance with Section 1.3 of the Unit Power Agreement, I&M agrees to pay AEGCO in consideration for the right to receive all power (and the energy associated therewith) available to AEGCO at the Rockport Plant, as a demand charge for the right to receive such power (and as an energy charge for any associated energy taken by I&M), such amounts, less any amounts recovered by AEGCO from other sources, as shall be determined monthly as described below. Such amounts shall be calculated separately for Unit No. 1 (including Common Facilities) and for Unit No. 2. I&M shall then commence the payment of such amounts (power bill) on the earlier of the following dates: (i) June 30, 1985 and (ii) the date on which power including any test power, and any energy associated therewith, shall become available to AEGCO at the Rockport Plant.

The power bill for Unit No. 1 (including Common Facilities) shall be calculated each month and shall reflect recovery only of those costs related to the plant in service. It shall consist of the sum of (a) a return on common equity, (b) a return on other capital, (c) recovery of operating expenses and (d) provision for federal income taxes as described below and as illustrated in the example attached.

(a) Return on Common Equity, which shall be equal to the product of (i) the amount of common equity outstanding at the end of the previous month, but not more than 40% of the capitalization of AEGCO at the end of the previous month; (ii) 1.0133 (12.16% annual rate) as described in Note 1 below; (iii) the Operating Ratio, as defined in Note 2 below; and (iv) the Unit No. 1 Net In-Service Investment Ratio, as defined in Note 3 below, plus the product of (v) the amount of common equity in excess of 40% of the capitalization of AEGCO at the end of the previous month, if any such excess shall be determined; (vi) the weighted cost of debt outstanding at the end of the previous month; (vii) the Operating Ratio, as defined in Note 2 below; and (viii) the Unit No. 1 Net In-Service Investment Ratio, as defined in Note 3 below.

For the purposes of these calculations, the amount of common equity shall be equal to the sum of the Common Stock (Accounts 201-203, 209, 210, 212, 214 and 217), Other Paid-In Capital (Accounts 207, 208, 211 and 213), and Retained Earnings (Accounts 215-216) outstanding at the end of the previous month. Total capitalization shall be equal to the sum of Long-term Debt (Accounts 221-226 including current maturities and unamortized debt premium and discounts), Short-Term Debt (Accounts 231 and 233), Preferred Stock (Accounts 204-206), and Common Equity less any Temporary Cash Investments, Special

Deposits and Working Funds (Accounts 132-134, and 136, and 145) outstanding at the end of the previous month.

(b) Return on Other Capital, which shall be equal to the product of (i) the amount equal to the net interest expense associated with Long-Term and Short-Term Debt, net of any Temporary Cash Investments, Special Deposits and Working Funds, plus the preferred stock dividend requirement associated with the Preferred Stock outstanding at the end of the previous month; (ii) the Operating Ratio, as defined in Note 2 below; and (iii) the Unit No. 1 Net In-Service Investment Ratio, as defined in Note 3 below.

For the purposes of these calculations, net interest expense shall be equal to the sum of (i) the amount of Long-Term Debt outstanding at the end of the previous month multiplied by the weighted cost of such Long-Term Debt and (ii) the amount of Short-Term Debt outstanding at the end of the previous month multiplied by the weighted cost of such Short-Term Debt, less (iii) the amount of Temporary Cash Investments, Special Deposits and Working Funds outstanding at the end of the previous month multiplied by the weighted cost of Long Term and Short-Term Debt combined determined pursuant to (i) and (ii) above.

- Recovery of Operating Expenses, excluding federal income taxes, which shall consist of provision for depreciation and amortization (Accounts 403-407, 411), including Asset Retirement Obligation (ARO) depreciation and accretion expenses (Accounts 403.1 and 411.10), taxes other than federal income taxes (Accounts 408-411) and operating and maintenance expenses associated with Unit No. 1 (including Common Facilities) offset by other operating revenues as recorded on the Company's books during the month in accordance with the FERC Uniform System of Accounts for Major Electric Utilities (See Note 6). Recovery of expenses for test energy shall be limited to recovery of actual fuel expense as recorded on the Company's books during the month in accordance with the FERC Uniform System of Accounts for Major Electric Utilities. Operating and maintenance expenses shall include, and reflect the recovery of, Steam Power Generation Expenses (Accounts 500-515 including lease rental payments recorded in Account 507), Other Power Supply Expenses (Accounts 555-557), Transmission Expenses (Accounts 560-574), Distribution Expenses (Accounts 580-598), Customer Accounts Expenses (Accounts 901-905), Customer Service and Informational Expenses (Accounts 906-910), Sales Expenses (Accounts 911-917) and Administrative and General Expenses (Accounts 920-933 and 935). Recovery of 501 fuel expenses shall be adjusted to reflect the deferral and/or feedback of unrecovered levelized fuel expenses as may be recorded on the Company's books or as is currently recorded on the books of I&M.
- (d) Provision for Unit No. 1's (including Common Facilities) allocated share of net current and deferred federal income tax expense and investment tax credit included in operating income as determined by the Company in accordance with federal income tax law, SEC approved consolidated current tax allocation procedures, and FERC rules and regulations.

For purposes of computing federal income taxes, the interest expense deduction shall be equal to the sum of the net interest expense computed in accordance with paragraph (b)

above plus the imputed interest expense associated with common equity that is in excess of 40% of AEGCO's net capitalization.

The power bill for Unit No. 2 shall be calculated in the same manner as described for Unit No. 1 above except that it shall reflect the Unit No. 2 Net In-Service Investment Ratio and those expenses associated with Unit No. 2.

Notes:

1. Return on Equity

The return on common equity allowance shall be based upon a rate of return of 12.16% as set forth in sub-paragraph (a) above.

In October of 1988, and every October thereafter for the effective duration of AEGCO's formula rate, any purchaser under AEGCO's two unit power agreements, any state regulatory commission having jurisdiction over the retail rates of purchasers under these agreements, or any other entity representing customers' interest, may file a complaint with the Commission with respect to the specified rate of return on common equity. If the Commission, in response to such a complaint, or on its own motion, institutes an investigation into the reasonableness of the specified return on common equity, such investigation shall be pursued under the special procedures set forth as follows:

- A. The only issue to be addressed under these special procedures shall be the continued collection of the return on equity as incorporated in the formula rate; and
- B. Refund will be due, should the return on equity, specified in the formula be found not just and reasonable, dating from the first day of January immediately following the date the complaint is filed or an investigation is instituted by the Commission on its own motion, calculated on the resulting difference in rates due to the application of the return found to be just and reasonable and the return stated in the formula. The first such effective date for the calculation of refunds shall be January 1, 1989.

Any other complaint which challenges the justness and reasonableness of any other component of the filed formula rate or any other complaint filed at any other time which challenges the justness and reasonableness of the specified rate of return on common equity and which is set for investigation by the Commission shall be pursued under Section 206 of the Federal Power Act.

2. Operating Ratio

The Operating Ratio shall be computed each month commencing with the month in which Unit No. 1 at the Plant is placed in commercial operation. It shall be based on the balances, as recorded on the Company's books in accordance with the FERC Uniform

System of Accounts for Major Electric Utilities, outstanding at the end of the previous month and shall be derived by dividing (a) the amount of Electric Plant In Service (Account 101 including amounts associated with leasehold improvements but excluding amounts associated with capitalized leased assets and excluding amounts associated with Asset Retirement Obligations); less Accumulated Provision for Depreciation and Amortization (Accounts 108 and 111 but excluding amounts associated with Asset Retirement Obligations); plus Plant Held for Future Use (Account 105 pursuant to the provisions of Note 4.D. below); Materials and Supplies (Accounts 151-156 and 163 as adjusted pursuant to the provisions of Note 4.C. below); Other Deferred Debits (Account 186 pursuant to the provisions of Note 4.D. below); Prepayments (Account 165); other working capital (Accounts 128, 131, 135, 143, 146, 171 and 174 less Accounts 232-234, 236, 237, 238, 241 and 242); and Unamortized Debt Expense (Account 181) and Unamortized loss on reacquired debt (Account 189), less Other Deferred Credits (Account 253 including the unamortized gain on the sale of Rockport Unit No. 2); less Accumulated Deferred Federal Income Taxes (Accounts 190 and 281-283) and Accumulated Deferred Investment Tax Credit (Account 255) related to the plant in service by (b) the sum of (i) the amount determined pursuant to (a) plus (ii) the amount of Construction Work In Progress (Account 707) plus Materials and Supplies (Accounts 151-156 and 163), less Accumulated Deferred Federal Income Taxes related to the construction work in progress plus (iii) Plant Held for Future Use (Account 105), Other Deferred Debits (Account 186) and the amount of fuel inventory over the allowed level (Account 151.10) not otherwise included in (a) above.

3. Net In-Service Investment Ratio

The Unit No. 1 Net In-Service Investment Ratio shall be equal to 1.0 during the period commencing with the month in which Unit No. 1 at the Plant is placed in commercial operation and shall remain at 1.0 up to, but not including, the month in which Unit No. 2 at the Plant is placed in commercial operation. Thereafter, the Net In-Service Investment Ratio shall be computed each month, based on the balances, as recorded on the Company's books in accordance with the FERC Uniform System of Accounts for Major Electric Utilities, outstanding at the end of the previous month and shall be derived as follows:

- A. Unit No. 1 Net In-Service Investment Ratio shall be derived by dividing (a) the Net In-Service Investment associated with Unit No. 1 and Common Facilities by (b) the sum of the Net In-Service Investment associated with Unit No. 1 and Common Facilities plus the Net In-Service Investment associated with Unit No. 2.
- B. Unit No. 2 Net In-Service Investment Ratio shall be derived by dividing (a) the Net In-Service Investment associated with Unit No. 2 by (b) the sum of the Net In-Service Investment associated with the Unit No. 1 and Common Facilities plus the Net In-Service Investment associated with Unit No. 2.

4. Net In-Service Investment

The Net In-Service Investment shall be computed each month commencing with the month in which Unit No. 2 at the Plant is placed in commercial operation. It shall be based on the balances, as recorded on the Company's books in accordance with the FERC Uniform System of Accounts for Major Electric Utilities, outstanding at the end of the previous month and shall consist of the following:

- Unit No. 1 Net In-Service Investment shall consist of the sum of Electric A. Plant in Service (Account 101 including amounts associated with leasehold improvements but excluding amounts associated with capitalized leased assets and excluding amounts associated with Asset Retirement Obligations), Plant Held for Future Use (Account 105 pursuant to the provisions of Note 4.D. below), Materials and Supplies (Accounts 151-156 and 163 pursuant to the provisions of Note 4.C. below), and Prepayments (Account 165), Other Deferred Debits (Account 186 pursuant to the provisions of Note 4.D. below), other working capital (Accounts 128, 131, 135, 143, 146, 171 and 174 less Accounts 232-234, 236, 237, 238, 241 and 242), and Unamortized Debt Expense (Account 181) and Unamortized loss on reacquired debt (Account 189), less Other Deferred Credits (Account 253), less Accumulated Provision for Depreciation and Amortization (Accounts 108 and 111), Accumulated Deferred Federal Income Taxes (Accounts 190 and 281-283) and Accumulated Deferred Investment Tax Credit (Account 255) related to such Unit No. 1 and Common Facilities inservice investment.
- В. Unit No. 2 Net In-Service Investment shall consist of the sum of Electric Plant in Service (Account 101 including amounts associated with leasehold improvements but excluding amounts associated with capitalized leased assets and excluding amounts associated with Asset Retirement Obligations), Plant Held for Future Use (Account 105 pursuant to the provisions of Note 4.D. below), Materials and Supplies (Accounts 151-156 and 163 pursuant to the provisions of Note 4.C. below), Prepayments (Account 165), Other Deferred Debits (Account 186 pursuant to the provisions of Note 4.D. below), other working capital (Accounts 128, 131, 135, 143, 146, 171 and 174 less Accounts 232-234, 236, 237, 238, 241 and 242), and Unamortized Debt Expense (Account 181) and Unamortized loss on reacquired debt (Account 189), less Other Deferred Credits (Account 253 including the unamortized gain on the sale of Rockport Unit No.2), less Accumulated Provision for Depreciation and Amortization (Accounts 108 and 111), Accumulated Deferred Federal Income Taxes (Accounts 190 and 281-283) and Accumulated Deferred Investment Tax Credit (Account 255) related to the Unit No. 2 in-service investment.

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C. AEGCO shall be permitted to earn a return on its fuel inventory, recorded in Account 151.10, not in excess of a 68-day coal supply as defined herein. To the extent AEGCO's actual fuel inventory exceeds the allowable 68-day level, the return on such excess shall be recorded in a memo account. When AEGCO's actual fuel inventory is less than the allowable 68-day level, AEGCO shall be permitted to recover the return previously unrecovered, but in no event shall the power bill reflect a return on fuel inventory in excess of 68-day supply.

A 68-day coal inventory level shall be determined for each unit annually, and shall be based upon the actual experienced daily burn during the preceding calendar year. The actual experienced daily burn shall be defined to exclude the effect of forced and scheduled outages as well as curtailments as follows:

For each unit:

Actual experienced daily burn = 24 hours (<u>Tons burned per year</u>)

Operating hours

Where:

Operating hours = Hours in year minus forced and scheduled outage hours minus curtailment equivalent outage hours

and

Curtailment equivalent outage hours = The product for each curtailment of:

<u>kW of curtailed capacity</u> x Curtailment hours kW of rated capacity

The value of the allowable 68-day coal supply used to determine each month's power bill shall be equal to the number of tons determined above multiplied by the cost per ton of coal in inventory at the end of the previous month.

For 1990, a 68-day coal supply for AEGCO's share of Rockport Unit No. 2 shall be based on 12 months ending December 1990 data. For 1990 billing purposes, however, a 68-day coal supply for AEGCO's share of Rockport Unit No.2 shall initially be assumed to be equal to the 68-day coal supply for AEGCO's share of Rockport Unit No. 1, adjusted to reflect the Btu content and the unit cost of the coal for Rockport Unit No. 2.

AEGCO shall maintain a cumulative record of the unrecovered return as well as the subsequent recovery of that return as follows:

- i) To the extent that AEGCO's actual fuel inventory exceeds the allowable 68-day coal supply, AEGCO shall record each month an amount equal to the sum of the unrecovered return on fuel inventory and the return on previously unrecovered amounts. The unrecovered return on fuel inventory shall be calculated each month by deriving the difference between the power bill that would result if full recovery were provided and the power bill that results with the 68-day limitation imposed. The return on previously unrecovered amounts shall be calculated by multiplying the cumulative return unrecovered at the end of the previous month by the capital costs used to derive the power bill, adjusted for federal income taxes.
- To the extent that AEGCO's fuel inventory is less than the allowable 68-day coal supply, AEGCO shall record each month an amount equal to the return on previously unrecovered amounts less the recovered return in excess of actual inventory levels. The return on previously unrecovered amounts shall be calculated as described in (i) above. The recovered return in excess of actual inventory levels shall be calculated by deriving the difference between the power bill that would result if actual inventory balances were used and the power bill that results with an imputed inventory level. In no event will the cumulative value of the unrecovered return be allowed to fall below zero.
- D. AEGCO shall be permitted to include as part of its Net In-Service Investment Numerator amounts subsequently recorded in Accounts 105 and 186 subject to the conditions set forth in the Offer of Settlement in FERC Docket No. ER84-579-000, et al.
- E. Other Special Funds (Account 128), Other Current and Accrued Assets (Accounts 131, 135, 143, 146, 171 and 174), Other Deferred Debits (Accounts 181 and 189), Other Current and Accrued Liabilities (Accounts 232-234, 236, 237, 238, 241 and 242), and Other Deferred Credits (Account 253) shall be directly assigned to unit No. 1 (including Common Facilities) or Unit No. 2 whenever possible. Whenever such direct assignment is not practical, such balances shall be allocated between the units in proportion to the net dependable capability of each of the units.
- F. To recognize that the lease rental expense will be collected monthly but that the lease payment will be paid semiannually, the lease rental payable balance will be reflected as a rate base reduction in calculating the operating ratio and the Unit 2 net-in-service investment ratio as a means to credit the Unit 2 customers for the time value of money.

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5. Investment Balances

For the purpose of calculating the Operating Ratio and Net In-Service Investment Ratio, amounts shall reflect the balances, as recorded on the Company's book in accordance with the FERC Uniform System of Accounts for Major Electric Utilities, outstanding at the end of the previous month, except that when plant greater than or equal to 1% of the prior month ending plant value is transferred into service during the current month, such prior month balances shall be adjusted to reflect such transfers to service. Such adjustment shall be pro-rated for the number of days during the month that such plant addition was in-service.

6. Allocation of Expenses

Operating expenses shall be directly assigned to Unit No. 1 (including Common Facilities) or Unit No. 2 whenever possible. Whenever such direct assignment is not practical, such expenses shall be allocated between the units in accordance with the basis that gave rise to such expense.

AEGCO's operating and maintenance expenses shall include, and AEGCO shall be allowed recovery of, administrative and general expenses, related payroll taxes and other cost, allocated to AEGCO by I&M as operator of the Rockport Plant or incurred directly by AEGCO.

I&M shall allocate to AEGCO, a portion of I&M's administrative and general expenses charged to Accounts 920, 921, 922, 923, 924, 925, 926, 931 and 935; related payroll taxes charge to Account 408; and a portion of the expenses of the Rockport Information Center charged to Accounts 506, 511 and 514 that generally relate to Rockport Plant operations. Such charges shall be allocated to AEGCO on the basis of the ratio of AEGCO's share of the Rockport Plant operation and maintenance wages and salaries, divided by the sum of total Rockport Plant operations and maintenance wages and salaries, plus all other I&M operation and maintenance wages and salaries, less I&M's administrative and general wages and salaries. For the period beginning December 10, 1984 and ending December 31, 1985 this ratio will be developed based on actual 1985 amounts. In subsequent calendar years, this ratio will be adjusted annually based on the prior calendar year's amounts.

AEGCO's operation and maintenance expenses shall also include, and AEGCO shall be allowed recovery of, other administrative and general expenses directly incurred by AEGCO and included in the appropriate administrative and general expense accounts.

BILLINGS AND PAYMENTS

All bills for amounts owing hereunder shall be due and payable on the fifteenth day of the month next following the month or other period to which such bills are applicable, or on the tenth day following receipt of the bill, whichever date is later. Interest on unpaid amounts shall accrue daily at the prime interest rate per annum in effect on the due date at the

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Citibank, plus 2% per annum, from the due date until the date upon which payment is made. Unless otherwise agreed upon, the calendar month shall be the standard period for the purpose of settlements under this Agreement. If bills cannot be accurately determined at any time, they shall be rendered on an estimated basis and subsequently adjusted to conform to the terms of the unit power agreements.

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AEP GENERATING COMPANY SAMPLE POWER BILL SUMMARY OF MONTHLY POWER BILL

Line		<u>Amount</u>
<u>No.</u> 1	Return on Common Equity	
•	Notall on Common Equity	
2	Return on Other Capital	
3	Total Return	
Ü	Total Notalli	
4	+ Fuel	
5	+ Purchased Power	
6	- Other Operating Revenues	
7	+ Other Operation and Maintenance Exp	
8 9	 Depreciation, Amortization and Accretion Expenses Taxes Other Than Federal Income Tax 	
9 10	+ Federal and State Income Tax	
10	The ederal and State income hax	
11	= Total Unit 1 Monthly Power Bill	
	,	===========
12	Determination of Federal Income Tax :	
13	Total Return (Line 3)	
14	+ Unit 1 Schedule M Adjustments	
15	+ Unit 1 Deferred Federal Income Taxes	
16	- Unit 1 Interest Expense Deduction *	
47	Outros	
17	= Subtotal	
18 19	x Gross-Up (FIT Rate / 1-FIT Rate) = Unit 1 Current Federal Income Tax	
20	+ Unit 1 Def Fed & State Income Taxes	
20	+ Office Ped & State moonie Taxes	
21	= Total Unit 1 Fed&State Income Taxes	
		==========
22	Proof of Federal Income Tax :	
23	Total Unit 1 Annual Monthly Power Bill	
24	- Operation and Maintenance Expenses	
25	- Depreciation, Amortization and Accretion Expenses	
26 27	- Taxes Other Than Federal Income Tax - Unit 1 Interest Expense Deduction *	
28	+ Other Operating Revenues	
20	+ Other Operating Nevenues	
29	= Pre-Tax Book Income	
30	+ Unit 1 Schedule M Adjustments	
	•	
31	= Unit 1 Taxable Income	
32	x Current Federal Income Tax Rate	
33	= Unit 1 Current Federal Income Tax	
34	+ Unit 1 Def Fed & State Income Taxes	
0.5	Total Unit A Ford O Otata Income T	
35	= Total Unit 1 Fed&State Income Taxes	
	* From Page 54 of 18 : Line 21 + (Line 28 x Line 31 x Line 32)	==========
	Troin rays or or to . Line 21 + (Line 20 x Line 31 x Line 32)	

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AEP GENERATING COMPANY SAMPLE POWER BILL OPERATING RATIO

Line No.		<u>Amount</u>
1	Operating Ratio:	
2	Net In-Service Investment:	
3	Electric Plant In-Service	
4	- Accumulated Depreciation	
5	+ Materials & Supplies	
6	+ Prepayments	
7	+ Plant Held For Future Use (A/C 105) *	
8	+ Other Deferred Debits (A/C 186) *	
9	+ Other Working Capital ***	
10	+ Unamortized Debt Expense (A/C 181, 189)	
11	- Other Deferred Credits (A/C 253)	
12	- Accumulated Deferred FIT	
13	- Accumulated Deferred ITC	
14	Total Net In-Service Investment	
15	Non-In-Service Investment - CWIP :	
16	Construction Work In Progress	
17	+ Materials & Supplies	
18	- Accumulated Deferred FIT	
19	Total Non-In-Service Investment - CWIP	
20	Non-In-Service Investment - Other :	
21	Plant Held for Future Use (A/C 105) **	
22	+ Other Deferred Debits (A/C 186) **	
23	+ Fuel Inventory Over Allowed Level ****	
0.4	Total Nam In Comica Investment Other	
24	Total Non-In-Service Investment - Other	
25	Total Investment (Lines 14+19+24)	
	,	========
26	Operating Ratio (Line 14/Line 25)	
07	N	
27	Non-In-Service Investment-CWIP Ratio (Line 19/Line 25)	
28	Non-In-Service Investment-Other Ratio (Line 24/Line 25)	
29	Total Investment	
	ermitted By FERC	
	iding Amounts on Lines 7 and 8	========
	iaing Amounts on Lines 7 and 8 Junts 128, 131, 135, 143, 146, 171 and 174, Less Accounts 232-234, 236, 237, 238, 241	and 2/12
	des Rockport 1 and 2	2110 Z4Z

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

Line No.		<u>Amount</u>
1	Net In-Service Investment Ratio:	
2	Unit 1 Net In-Service Investment:	
3	Electric Plant In-Service	
4	- Accumulated Depreciation	
5 6	+ Materials & Supplies + Prepayments	
7	+ Plant Held For Future Use (A/C 105) *	
8	+ Other Deferred Debits (A/C 186) *	
9	+ Other Working Capital **	
10	+ Unamortized Debt Expense (A/C 181, 189)	
11	- Other Deferred Credits (A/C 253)	
12	- Accumulated Deferred FIT	
13	- Accumulated Deferred ITC	
14	Total Unit 1 Net In-Service Investment	
15	Unit 2 Net In-Service Investment:	
16	Electric Plant In-Service	
17	- Accumulated Depreciation	
18	+ Materials & Supplies	
19	+ Prepayments	
20	+ Plant Held For Future Use (A/C 105) *	
21	+ Other Deferred Debits (A/C 186) *	
22	+ Other Working Capital **	
23	+ Unamortized Debt Expense (A/C 181, 189)	
24	- Other Deferred Credits (A/C 253)	
25	- Accumulated Deferred FIT	
26	- Accumulated Deferred ITC	
27	Total Unit 2 Net In-Service Investment	
21	Total Offit 2 Net III-Service IIIvestifient	
28	Total Net In-Service Investment	
20	Total Not III Colvido IIIVodillolik	=========
29	Net In-Service Investment Ratio:	
30	Unit 1 (Line 14 / Line 28)	
31	Unit 2 (Line 27 / Line 28)	
	* As Permitted By FERC	
	** Accounts 128, 131, 135, 143, 146, 171 and 174,	========

Less Accounts 232-234, 236, 237, 238, 241 and 242

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

Line No.		<u>Amount</u>
1	Net Capitalization:	
2 3 4	Long-Term Debt + Short-Term Debt + Preferred Stock	
5 6	+ Common Equity - Temporary Cash Investments	
7	Net Capitalization	
8	40% of Net Capitalization	
9	Return on Common Equity:	
10 11 12 13 14 15	Lesser of Line 5 or Line 8 x Equity Return (Monthly Rate) = Equity Return x Operating Ratio x Net In-Service Investment Ratio = Subtotal	
16 17 18 19 20 21	Excess of Line 5 Over Line 8 x Weighted Cost of Debt (Monthly Rate) = Return on Equity over 40% of Capitalization x Operating Ratio x Net In-Service Investment Ratio = Subtotal	
22	Unit 1 Return on Equity (Line 15 + Line 21)	
23	Return on Other Capital:	
24 25 26 27	Long-Term Debt Interest Expense (A/C 427-429) + Short-Term Debt Interest Expense (A/C 4340) + Other Interest Expense (A/C 428-431) - Temporary Cash Investment Income *	
28 29	Net Interest Expense+ Preferred Stock Dividends (a/c 437)	
30 31 32	Net Cost of Other Capitalx Operating Ratiox Net In-Service Investment Ratio	
33	= Unit 1 Return on Other Capital	

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

Line <u>No.</u>		<u>Amount</u>
1	Debt Balances (Prior Month Ending) :	
2	Long-Term Debt	
3	+ Short-Term Debt	
4	+ Other Debt	
-		
5	Total Debt Balances (Prior Month Ending)	
	•	========
6	Weighting of Debt Balances :	
7	Long-Term Debt	
8	+ Short-Term Debt	
9	+ Other Debt	
Ü	TOTAL BOST	
10	Total Debt Balances	
11	Debt Cost Rates :	
12	Long-Term Debt	
13	Short-Term Debt	
14	Other Debt	
15	Weighted Cost of Debt:	
16	Long-Term Debt	
17	+ Short-Term Debt	
18	+ Other Debt	
10	1 Other Book	
19	Total Weighted Cost of Debt	
	-	

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

Line No.		<u>Amount</u>
1	Unit 1 Materials and Supplies:	
2	Fuel Stock - Coal (per Line 23)	
3	Fuel Stock Expenses - Undistributed (152)	
4	Fuel Stock - Oil (151)	
5	Plant Materials & Operating Supplies	
6	Merchandise	
7	Undistributed Stores Expense	
8	Total Materials & Supplies	
9	Support of Coal Inventory Value:	=======
10	Actual Coal Inventory (A/C 151.10)	
11	+ Equivalent Inventory re: Deferred Return	
• • •	2 Equivalent inventory to. Beloned Notain	
12	= Imputed Coal Inventory	
'-	- Impated Goal inventory	
13	Coal Inventory W/7568 Day Supply Cap	
14	Tons Consumed	
15	/ Hours Available *	
16	= Tons Consumed per Hour	
17	x 24 Hours per Day	
18	= Tons Consumed Per Day	
19	x 75 <u>68</u> days	
20	= 75 68 day Supply (Tons)	
21	x Coal Cost per Ton (per A/C 151.10 at End of Prior Month)	
	,	
22	= 75 68 day Coal Inventory	
23	Lesser of Imputed or Capped Coal Inventory	
24	Imputed Inventory Minus Line 23	
		========
25	Accumulated Deferred Inventory Return - Unit 1 (Memo Item):	
26	Beginning Balance	
27	+ Current Month Return on Beginning Balance	
28	+ Current Month Deferral	
29	- Current Month Recovery	
30	= Ending Balance **	
		========

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

^{**} May Not Be Less Than Zero

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AEP GENERATING COMPANY SAMPLE POWER BILL DETAIL OF OTHER OPERATING REVENUES

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

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

1 500, 502-508 Steam Power Generation - Operation 2 501 Fuel - Operation 3 510-515 Steam Power Generating - Maintenance 4 Total Steam Power Generation Expenses 5 555-557 Other Power Supply Expenses 6 560-567.1 Transmission Expenses - Operation 7 568-574 Transmission Expenses - Maintenance 8 Total Transmission Expenses 9 580-589 Distribution Expenses - Operation 10 590-598 Distribution Expenses - Maintenance 11 Total Distribution Expenses - Operation 12 901-905 Customer Accounts Expenses - Operation 13 906-910 Customer Service and Informational Expenses - Operation 14 911-917 Sales Expenses - Operation 15 920-933 Administrative and General Expenses - Operation 16 935 Administrative and General Expenses - Maintenance 17 Total Administrative & General Expenses - Maintenance Expenses	Line No.	Account No.	_Description_	<u>Amount</u>
2 501 Fuel - Operation 3 510-515 Steam Power Generating - Maintenance 4 Total Steam Power Generation Expenses 5 555-557 Other Power Supply Expenses 6 560-567.1 Transmission Expenses - Operation 7 568-574 Transmission Expenses - Maintenance 8 Total Transmission Expenses 9 580-589 Distribution Expenses - Operation 10 590-598 Distribution Expenses - Maintenance 11 Total Distribution Expenses 12 901-905 Customer Accounts Expenses - Operation 13 906-910 Customer Service and Informational Expenses - Operation 14 911-917 Sales Expenses - Operation 15 920-933 Administrative and General Expenses - Operation 16 935 Administrative and General Expenses - Maintenance 17 Total Administrative & General Exp.	1	500, 502-508	Steam Power Generation - Operation	
Total Steam Power Generation Expenses 5 555-557 Other Power Supply Expenses 6 560-567.1 Transmission Expenses - Operation 7 568-574 Transmission Expenses - Maintenance 8 Total Transmission Expenses 9 580-589 Distribution Expenses - Operation 10 590-598 Distribution Expenses - Maintenance 11 Total Distribution Expenses 12 901-905 Customer Accounts Expenses - Operation 13 906-910 Customer Service and Informational Expenses - Operation 14 911-917 Sales Expenses - Operation 15 920-933 Administrative and General Expenses - Operation 16 935 Administrative and General Expenses - Maintenance 17 Total Administrative & General Exp. 18 Total Operation & Maintenance Expenses	2	501	· · · · · · · · · · · · · · · · · · ·	
Total Steam Power Generation Expenses 5 555-557 Other Power Supply Expenses 6 560-567.1 Transmission Expenses - Operation 7 568-574 Transmission Expenses - Maintenance 8 Total Transmission Expenses 9 580-589 Distribution Expenses - Operation 10 590-598 Distribution Expenses - Maintenance 11 Total Distribution Expenses 12 901-905 Customer Accounts Expenses - Operation 13 906-910 Customer Service and Informational Expenses - Operation 14 911-917 Sales Expenses - Operation 15 920-933 Administrative and General Expenses - Operation 16 935 Administrative and General Expenses - Maintenance 17 Total Administrative & General Exp. 18 Total Operation & Maintenance Expenses	3	510-515	Steam Power Generating - Maintenance	
5 555-557 Other Power Supply Expenses 6 560-567.1 Transmission Expenses - Operation 7 568-574 Transmission Expenses - Maintenance 8 Total Transmission Expenses 9 580-589 Distribution Expenses - Operation 10 590-598 Distribution Expenses - Maintenance 11 Total Distribution Expenses 12 901-905 Customer Accounts Expenses - Operation 13 906-910 Customer Service and Informational Expenses - Operation 14 911-917 Sales Expenses - Operation 15 920-933 Administrative and General Expenses - Operation 16 935 Administrative and General Expenses - Maintenance 17 Total Administrative & General Exp.	1		Total Steam Power Generation Evnenses	
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AEP GENERATING COMPANY SAMPLE POWER BILL DETAIL OF DEPRECIATION, EXPENSE & AMORTIZATION AND ACCRETION EXPENSES

Line No.	Account <u>No.</u>	<u>Description</u>	<u>Amount</u>
1 <u>1a</u>	403 <u>403.1</u>	Depreciation Expense ARO Depreciation Expense	
2	404	Amortization of Limited-Term Electric Plant	
3	405	Amortization of Other Electric Plant	
4	406	Amortization of Electric Plant Acquistion Adjustments	
5	407	Amortization of Property Losses, Unrecovered Plant and Regulatory Study Costs	
6		Total Depreciation Exp. & Amortization	
<u>7</u>	<u>411.10</u>	ARO Accretion Expense	
<u>8</u>		Total Depreciation, Amortization & Accretion Expenses	

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

Line No. BS1	Account <u>No.</u>	<u>Amount</u> <u>Description</u>
1	408.1	Taxes Other Than Federal Income Taxes, Utility Operating Income
2	409.1	State Income Taxes
3		Total Taxes Other than FIT
3		======================================

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

Line No.	Account <u>No.</u>	<u>Description</u>	<u>Amount</u>
1		Unit 1 Schedule `M' Adjustments	
2	N/A	Excess ACRS Over Normalization Base Depreciation	
3	N/A	Excess Normalization Base Over Book Depreciation	
4	N/A	Other Unit 1 Schedule `M' Adjustments	
5		Total Unit 1 Schedule `M' Adjustments_*	=======
6		Unit 1 Deferred Federal Income Tax	
7	410.1	Excess ACRS Over Norm. Base Depr. (Line 2 x FIT Rate * -1)	
8	410.1, 411.1	Other Unit 1 Schedule `M' Adjustments -	
9	410.1	Feedback of Deferred State Income Taxes	
9	411.1	Feedback of Accumulated DFIT re: ABFUDC - Unit 1 Negative Amount Denotes Reduction.	
11 10	411.1	Feedback of Accumulated DFIT re: Overheads Capitalized - Unit 1	
12	411.1	Feedback of Accumulated DFIT - Other	
13 11	411.1	Feedback of Accumulated DFIT re: Other Schedule `M' AdjUtility	=======
44 <u>12</u>		Total Unit 1 Deferred Federal and State Income Tax *	

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

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

Line	Account		<u>Amount</u>
No.	No.	<u>Description</u>	
1		ELECTRIC PLANT IN SERVICE	
2	101	Electric Plant In Service	
3	102	Electric Plant Purchased	
4	103	Experimental Elec. Plant Unclassified	
5	103.1	Electric Plant In Process of Reclassification	
6	104	Electric Plant Leased to Others	
7	106	Completed Construction Not Classified	
8	114	Electric Plant Acquisition Adjustments	
9	116	Other Electric Plant Adjustments	
10	118	Other Utility Plant	
11		Total Electric Plant In Service	
12	105	Plant Held For Future Use	
13		ACCUMULATED DEPRECIATION	
14	10 <mark>68</mark>	Accumulated Provision for Depreciation of Electric Utility Plant	
15	110	Accumulated Provision for Depreciation	
		and Amort. of Elec. Utility Plant	
16	111	Accumulated Provision for Amortization	
		of Electric Utility Plant	
17	115	Accumulated Provision for Amortization	
		of Electric Plant Acquisition	
		Adjustments	
18	119	Accumulated Provision for Depreciation	
		and Amortization of Other Utility	
		Plant	
19		Total Accumulated Depreciation	
20		MATERIAL AND SUPPLIES	
21	151	Fuel Stock	
22	152	Fuel Stock Expenses - Undistributed	
23	153	Residuals	
24	154	Plant Materials and Operating Supplies	
25	155	Merchandise	
26	156	Other Materials and Supplies	
27	163	Stores Expense Undistributed	
28		Total Materials and Supplies (In-Service Portion)	
		(III-OGIVICE FULLIOII)	
29	165	Prepayments	
_5	.00		
30	186	Other Deferred Debits	

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

			<u>Amount</u>
Line	Account		
No.	No.	Description *	
	400		
1	128	Other Special Funds	
2	131	Cash	
3	135	Other Intra Company Adjustments	
4	143	Accounts Receivable-Miscellaneous	
5	146	Accounts Receivable-Associated Company	
6	171	Interest and Dividends Receivable	
7	174	Miscellaneous Current and Accrued Assets	
8	232	Accounts Payable-General	
9	234	Accounts Payable-Associated Company	
10	236	Taxes Accrued	
11	237	Interest Accrued	
12	238	Dividends Declared	
13	241	Tax Collections Payable	
14	242	Misc Current and Accrued Liabilities	
15		Total Other Working Capital	
			=======
16	181+ 189	Unamortized Debt Expense	
.0	<u> </u>	Ondinorized Book Exported	
17	253	Other Deferred Credits	

^{*} debit <credit>

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

Line	Account		<u>Amount</u>
<u>No.</u>	No.	<u>Description</u>	
31		ACCUMULATED DEFERRED INCOME TAXES	
32	190	-Accumulated Deferred Income Taxes	
33	281	+Accumulated Deferred Income Taxes -	
		Accelerated Amortization Property	
34	282	+Accumulated Deferred Income Taxes -	
		Other Property	
35	283	+Accumulated Deferred Income Taxes - Other	
36		Total Accumulated Deferred Income	
30			
		Taxes (In-Service Portion)	
37	255	+Accumulated Deferred Investment Tax	
31	255	Credits	
38	186.50	-Accumulated Deferred Investment Tax	
		Credit	
39		Total Accumulated Deferred Investment	
		Tax Credits	
40		Total Net In-Service Investment -	
		Unit 1	

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

Attachment 1

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

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AEP GENERATING COMPANY SAMPLE POWER BILL DETAIL OF NET CAPITALIZATION

Line No.	Account No.	<u>Description</u>	<u>Amount</u>
1		COMMON CAPITAL STOCK	
2	201	Common Stock Issued	
3	202	Common Stock Subscribed	
4	203	Common Stock Liability for Conversion	
5	209	Reduction In Par or Stated Value of Capital Stock	
6	210	Gain on Resale or Cancellation of	
		Reacquired Capital Stock	
7	212	Installments Received on Capital Stock	
8	214	Capital Stock Expense	
9	217	Reacquired Capital Stock	
10		Total Common Capital Stock	
11		OTHER PAID-IN CAPITAL	
12	207	Premium on Capital Stock	
13	208	Donations Received from Stockholders	
14	211	Miscellaneous Paid-In Capital	
15	213	Discount on Capital Stock	
		2.1	
16		Total Other Paid-In Capital	
17		RETAINED EARNINGS	
18	215	Appropriated Retained Earnings	
19	215.1	Appropriated Retained Earnings-	
		Amortization Reserve, Federal	
20	216	Unappropriated Retained Earnings	
		3.	
21		Total Retained Earnings	
22		Total Common Equity	
23		PREFERED CAPITAL STOCK	
24	204	Preferred Stock Issued	
25	205	Preferred Stock Subscribed	
26	206	Preferred Stock Liability	
-		for Conversion	
27		Total Preferred Capital Stock	
		•	

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

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

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

Line No.		<u>Amount</u>
1	Capitalization Balances (Prior Month Ending) :	
2	Long-Term Debt	
3	+ Short-Term Debt	
4	+ Preferred Stock	
5	+ Common Equity	
6	- Capitalization Offsets	
•		
7	Total Capitalization Balances	
	•	========
8	Weighting of Capitalization Balances :	
9	Long-Term Debt	
10	+ Short-Term Debt	
11	+ Preferred Stock	
12	+ Common Equity	
13	- Capitalization Offsets	
	·	
14	Total Capitalization	
15	Capitalization Cost Rates :	
16	Long-Term Debt	
17	Short-Term Debt	
18	Preferred Stock	
19	Common Equity	
20	Capitalization Offsets	
21	Rate of Return (Net of Tax) :	
22	Long-Term Debt	
23	+ Short-Term Debt	
24	+ Preferred Stock	
25	+ Common Equity	
26	- Capitalization Offsets	
27	Total Rate of Return (Net of Tax)	
		========
28	Weighted Net Cost of Debt	
00	. Dre Toy Common Faulty (Line 05 / or 05)	
29	+ Pre-Tax Common Equity (Line 25 / .66 .65)	
20	- Pote of Poturn (Pro Toy)	
30	= Rate of Return (Pre-Tax)	========

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Unit Power Service Agreement Between AEP Generating Company and Indiana Michigan Power Company

Clean Version

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AEP Generating Company FERC Rate Schedule No. 1 Unit Power Service to Indiana Michigan Power Company

Tariff Submitter: AEP Generating Company FERC Tariff Program Name: FPA Electric

Tariff Title: RS and SA

Tariff Record Proposed Effective Date: December 31, 2012

Tariff Record Title: Indiana Michigan Power Company Unit Power Agreement

Option Code: A

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1

UNIT POWER AGREEMENT

THIS AGREEMENT dated as of March 31, 1982 by and between INDIANA & MICHIGAN ELECTRIC COMPANY ("IMECO") and AEP GENERATING COMPANY ("AEGCO"),

WITNESSETH:

WHEREAS, IMECO, a subsidiary company of American Electric Power Company, Inc. ("AEP") under the Public Utility Holding Company Act of 1935 (the "1935 Act"), is presently constructing the Rockport Steam Electric Generating Plant at a site along the Ohio River near the Town of Rockport, Indiana, which will consist of two 1,300,000-kilowatt fossil-fired steam electric generating units and associated equipment and facilities (the "Rockport Plant"), the first unit ("Unit No. 1") of which is presently expected to be placed in commercial operation in 1984 and the second unit ("Unit No. 2") of which is presently expected to be placed in commercial operation in 1986; and

WHEREAS, AEGCO proposes to enter into an Owners' Agreement, dated as of March 31, 1982 (the "Owners' Agreement"), with IMECO and Kentucky Power Company ("KEPCO"), another subsidiary company of AEP under the 1935 Act, pursuant to which AEGCO and KEPCO plan to acquire undivided ownership interests, as tenants in common without right of partition, in the Rockport Plant which, upon completion of the construction of Unit No. 1, is thereafter to be operated as a part of the interconnected, integrated electric system comprising the American Electric Power System (the "AEP System"); and

WHEREAS, AEGCO proposes, upon completion of the construction of Unit No. 1 and the completion thereafter of the construction of Unit No. 2, to make available to IMECO, pursuant to this agreement, all of the available power (and the energy associated therewith) to which AEGCO shall from time to time be entitled at the Rockport Plant; and

WHEREAS, IMECO proposes to complete the construction of, the Rockport Plant pursuant to the provisions of the Owners' Agreement, and, upon completion of such construction, to operate the Rockport Plant pursuant to an operating agreement to be entered into by IMECO, AEGCO and KEPCO in accordance with the Owners' Agreement;

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NOW, THEREFORE, in consideration of the terms and of the agreements hereinafter set forth, the parties hereto agree with each other as follows:

- 1.1 IMECO and AEGCO shall, subject to the provisions and upon compliance with the then applicable requirements of Section 2.1 and Section 2.2 of this agreement, use their respective best efforts to complete and to make effective the arrangements described and specified in Section 1.1 and in Section 1.2 of the Capital Funds Agreement, dated as of March 31, 1982, between AEP and AEGCO.
- 1.2 AEGCO shall, subject to the provisions and upon compliance with the then applicable requirements of Section 2.1 of this agreement, make available, or cause to be made available, to IMECO all of the power (and the energy associated therewith) which shall be available to AEGCO at the Rockport Plant, including test power produced during the course of the construction of generating units installed as a part of the Rockport Plant.
- IMECO shall, subject to the provisions and 1.3 upon compliance with the then applicable requirements of Section 2.2 of this agreement, be entitled to receive all power (and the energy associated therewith) which shall be available to AEGCO at the Rockport Plant, and IMECO agrees to pay to AEGCO in consideration for the right to receive all such power (and the energy associated therewith) available to AEGCO at the Rockport Plant, as a demand charge for the right to receive such power (and as an energy charge for any associated energy taken by IMECO), such amounts from time to time as, when added to amounts received by AEGCO from any other sources, will be at least sufficient to enable AEGCO to pay, when due, all of its operating and other expenses, including provision for the depreciation and/or amortization of the cost of AEGCO's facilities and also including for the purposes of this agreement (i) any amount which AEGCO may be required to pay on account of any interest and/or any commitment fee on all indebtedness for borrowed money issued or assumed by AEGCO (or by any corporation or other entity with which AEGCO shall have merged or consolidated or to which it shall have sold or otherwise disposed of all or substantially all of its assets) and outstanding at the time and (ii) such additional amounts as are necessary after any required provision for taxes on, or measured by, income to enable AEGCO to pay required dividends on any preferred stock which it may issue and such amount as will represent a return on the common equity of AEGCO equal to the return most recently found in the period of the 24 calendar months immediately preceding the time when payments are to commence under this Section 1.3 to be

fair, and authorized, by the Federal Energy Regulatory Commission ("FERC", such term also including any successor Federal regulatory agency) as an appropriate return on the common equity of IMECO in a wholesale electric proceeding before FERC under the Federal Power Act, or any legislation enacted in substitution for, or to replace, the Federal Power Act or, if within such period of 24 calendar months immediately preceding the date when payments are to begin under this Section 1.3 no such action by FERC shall have become final and not subject to further proceedings before FERC or a court, the return most recently found to be fair and authorized by the Public Service Commission of Indiana as an appropriate return on the common equity of IMECO in a retail electric proceeding before that Commission. shall commence the payment of such amounts to AEGCO on the earlier of the following dates: (i) June 30, 1985 and, (ii) the date on which power, including any test power, and any energy associated therewith, shall become available to AEGCO at the Rockport Plant.

- 2.1 The performance of the obligations of AEGCO hereunder shall be subject to the receipt and continued effectiveness of all authorizations of governmental regulatory authorities at the time necessary to permit AEGCO to perform its duties and obligations hereunder, including the receipt and continued effectiveness of all authorizations by governmental regulatory authorities at the time necessary to permit the completion by IMECO of the construction of the Rockport Plant, the operation of the Rockport Plant, and for AEGCO to make available to IMECO all of the power (and the energy associated therewith) available to AEGCO at the Rockport Plant. AEGCO shall use its best efforts to secure and maintain all such authorizations by governmental regulatory authorities.
- The performance of the obligations of IMECO hereunder shall be subject to the receipt and continued effectiveness of all authorizations of governmental regulatory authorities necessary at the time to permit IMECO to perform its duties and obligations hereunder, including the receipt and continued effectiveness of all authorizations by governmental regulatory authorities necessary at the time to permit IMECO to pay to AEGCO in consideration for the right to receive all of the power (and the energy assoclated therewith) available to AEGCO at the Rockport Plant the charges provided for in Section 1.3 of this agreement. IMECO shall use its best efforts to secure and maintain all such authorizations by governmental regulatory authorities. IMECO shall, to the extent permitted by law, be obligated to perform its duties and obligations hereunder, subject to then applicable provisions of this Section 2.2, (a)

whether or not AEGCO shall have received all authorizations of governmental regulatory authorities necessary to permit AEGCO to perform its duties and obligations hereunder, (b) whether or not such authorizations, or any such authorization, shall at any time in question be in effect, and (c) so long as AEGCO and IMECO shall continue to be subsidiary companies of AEP (as said term is defined in Section 2(a)(8) of the 1935 Act) or a successor thereto, whether or not, at any time in question, IMECO shall have performed its duties and obligations under this agreement. In the event that either AEGCO or IMECO shall cease to be such a subsidiary company, then and thereafter IMECO shall not be relieved of its obligation to make payments pursuant to Section 1.3 of this agreement by reason of the failure of AEGCO to perform its duties and obligations hereunder occasioned by Act of God, fire, flood, explosion, strike, civil or military authority, insurrection, riot, act of the elements, failure of equipment, or for any other cause beyond the control of AEGCO; provided that, in any such event, AEGCO shall use its best efforts to put itself in a position where it can perform its duties and obligations hereunder as soon as is reasonably practicable.

- and AEGCO each hereby irrevocably waives any defense based on the adequacy of a remedy at law which may be asserted as a bar to the remedy of specific performance in any action brought against it for specific performance of this agreement by IMECO, by AEGCO, or by a trustee under any mortgage or other debt instrument which IMECO or AEGCO may, subject to requisite regulatory authority, enter into, or by any receiver or trustee appointed for IMECO or AEGCO under the bankruptcy or insolvency laws of any jurisdiction to which IMECO or AEGCO is or may be subject; provided, however, that nothing herein contained shall be deemed to constitute a representation or warranty by IMECO or AEGCO that the respective obligations of IMECO or AEGCO under this agreement are, as a matter of law, subject to the equitable remedy of specific performance.
- 4. IMECO shall not be entitled to set off against any payment required to be made by IMECO under this agreement (i) any amounts owed by AEGCO to IMECO or (ii) the amount of any claim by IMECO against AEGCO. The foregoing, however, shall not affect in any other way the rights and remedies of IMECO with respect to any such amounts owed to IMECO by AEGCO or any such claim by IMECO against AEGCO.
- 5. The invalidity and unenforceability of any provision of this agreement shall not affect the remaining provisions hereof.

- 6. This agreement shall become effective forthwith and shall continue until all of the Notes issued by AEGCO under the Revolving Credit Agreement, dated as of March 31, 1982, of AEGCO shall have been paid in full, together with all accrued interest thereon; provided, however, that in the event that AEGCO shall, prior to such payment, create a Mortgage and Deed of Trust secured by a lien on all, or certain of its fixed physical properties, and shall issue bonds thereunder, this agreement shall continue until said Mortgage and Deed of Trust shall have been satisfied and discharged or said Notes have been paid in full, whichever event shall be the later.
- 7. This agreement shall be binding upon the parties hereto and their successors and assigns, but no assignment hereof, or of any right to any funds due or to become due under this agreement, shall in any event relieve either IMECO or AEGCO of any of their respective obligations hereunder, or, in the case of IMECO, reduce to any extent its entitlement to receive all of the power (and the energy associated therewith) available to AEGCO from time to time at the Rockport Plant.
- 8. The agreements herein set forth have been made for the benefit of IMECO and AEGCO and their respective successors and assigns, and no other person shall acquire or have any right under or by virtue of this agreement.
- 9. IMECO and AEGCO may, subject to the provisions of this agreement, enter into a further agreement or agreements between IMECO and AEGCO setting forth detailed terms and provisions relating to the performance by IMECO and AEGCO of their respective obligations under this agreement. No agreement entered into under this Section 9 shall, however, alter to any substantive degree the obligations of either party to this agreement in any manner inconsistent with any of the foregoing sections of this agreement.
- 10. IMECO shall, at any time and from time to time, be entitled to assign all of its right, title and interest in and to all of the power (and the energy associated therewith) to which IMECO shall be entitled under this agreement, but IMECO shall not, by such assignment, be relieved of any of its obligations and duties under this agreement except through the payment to AEGCO, by or on behalf of IMECO, of the amount or amounts which IMECO shall be obligated to pay pursuant to the terms of this agreement.

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IN WITNESS WHEREOF, the parties hereto have caused this agreement to be duly executed as of the day and year first above written.

INDIANA & MICHIGAN ELECTRIC COMPANY

By G P Maloney Vice President

AEP GENERATING COMPANY

By <u>G. P. Malonev</u> Vice President

Docket No. First Set of Data Requests
Company: Dated August 14, 2017
FERC El. Rate Soh. No.: Item No. 314
Supp. No.: Attachment 1
Filing Date: To 5

AMENDMENT NO. 1

TO UNIT POWER AGREEMENT

This Amendment No. 1 dated as of May 8, 1989 by and between Indiana Michigan Power Company ("I&M" or "IMECO", formerly known as Indiana & Michigan Electric Company) and AEP Generating Company ("AEGCO") to the Unit Power Agreement dated as of March 31, 1982 by and between I&M and AEGCO ("Unit Power Agreement"), WITNESSETH:

WHEREAS, I&M and AEGCO have entered into the Unit Power Agreement whereby, subject to regulatory approvals and certain other conditions, AEGCO agreed to make available, or cause to be made available, to I&M all of the power (and the energy associated therewith) which is available to AEGCO at the Rockport Plant and I&M agreed to pay AEGCO certain amounts;

WHEREAS, AEGCO has entered into six Participation Agreements, dated as of March 15, 1989, whereby it has agreed, subject to regulatory approvals and certain other conditions, to sell its 50% undivided interest in Unit 2 of the Rockport Plant and pursuant to six separate leases (the "Leases"), to leaseback a 50% undivided interest in the unit; and

WHEREAS, Section 3.01 of the Participation Agreements specify that as a condition to closing AEGCO and I&M shall have entered into, and shall have filed with the Federal Energy Regulatory Commission ("FERC") for its approval, an amendment to the Unit Power Agreement which shall, among other things, (i)

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specifically confirm that basic rent payable under the Leases is an item of operating and other expenses of AEGCO referred to in Section 1.3 thereof, and (ii) specifically provide that the Unit Power Agreement shall continue in full force and effect until the lease term shall have expired or been terminated and all basic rent payable under the Leases shall have been paid in full;

NOW, THEREFORE, in consideration of the terms and agreements hereinafter set forth, the parties hereto agree as follows:

- 1. Section 1.3 of the Unit Power Agreement is hereby amended to read as follows:
 - IMECO shall, subject to the provisions and upon "1.3 compliance with the then applicable requirements of Section 2.2 of this agreement, be entitled to receive all power (and the energy associated therewith) which shall be available to AEGCO at the Rockport Plant, and IMECO agrees to pay to AEGCO in consideration for the right to receive all such power (and the energy associated therewith) available to AEGCO at the Rockport Plant, as a demand charge for the right to receive such power (and as an energy charge for any associated energy taken by IMECO), such amounts from time to time as, when added to amounts received by AEGCO from any other sources, will be at least sufficient to enable AEGCO to pay, when due, all of its operating and other expenses, including provision for the depreciation and/or amortization of the cost of AEGCO's facilities, and lease rental payments, including any amount of Basic Rent (as such term is defined in Section 3(a) of the forms of Lease attached as Exhibit A to the Participation Agreements) which AEGCO may be required to pay pursuant to the Leases, and also including for the purposes of this agreement (i) any amount which AEGCO may be required to pay on account of any interest and/or any commitment fee on all indebtedness for borrowed money issued or assumed by AEGCO (or by any corporation or other entity with which AEGCO shall have merged or consolidated or to which it shall have sold or otherwise disposed of all or substantially all of its assets) and outstanding at the time, and (ii) such additional amounts as are necessary after any required provision for taxes on, or measured by, income to enable AEGCO to pay required dividends on any preferred stock which it may issue and such amount as will represent a return on the common equity of AEGCO equal to the return most recently found in the period of the 24 calendar months immediately preceding the time when payments

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are to commence under this Section 1.3 to be fair, and authorized, by the FERC, including any successor Federal regulatory agency as an appropriate return on the common equity of IMECO in a wholesale electric proceeding before FERC under the Federal Power Act, or any legislation enacted in substitution for, or to replace, the Federal Power Act or, if within such period of 24 calendar months immediately preceding the date when payments are to begin under this Section 1.3 no such action by FERC shall have become final and not subject to further proceedings before FERC or a court, the return most recently found to be fair and authorized by the Indiana Utility Regulatory Commission as an appropriate return on the common equity of IMECO in a retail electric proceeding before that Commission. shall commence the payment of such amounts to AEGCO on the earlier of the following dates: (i) June 30, 1985 and, (ii) the date on which power, including any test power, and any energy associated therewith, shall become available to AEGCO at the Rockport Plant."

- 2. Section 6 of the Unit Power Agreement is hereby amended to read as follows:
 - This agreement shall become effective forthwith and shall continue in full force and effect until the latter (1) all of the Notes issued by AEGCO of the date that: under the Revolving Credit Agreement, dated as of March 31, 1982, of AEGCO shall have been paid in full, together with all accrued interest thereon; or (ii) the last of the Lease Terms (as that term is defined in the Participation Agreements) shall have expired or been terminated and all Basic Rent payable under all of the Leases shall have been paid in full; provided, however, that in the event that AEGCO shall, prior to such payment, create a Mortgage and Deed of Trust secured by a lien on all, or certain of its fixed physical properties, and shall issue bonds thereunder, this agreement shall continue until said Mortgage and Deed of Trust shall have been satisfied and discharged."
- 3. This Amendment No. 1 shall become effective on the date on which the last of the following events shall have occurred: (i) this Amendment No. 1 shall have been filed with and accepted for filing without condition or change by the FERC under the Federal Power Act (FPA) as a rate schedule under circumstances where the FERC (a) shall have issued an order under the FPA that

this Amendment No. 1 shall become effective in its entirety as such rate schedule under the FPA, as proposed by the parties in their filings with the FERC, and (b) shall not have, in such order or any separate order, instituted an investigation or proceeding under the provisions of the FPA with respect to the justness and reasonableness of the provisions of this Amendment No. 1; (ii) the order or orders of the FERC, referred to in (i) above, shall have become final and not subject to review under Section 313 of the FPA; or (iii) the Closings (as defined in the Participation Agreements).

IN WITNESS WHEREOF, the parties hereto have caused this Amendment No. 1 to be duly executed as of the date and year first above written.

INDIANA MICHIGAN POWER COMPANY

AEP GENERATING COMPANY

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RATE DESIGN

The total revenue requirement of AEGCO calculated pursuant to the IMECO-AEGCO Unit Power Agreement designated AEGCO FERC Rate Schedule No. 1 is designed to recover for AEGCO its total cost of providing power (and the energy associated therewith) available to AEGCO at the Rockport Plant.

DETERMINATION OF POWER BILL

In accordance with Section 1.3 of the Unit Power Agreement, I&M agrees to pay AEGCO in consideration for the right to receive all power (and the energy associated therewith) available to AEGCO at the Rockport Plant, as a demand charge for the right to receive such power (and as an energy charge for any associated energy taken by I&M), such amounts, less any amounts recovered by AEGCO from other sources, as shall be determined monthly as described below. Such amounts shall be calculated separately for Unit No. 1 (including Common Facilities) and for Unit No. 2. I&M shall then commence the payment of such amounts (power bill) on the earlier of the following dates: (i) June 30, 1985 and (ii) the date on which power including any test power, and any energy associated therewith, shall become available to AEGCO at the Rockport Plant.

The power bill for Unit No. 1 (including Common Facilities) shall be calculated each month and shall reflect recovery only of those costs related to the plant in service. It shall consist of the sum of (a) a return on common equity, (b) a return on other capital, (c) recovery of operating expenses and (d) provision for federal income taxes as described below and as illustrated in the example attached.

(a) Return on Common Equity, which shall be equal to the product of (i) the amount of common equity outstanding at the end of the previous month, but not more than 40% of the capitalization of AEGCO at the end of the previous month; (ii) 1.0133 (12.16% annual rate) as described in Note 1 below; (iii) the Operating Ratio, as defined in Note 2 below; and (iv) the Unit No. 1 Net In-Service Investment Ratio, as defined in Note 3 below, plus the product of (v) the amount of common equity in excess of 40% of the capitalization of AEGCO at the end of the previous month, if any such excess shall be determined; (vi) the weighted cost of debt outstanding at the end of the previous month; (vii) the Operating Ratio, as defined in Note 2 below; and (viii) the Unit No. 1 Net In-Service Investment Ratio, as defined in Note 3 below.

For the purposes of these calculations, the amount of common equity shall be equal to the sum of the Common Stock (Accounts 201-203, 209, 210, 212, 214 and 217), Other Paid-In Capital (Accounts 207, 208, 211 and 213), and Retained Earnings (Accounts 215-216) outstanding at the end of the previous month. Total capitalization shall be equal to the sum of Long-term Debt (Accounts 221-226 including current maturities and unamortized debt premium and discounts), Short-Term Debt (Accounts 231 and 233), Preferred Stock (Accounts 204-206), and Common Equity less any Temporary Cash Investments, Special

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Deposits and Working Funds (Accounts 132-134, 136, and 145) outstanding at the end of the previous month.

(b) Return on Other Capital, which shall be equal to the product of (i) the amount equal to the net interest expense associated with Long-Term and Short-Term Debt, net of any Temporary Cash Investments, Special Deposits and Working Funds, plus the preferred stock dividend requirement associated with the Preferred Stock outstanding at the end of the previous month; (ii) the Operating Ratio, as defined in Note 2 below; and (iii) the Unit No. 1 Net In-Service Investment Ratio, as defined in Note 3 below.

For the purposes of these calculations, net interest expense shall be equal to the sum of (i) the amount of Long-Term Debt outstanding at the end of the previous month multiplied by the weighted cost of such Long-Term Debt and (ii) the amount of Short-Term Debt outstanding at the end of the previous month multiplied by the weighted cost of such Short-Term Debt, less (iii) the amount of Temporary Cash Investments, Special Deposits and Working Funds outstanding at the end of the previous month multiplied by the weighted cost of Long Term and Short-Term Debt combined determined pursuant to (i) and (ii) above.

- (c) Recovery of Operating Expenses, excluding federal income taxes, which shall consist of provision for depreciation and amortization (Accounts 403-407, 411), including Asset Retirement Obligation (ARO) depreciation and accretion expenses (Accounts 403.1 and 411.10), taxes other than federal income taxes (Accounts 408-411) and operating and maintenance expenses associated with Unit No. 1 (including Common Facilities) offset by other operating revenues as recorded on the Company's books during the month in accordance with the FERC Uniform System of Accounts for Major Electric Utilities (See Note 6). Recovery of expenses for test energy shall be limited to recovery of actual fuel expense as recorded on the Company's books during the month in accordance with the FERC Uniform System of Accounts for Major Electric Utilities. Operating and maintenance expenses shall include, and reflect the recovery of, Steam Power Generation Expenses (Accounts 500-515 including lease rental payments recorded in Account 507), Other Power Supply Expenses (Accounts 555-557), Transmission Expenses (Accounts 560-574), Distribution Expenses (Accounts 580-598), Customer Accounts Expenses (Accounts 901-905), Customer Service and Informational Expenses (Accounts 906-910), Sales Expenses (Accounts 911-917) and Administrative and General Expenses (Accounts 920-933 and 935). Recovery of 501 fuel expenses shall be adjusted to reflect the deferral and/or feedback of unrecovered levelized fuel expenses as may be recorded on the Company's books or as is currently recorded on the books of I&M.
- (d) Provision for Unit No. 1's (including Common Facilities) allocated share of net current and deferred federal income tax expense and investment tax credit included in operating income as determined by the Company in accordance with federal income tax law, SEC approved consolidated current tax allocation procedures, and FERC rules and regulations.

For purposes of computing federal income taxes, the interest expense deduction shall be equal to the sum of the net interest expense computed in accordance with paragraph (b)

above plus the imputed interest expense associated with common equity that is in excess of 40% of AEGCO's net capitalization.

The power bill for Unit No. 2 shall be calculated in the same manner as described for Unit No. 1 above except that it shall reflect the Unit No. 2 Net In-Service Investment Ratio and those expenses associated with Unit No. 2.

Notes:

1. Return on Equity

The return on common equity allowance shall be based upon a rate of return of 12.16% as set forth in sub-paragraph (a) above.

In October of 1988, and every October thereafter for the effective duration of AEGCO's formula rate, any purchaser under AEGCO's two unit power agreements, any state regulatory commission having jurisdiction over the retail rates of purchasers under these agreements, or any other entity representing customers' interest, may file a complaint with the Commission with respect to the specified rate of return on common equity. If the Commission, in response to such a complaint, or on its own motion, institutes an investigation into the reasonableness of the specified return on common equity, such investigation shall be pursued under the special procedures set forth as follows:

- A. The only issue to be addressed under these special procedures shall be the continued collection of the return on equity as incorporated in the formula rate; and
- B. Refund will be due, should the return on equity, specified in the formula be found not just and reasonable, dating from the first day of January immediately following the date the complaint is filed or an investigation is instituted by the Commission on its own motion, calculated on the resulting difference in rates due to the application of the return found to be just and reasonable and the return stated in the formula. The first such effective date for the calculation of refunds shall be January 1, 1989.

Any other complaint which challenges the justness and reasonableness of any other component of the filed formula rate or any other complaint filed at any other time which challenges the justness and reasonableness of the specified rate of return on common equity and which is set for investigation by the Commission shall be pursued under Section 206 of the Federal Power Act.

2. Operating Ratio

The Operating Ratio shall be computed each month commencing with the month in which Unit No. 1 at the Plant is placed in commercial operation. It shall be based on the balances, as recorded on the Company's books in accordance with the FERC Uniform

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System of Accounts for Major Electric Utilities, outstanding at the end of the previous month and shall be derived by dividing (a) the amount of Electric Plant In Service (Account 101 including amounts associated with leasehold improvements but excluding amounts associated with capitalized leased assets and excluding amounts associated with Asset Retirement Obligations); less Accumulated Provision for Depreciation and Amortization (Accounts 108 and 111 but excluding amounts associated with Asset Retirement Obligations); plus Plant Held for Future Use (Account 105 pursuant to the provisions of Note 4.D. below); Materials and Supplies (Accounts 151-156 and 163 as adjusted pursuant to the provisions of Note 4.C. below); Other Deferred Debits (Account 186 pursuant to the provisions of Note 4.D. below); Prepayments (Account 165); other working capital (Accounts 128, 131, 135, 143, 146, 171 and 174 less Accounts 232-234, 236, 237, 238, 241 and 242); and Unamortized Debt Expense (Account 181) and Unamortized loss on reacquired debt (Account 189), less Other Deferred Credits (Account 253 including the unamortized gain on the sale of Rockport Unit No. 2); less Accumulated Deferred Federal Income Taxes (Accounts 190 and 281-283) and Accumulated Deferred Investment Tax Credit (Account 255) related to the plant in service by (b) the sum of (i) the amount determined pursuant to (a) plus (ii) the amount of Construction Work In Progress (Account 707) plus Materials and Supplies (Accounts 151-156 and 163), less Accumulated Deferred Federal Income Taxes related to the construction work in progress plus (iii) Plant Held for Future Use (Account 105), Other Deferred Debits (Account 186) and the amount of fuel inventory over the allowed level (Account 151.10) not otherwise included in (a) above.

3. Net In-Service Investment Ratio

The Unit No. 1 Net In-Service Investment Ratio shall be equal to 1.0 during the period commencing with the month in which Unit No. 1 at the Plant is placed in commercial operation and shall remain at 1.0 up to, but not including, the month in which Unit No. 2 at the Plant is placed in commercial operation. Thereafter, the Net In-Service Investment Ratio shall be computed each month, based on the balances, as recorded on the Company's books in accordance with the FERC Uniform System of Accounts for Major Electric Utilities, outstanding at the end of the previous month and shall be derived as follows:

- A. Unit No. 1 Net In-Service Investment Ratio shall be derived by dividing (a) the Net In-Service Investment associated with Unit No. 1 and Common Facilities by (b) the sum of the Net In-Service Investment associated with Unit No. 1 and Common Facilities plus the Net In-Service Investment associated with Unit No. 2.
- B. Unit No. 2 Net In-Service Investment Ratio shall be derived by dividing (a) the Net In-Service Investment associated with Unit No. 2 by (b) the sum of the Net In-Service Investment associated with the Unit No. 1 and Common Facilities plus the Net In-Service Investment associated with Unit No. 2.

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4. Net In-Service Investment

The Net In-Service Investment shall be computed each month commencing with the month in which Unit No. 2 at the Plant is placed in commercial operation. It shall be based on the balances, as recorded on the Company's books in accordance with the FERC Uniform System of Accounts for Major Electric Utilities, outstanding at the end of the previous month and shall consist of the following:

- A. Unit No. 1 Net In-Service Investment shall consist of the sum of Electric Plant in Service (Account 101 including amounts associated with leasehold improvements but excluding amounts associated with capitalized leased assets and excluding amounts associated with Asset Retirement Obligations), Plant Held for Future Use (Account 105 pursuant to the provisions of Note 4.D. below), Materials and Supplies (Accounts 151-156 and 163 pursuant to the provisions of Note 4.C. below), and Prepayments (Account 165), Other Deferred Debits (Account 186 pursuant to the provisions of Note 4.D. below), other working capital (Accounts 128, 131, 135, 143, 146, 171 and 174 less Accounts 232-234, 236, 237, 238, 241 and 242), and Unamortized Debt Expense (Account 181) and Unamortized loss on reacquired debt (Account 189), less Other Deferred Credits (Account 253), less Accumulated Provision for Depreciation and Amortization (Accounts 108 and 111), Accumulated Deferred Federal Income Taxes (Accounts 190 and 281-283) and Accumulated Deferred Investment Tax Credit (Account 255) related to such Unit No. 1 and Common Facilities inservice investment.
- В. Unit No. 2 Net In-Service Investment shall consist of the sum of Electric Plant in Service (Account 101 including amounts associated with leasehold improvements but excluding amounts associated with capitalized leased assets and excluding amounts associated with Asset Retirement Obligations), Plant Held for Future Use (Account 105 pursuant to the provisions of Note 4.D. below), Materials and Supplies (Accounts 151-156 and 163 pursuant to the provisions of Note 4.C. below), Prepayments (Account 165), Other Deferred Debits (Account 186 pursuant to the provisions of Note 4.D. below), other working capital (Accounts 128, 131, 135, 143, 146, 171 and 174 less Accounts 232-234, 236, 237, 238, 241 and 242), and Unamortized Debt Expense (Account 181) and Unamortized loss on reacquired debt (Account 189), less Other Deferred Credits (Account 253 including the unamortized gain on the sale of Rockport Unit No.2), less Accumulated Provision for Depreciation and Amortization (Accounts 108 and 111), Accumulated Deferred Federal Income Taxes (Accounts 190 and 281-283) and Accumulated Deferred Investment Tax Credit (Account 255) related to the Unit No. 2 in-service investment.

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C. AEGCO shall be permitted to earn a return on its fuel inventory, recorded in Account 151.10, not in excess of a 68-day coal supply as defined herein. To the extent AEGCO's actual fuel inventory exceeds the allowable 68-day level, the return on such excess shall be recorded in a memo account. When AEGCO's actual fuel inventory is less than the allowable 68-day level, AEGCO shall be permitted to recover the return previously unrecovered, but in no event shall the power bill reflect a return on fuel inventory in excess of 68-day supply.

A 68-day coal inventory level shall be determined for each unit annually, and shall be based upon the actual experienced daily burn during the preceding calendar year. The actual experienced daily burn shall be defined to exclude the effect of forced and scheduled outages as well as curtailments as follows:

For each unit:

Actual experienced daily burn = 24 hours (<u>Tons burned per year</u>)

Operating hours

Where:

Operating hours = Hours in year minus forced and scheduled outage hours minus curtailment equivalent outage hours

and

Curtailment equivalent outage hours = The product for each curtailment of:

<u>kW of curtailed capacity</u> x Curtailment hours kW of rated capacity

The value of the allowable 68-day coal supply used to determine each month's power bill shall be equal to the number of tons determined above multiplied by the cost per ton of coal in inventory at the end of the previous month.

For 1990, a 68-day coal supply for AEGCO's share of Rockport Unit No. 2 shall be based on 12 months ending December 1990 data. For 1990 billing purposes, however, a 68-day coal supply for AEGCO's share of Rockport Unit No.2 shall initially be assumed to be equal to the 68-day coal supply for AEGCO's share of Rockport Unit No. 1, adjusted to reflect the Btu content and the unit cost of the coal for Rockport Unit No. 2.

AEGCO shall maintain a cumulative record of the unrecovered return as well as the subsequent recovery of that return as follows:

- i) To the extent that AEGCO's actual fuel inventory exceeds the allowable 68-day coal supply, AEGCO shall record each month an amount equal to the sum of the unrecovered return on fuel inventory and the return on previously unrecovered amounts. The unrecovered return on fuel inventory shall be calculated each month by deriving the difference between the power bill that would result if full recovery were provided and the power bill that results with the 68-day limitation imposed. The return on previously unrecovered amounts shall be calculated by multiplying the cumulative return unrecovered at the end of the previous month by the capital costs used to derive the power bill, adjusted for federal income taxes.
- To the extent that AEGCO's fuel inventory is less than the allowable 68-day coal supply, AEGCO shall record each month an amount equal to the return on previously unrecovered amounts less the recovered return in excess of actual inventory levels. The return on previously unrecovered amounts shall be calculated as described in (i) above. The recovered return in excess of actual inventory levels shall be calculated by deriving the difference between the power bill that would result if actual inventory balances were used and the power bill that results with an imputed inventory level. In no event will the cumulative value of the unrecovered return be allowed to fall below zero.
- D. AEGCO shall be permitted to include as part of its Net In-Service Investment Numerator amounts subsequently recorded in Accounts 105 and 186 subject to the conditions set forth in the Offer of Settlement in FERC Docket No. ER84-579-000, et al.
- E. Other Special Funds (Account 128), Other Current and Accrued Assets (Accounts 131, 135, 143, 146, 171 and 174), Other Deferred Debits (Accounts 181 and 189), Other Current and Accrued Liabilities (Accounts 232-234, 236, 237, 238, 241 and 242), and Other Deferred Credits (Account 253) shall be directly assigned to unit No. 1 (including Common Facilities) or Unit No. 2 whenever possible. Whenever such direct assignment is not practical, such balances shall be allocated between the units in proportion to the net dependable capability of each of the units.
- F. To recognize that the lease rental expense will be collected monthly but that the lease payment will be paid semiannually, the lease rental payable balance will be reflected as a rate base reduction in calculating the operating ratio and the Unit 2 net-in-service investment ratio as a means to credit the Unit 2 customers for the time value of money.

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5. Investment Balances

For the purpose of calculating the Operating Ratio and Net In-Service Investment Ratio, amounts shall reflect the balances, as recorded on the Company's book in accordance with the FERC Uniform System of Accounts for Major Electric Utilities, outstanding at the end of the previous month, except that when plant greater than or equal to 1% of the prior month ending plant value is transferred into service during the current month, such prior month balances shall be adjusted to reflect such transfers to service. Such adjustment shall be pro-rated for the number of days during the month that such plant addition was in-service.

6. Allocation of Expenses

Operating expenses shall be directly assigned to Unit No. 1 (including Common Facilities) or Unit No. 2 whenever possible. Whenever such direct assignment is not practical, such expenses shall be allocated between the units in accordance with the basis that gave rise to such expense.

AEGCO's operating and maintenance expenses shall include, and AEGCO shall be allowed recovery of, administrative and general expenses, related payroll taxes and other cost, allocated to AEGCO by I&M as operator of the Rockport Plant or incurred directly by AEGCO.

I&M shall allocate to AEGCO, a portion of I&M's administrative and general expenses charged to Accounts 920, 921, 922, 923, 924, 925, 926, 931 and 935; related payroll taxes charge to Account 408; and a portion of the expenses of the Rockport Information Center charged to Accounts 506, 511 and 514 that generally relate to Rockport Plant operations. Such charges shall be allocated to AEGCO on the basis of the ratio of AEGCO's share of the Rockport Plant operation and maintenance wages and salaries, divided by the sum of total Rockport Plant operations and maintenance wages and salaries, plus all other I&M operation and maintenance wages and salaries, less I&M's administrative and general wages and salaries. For the period beginning December 10, 1984 and ending December 31, 1985 this ratio will be developed based on actual 1985 amounts. In subsequent calendar years, this ratio will be adjusted annually based on the prior calendar year's amounts.

AEGCO's operation and maintenance expenses shall also include, and AEGCO shall be allowed recovery of, other administrative and general expenses directly incurred by AEGCO and included in the appropriate administrative and general expense accounts.

BILLINGS AND PAYMENTS

All bills for amounts owing hereunder shall be due and payable on the fifteenth day of the month next following the month or other period to which such bills are applicable, or on the tenth day following receipt of the bill, whichever date is later. Interest on unpaid amounts shall accrue daily at the prime interest rate per annum in effect on the due date at the

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Citibank, plus 2% per annum, from the due date until the date upon which payment is made. Unless otherwise agreed upon, the calendar month shall be the standard period for the purpose of settlements under this Agreement. If bills cannot be accurately determined at any time, they shall be rendered on an estimated basis and subsequently adjusted to conform to the terms of the unit power agreements.

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AEP GENERATING COMPANY SAMPLE POWER BILL SUMMARY OF MONTHLY POWER BILL

Line No.		<u>Amount</u>
1	Return on Common Equity	
2	Return on Other Capital	
3	Total Return	
4 5 6	+ Fuel + Purchased Power - Other Operating Revenues	
7 8 9	+ Other Operation and Maintenance Exp - Depreciation, Amortization and Accretion Expenses + Taxes Other Than Federal Income Tax	
10 11	+ Federal and State Income Tax = Total Unit 1 Monthly Power Bill	
12	Determination of Federal Income Tax :	===========
13 14 15 16	Total Return (Line 3) + Unit 1 Schedule M Adjustments + Unit 1 Deferred Federal Income Taxes - Unit 1 Interest Expense Deduction *	
17 18 19 20	 Subtotal x Gross-Up (FIT Rate / 1-FIT Rate) Unit 1 Current Federal Income Tax Unit 1 Def Fed & State Income Taxes 	
21	= Total Unit 1 Fed&State Income Taxes	
22	Proof of Federal Income Tax :	==========
23 24 25 26 27 28	Total Unit 1 Monthly Power Bill - Operation and Maintenance Expenses - Depreciation, Amortization and Accretion Expenses - Taxes Other Than Federal Income Tax - Unit 1 Interest Expense Deduction * + Other Operating Revenues	
29 30	= Pre-Tax Book Income + Unit 1 Schedule M Adjustments	
31 32 33 34	 = Unit 1 Taxable Income x Current Federal Income Tax Rate = Unit 1 Current Federal Income Tax + Unit 1 Def Fed & State Income Taxes 	
35	= Total Unit 1 Fed&State Income Taxes	
	* From Page 4 of 18 : Line 21 + (Line 28 x Line 31 x Line 32)	===========

**** Includes Rockport 1 and 2

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AEP GENERATING COMPANY SAMPLE POWER BILL OPERATING RATIO

Line No.		<u>Amount</u>
1	Operating Ratio:	
2	Net In-Service Investment:	
3	Electric Plant In-Service	
4	- Accumulated Depreciation	
5	+ Materials & Supplies	
6	+ Prepayments	
7	+ Plant Held For Future Use (A/C 105) *	
8	+ Other Deferred Debits (A/C 186) *	
9	+ Other Working Capital ***	
10	+ Unamortized Debt Expense (A/C 181, 189)	
11	- Other Deferred Credits (A/C 253)	
12	- Accumulated Deferred FIT	
13	- Accumulated Deferred ITC	
14	Total Net In-Service Investment	
15	Non-In-Service Investment - CWIP :	
16 17 18	Construction Work In Progress + Materials & Supplies - Accumulated Deferred FIT	
10	- Accumulated Defended FTI	
19	Total Non-In-Service Investment - CWIP	
20	Non-In-Service Investment - Other :	
21 22 23	Plant Held for Future Use (A/C 105) ** + Other Deferred Debits (A/C 186) ** + Fuel Inventory Over Allowed Level ****	
24	Total Non-In-Service Investment - Other	
25	Total Investment (Lines 14+19+24)	
		=========
26	Operating Ratio (Line 14/Line 25)	
27	Non-In-Service Investment-CWIP Ratio (Line 19/Line 25)	
28	Non-In-Service Investment-Other Ratio (Line 24/Line 25)	
29	Total Investment	
	Permitted By FERC	=========
	uding Amounts on Lines 7 and 8	
*** Acc	ounts 128, 131, 135, 143, 146, 171 and 174, Less Accounts 232-234, 236, 237, 238, 241	and 242

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

Line No.		<u>Amount</u>
1	Net In-Service Investment Ratio:	
2	Unit 1 Net In-Service Investment:	
3 4 5 6 7 8 9 10 11 12 13	Electric Plant In-Service - Accumulated Depreciation + Materials & Supplies + Prepayments + Plant Held For Future Use (A/C 105) * + Other Deferred Debits (A/C 186) * + Other Working Capital ** + Unamortized Debt Expense (A/C 181, 189) - Other Deferred Credits (A/C 253) - Accumulated Deferred FIT - Accumulated Deferred ITC Total Unit 1 Net In-Service Investment	
15	Unit 2 Net In-Service Investment:	
16 17 18 19 20 21 22 23 24 25 26 27	Electric Plant In-Service - Accumulated Depreciation + Materials & Supplies + Prepayments + Plant Held For Future Use (A/C 105) * + Other Deferred Debits (A/C 186) * + Other Working Capital ** + Unamortized Debt Expense (A/C 181, 189) - Other Deferred Credits (A/C 253) - Accumulated Deferred FIT - Accumulated Deferred ITC Total Unit 2 Net In-Service Investment Total Net In-Service Investment	
29	Net In-Service Investment Ratio:	
30	Unit 1 (Line 14 / Line 28)	
31	Unit 2 (Line 27 / Line 28)	
	* As Permitted By FERC ** Accounts 128, 131, 135, 143, 146, 171 and 174,	

Less Accounts 232-234, 236, 237, 238, 241 and 242

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

Line No.		<u>Amount</u>
1	Net Capitalization:	
2	Long-Term Debt	
3	+ Short-Term Debt	
4	+ Preferred Stock	
5 6	+ Common Equity - Temporary Cash Investments	
U	- Temporary dash investments	
7	Net Capitalization	
		=======================================
8	40% of Net Capitalization	
9	Return on Common Equity:	
9	Retain on Common Equity.	
10	Lesser of Line 5 or Line 8	
11 12	x Equity Return (Monthly Rate)	
13	= Equity Returnx Operating Ratio	
14	x Net In-Service Investment Ratio	
15	= Subtotal	
16	Excess of Line 5 Over Line 8	
17	x Weighted Cost of Debt (Monthly Rate)	
18	= Return on Equity over 40% of Capitalization	
19	x Operating Ratio	
20 21	x Net In-Service Investment Ratio = Subtotal	
22	Unit 1 Return on Equity (Line 15 + Line 21)	
		========
23	Return on Other Capital:	
24	Long-Term Debt Interest Expense (A/C 427-429)	
25	+ Short-Term Debt Interest Expense (A/C 430)	
26	+ Other Interest Expense (A/C 431)	
27	- Temporary Cash Investment Income *	
28	= Net Interest Expense	
29	+ Preferred Stock Dividends (a/c 437)	
30	= Net Cost of Other Capital	
31	x Operating Ratio	
32	x Net In-Service Investment Ratio	
33	= Unit 1 Return on Other Capital	

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

Line No.		<u>Amount</u>
1	Debt Balances (Prior Month Ending) :	
2 3 4	Long-Term Debt + Short-Term Debt + Other Debt	
5	Total Debt Balances (Prior Month Ending)	
6	Weighting of Debt Balances :	
7 8 9	Long-Term Debt + Short-Term Debt + Other Debt	
10	Total Debt Balances	==========
11	Debt Cost Rates :	
12 13 14	Long-Term Debt Short-Term Debt Other Debt	
15	Weighted Cost of Debt :	
16 17 18	Long-Term Debt + Short-Term Debt + Other Debt	
19	Total Weighted Cost of Debt	

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

Line No.		Amount
1	Unit 1 Materials and Supplies:	
2 3 4	Fuel Stock - Coal (per Line 23) Fuel Stock Expenses - Undistributed (152) Fuel Stock - Oil (151)	
5	Plant Materials & Operating Supplies	
6	Merchandise	
7	Undistributed Stores Expense	
8	Total Materials & Supplies	
9	Support of Coal Inventory Value:	
10	Actual Coal Inventory (A/C 151.10)	
11	+ Equivalent Inventory re: Deferred Return	
12	= Imputed Coal Inventory	
13	Coal Inventory W/68 Day Supply Cap	
14	Tons Consumed	
15	/ Hours Available *	
16	= Tons Consumed per Hour	
17	x 24 Hours per Day	
18	= Tons Consumed Per Day	
19 20	x 68 days = 68 day Supply (Tons)	
21	x Coal Cost per Ton (per A/C 151.10 at End of Prior Month)	
	X Codi Codi por 1011 (por 100 1011 to di End of 1 not Montil)	
22	= 68 day Coal Inventory	
23	Lesser of Imputed or Capped Coal Inventory	
24	Imputed Inventory Minus Line 23	
		========
25	Accumulated Deferred Inventory Return - Unit 1 (Memo Item):	
26	Beginning Balance	
27	+ Current Month Return on Beginning Balance	
28	+ Current Month Deferral	
29	- Current Month Recovery	
30	= Ending Balance **	
		========

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

^{**} May Not Be Less Than Zero

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AEP GENERATING COMPANY SAMPLE POWER BILL DETAIL OF OTHER OPERATING REVENUES

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

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

Line No.	Account No.	_Description_	<u>Amount</u>
1	500, 502-508	Steam Power Generation - Operation	
2	501	Fuel - Operation	
3	510-515	Steam Power Generating - Maintenance	
4		Total Steam Power Generation Expenses	
4		Total Steam Fower Generation Expenses	
5	555-557	Other Power Supply Expenses	
6	560-567.1	Transmission Expenses - Operation	
7	568-574	Transmission Expenses - Maintenance	
•			
8		Total Transmission Expenses	
9	580-589	Distribution Expenses - Operation	
10	590-598	Distribution Expenses - Operation Distribution Expenses - Maintenance	
10	000 000	Distribution Expenses Maintenance	
11		Total Distribution Expenses	
12	901-905	Customer Accounts Expenses - Operation	
40	000.040		
13	906-910	Customer Service and Informational	
		Expenses - Operation	
14	911-917	Sales Expenses - Operation	
14	311 317	Calca Expenses Operation	
15	920-933	Administrative and General Expenses -	
		Operation	
16	935	Administrative and General Expenses -	
		Maintenance	
17		Total Administrative & General Exp.	
18		Total Operation & Maintenance Expenses	
10		Total Operation a Maintenance Expenses	========

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AEP GENERATING COMPANY SAMPLE POWER BILL DETAIL OF DEPRECIATION, AMORTIZATION AND ACCRETION EXPENSES

Line No.	Account <u>No.</u>	Description	<u>Amount</u>
1 1a 2	403 403.1 404 405	Depreciation Expense ARO Depreciation Expense Amortization of Limited-Term Electric Plant Amortization of Other Electric Plant	
4 5	406 407	Amortization of Electric Plant Acquistion Adjustments Amortization of Property Losses, Unrecovered Plant and Regulatory Study Costs	
6		Total Depreciation Exp. & Amortization	
7	411.10	ARO Accretion Expense	
8		Total Depreciation, Amortization & Accretion Expenses	

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

Line No. BS1	Account <u>No.</u>	<u>Amount</u> <u>Description</u>
1	408.1	Taxes Other Than Federal Income Taxes,
2	409.1	Utility Operating Income State Income Taxes
3		Total Taxes Other than FIT
3		======================================

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

Line <u>No.</u>	Account <u>No.</u>	<u>Description</u>	<u>Amount</u>
1		Unit 1 Schedule `M' Adjustments	
2	N/A	Excess ACRS Over Normalization Base Depreciation	
3	N/A	Excess Normalization Base Over Book Depreciation	
4	N/A	Other Unit 1 Schedule `M' Adjustments	
5		Total Unit 1 Schedule `M' Adjustments *	=======
6		Unit 1 Deferred Federal Income Tax	
7	410.1	Excess ACRS Over Norm. Base Depr. (Line 2 x FIT Rate * -1)	
8	410.1, 411.1	Other Unit 1 Schedule `M' Adjustments -	
9	411.1	Feedback of Accumulated DFIT re: ABFUDC - Unit 1 Negative Amount Denotes Reduction.	
10	411.1	Feedback of Accumulated DFIT re: Overheads Capitalized - Unit 1	
11	411.1	Feedback of Accumulated DFIT re: Other Schedule `M' AdjUtility	
12		Total Unit 1 Deferred Federal and State Income Tax *	

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

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

Line No.	Account No.	Description	<u>Amount</u>
<u> 140.</u>	140.	<u> Description</u>	
1		ELECTRIC PLANT IN SERVICE	
2	101	Electric Plant In Service	
3	102	Electric Plant Purchased	
4	103	Experimental Elec. Plant Unclassified	
5	103.1	Electric Plant In Process of Reclassification	
6	104	Electric Plant Leased to Others	
7	106	Completed Construction Not Classified	
8	114	Electric Plant Acquisition Adjustments	
9	116	Other Electric Plant Adjustments	
10	118	Other Utility Plant	
11		Total Electric Plant In Service	
12	105	Plant Held For Future Use	
13		ACCUMULATED DEPRECIATION	
14	108	Accumulated Provision for Depreciation of Electric Utility Plant	
15	110	Accumulated Provision for Depreciation	
		and Amort. of Elec. Utility Plant	
16	111	Accumulated Provision for Amortization	
		of Electric Utility Plant	
17	115	Accumulated Provision for Amortization	
		of Electric Plant Acquisition	
		Adjustments	
18	119	Accumulated Provision for Depreciation	
		and Amortization of Other Utility	
		Plant	
19		Total Accumulated Depreciation	
20		MATERIAL AND SUPPLIES	
21	151	Fuel Stock	
22	152	Fuel Stock Expenses - Undistributed	
23	153	Residuals	
24	154	Plant Materials and Operating Supplies	
25	155	Merchandise	
26	156	Other Materials and Supplies	
27	163	Stores Expense Undistributed	
28		Total Materials and Supplies	
-		(In-Service Portion)	
29	165	Prepayments	
30	186	Other Deferred Debits	

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

			<u>Amount</u>
Line	Account		
No.	No.	Description *	
4	400	Other Cresis Funds	
1	128	Other Special Funds	
2 3	131	Cash Other Intra Company Adjustments	
_	135	Other Intra Company Adjustments	
4	143	Accounts Receivable-Miscellaneous	
5	146	Accounts Receivable-Associated Company	
6	171	Interest and Dividends Receivable	
7	174	Miscellaneous Current and Accrued Assets	
8	232	Accounts Payable-General	
9	234	Accounts Payable-Associated Company	
10	236	Taxes Accrued	
11	237	Interest Accrued	
12	238	Dividends Declared	
13	241	Tax Collections Payable	
14	242	Misc Current and Accrued Liabilities	
15		Total Other Working Capital	
			=======
16	181+ 189	Unamortized Debt Expense	
		·	
17	253	Other Deferred Credits	

^{*} debit <credit>

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

Line	Account		<u>Amount</u>
No.	No.	<u>Description</u>	
31		ACCUMULATED DEFERRED INCOME TAXES	
32	190	-Accumulated Deferred Income Taxes	
33	281	+Accumulated Deferred Income Taxes - Accelerated Amortization Property	
34	282	+Accumulated Deferred Income Taxes - Other Property	
35	283	+Accumulated Deferred Income Taxes - Other	
36		Total Accumulated Deferred Income Taxes (In-Service Portion)	
37	255	+Accumulated Deferred Investment Tax Credits	
38	186.50	-Accumulated Deferred Investment Tax Credit	
39		Total Accumulated Deferred Investment Tax Credits	
40		Total Net In-Service Investment - Unit 1	
			=========

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

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

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AEP GENERATING COMPANY SAMPLE POWER BILL DETAIL OF NET CAPITALIZATION

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

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

Line <u>No.</u>	Account <u>No.</u>	<u>Description</u>	<u>Amount</u>
28		LONG-TERM DEBT	
29	221	Bonds	
30	222	Reacquired Bonds	
31	223	Advances from Associated Companies	
32	224	Other Long-Term Debt	
33	225	Unamortized Premium on	
2.4	226	Long-Term Debt-Credit	
34	220	Unamortized Discount on Long-Term Debt-Debit	
		Debt-Debit	
35		Total Long-Term Debt	
		•	
		SHORT-TERM DEBT	
36a	231.02	Notes Payable (Short-Term Debt)	
36b	231.03	Unamortized Discount	
37	233.00	Notes Payable, Assoc Co (Money Pool)	
38		Total Short-Term Debt	
30		Total Short-Term Debt	
39		TEMPORARY CASH INVESTMENTS	
40	132	Interest Special Deposits	
41	133	Dividend Special Deposits	
42	134	Other Special Deposits	
43	136, 145	Temporary Cash Investments	
44		Total Temporary Cash Investments	
45		NET CAPITALIZATION	
40		NET CAFITALIZATION	

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

Line No.		<u>Amount</u>
1	Capitalization Balances (Prior Month Ending):	
2 3 4 5	Long-Term Debt + Short-Term Debt + Preferred Stock + Common Equity	
6	- Capitalization Offsets	
7	Total Capitalization Balances	========
8	Weighting of Capitalization Balances :	
9 10 11 12 13	Long-Term Debt + Short-Term Debt + Preferred Stock + Common Equity - Capitalization Offsets	
13	- dapitalization onsets	
14	Total Capitalization	
15	Capitalization Cost Rates :	=======
16 17 18 19 20	Long-Term Debt Short-Term Debt Preferred Stock Common Equity Capitalization Offsets	
21	Rate of Return (Net of Tax) :	
22 23 24 25 26	Long-Term Debt + Short-Term Debt + Preferred Stock + Common Equity - Capitalization Offsets	
27	Total Rate of Return (Net of Tax)	
28	Weighted Net Cost of Debt	
29	+ Pre-Tax Common Equity (Line 25 / .65)	
30	= Rate of Return (Pre-Tax)	========

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Unit Power Service Agreement Between AEP Generating Company and Kentucky Power Company

Redlined Version

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UNIT POWER AGREEMENT

THIS AGREEMENT dated as of August 1, 1984 by and between KENTUCKY POWER COMPANY ('KEPCO") and AEP GENERATING COMPANY ("AEGCO").

WITNESSETH:

WHEREAS, AEGCO, a subsidiary company of American Electric Power Company, Inc. ("AEP") under the Public Utility Holding Company Act of 1935 (the "1935 Act"), is part owner of the Rockport Steam Electric Generating Plant presently under construction at a site along the Ohio River near the Town of Rockport, Indiana, which will consist of two 1,300,000-kilowatt fossil-fired steam electric generating units and associated equipment and facilities (the "Rockport Plant"), the first unit ("Unit No. 1") of which is presently expected to be placed in commercial operation on or about December 1, 1984 and the second unit ("Unit No. 2") of which is presently expected to be placed in commercial operation in 1988; and

WHEREAS, AEGCO entered into an Owners' Agreement, dated March 31, 1982, as amended, (the "Owners' Agreement"), with Indiana & Michigan Electric Company ("IMECO") and KEPCO, other subsidiary companies of AEP under the 1935 Act, pursuant to which AEGCO and KEPCO planned to acquire 35% and 15% undivided ownership interests from IMECO respectively, as tenants in common without right of partition, in the Rockport Plant which, upon completion of the construction of Unit No. 1, is thereafter to be operated as a part of the interconnected, integrated electric system comprising the American Electric Power System (the "AEP System"); and

WHEREAS, the Owners' Agreement, as amended, provides that if KEPCO is unable to obtain timely regulatory approval to acquire and directly own its intended 15% ownership interest in the Rockport Plant by the date test power and energy becomes available from Unit No. 1, which is anticipated to occur not earlier than September 1, 1984, or, if such regulatory approval is limited or restricted in any manner as to make performance by KEPCO impossible, impractical or uneconomic, then, AEGCO may and proposes to acquire the 15% undivided ownership interest intended for KEPCO; and

WHEREAS, if AEGCO acquires the 15% undivided ownership interest intended for KEPCO then AEGCO proposes, upon completion of the construction of Unit No. 1 and the completion thereafter of the construction of Unit No. 2, to make available to KEPCO, pursuant to this agreement, 30% of the available power (and the energy associated therewith) to which AEGCO shall from time to time be entitled at the Rockport Plant, which amount is equivalent to the 15% ownership interest intended for KEPCO; and

WHEREAS, IMECO proposes to complete the construction of the Rockport Plant pursuant to the provisions of the Owners' Agreement, as amended, and, upon completion of such construction, to operate the Rockport Plant pursuant to an operating agreement entered into by IMECO, AEGCO and KEPCO in accordance with the Owners' Agreement;

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NOW, THEREFORE, in consideration of the terms and of the agreements hereinafter set forth, the parties hereto agree with each other that if AEGCO acquires the 15% undivided ownership interest intended for KEPCO then:

- 1.1 AEGCO shall, subject to the provisions and upon compliance with the then applicable requirements of Section 2.1 of this agreement, make available, or cause to be made available, to KEPCO 30% of the power (and the energy associated therewith) which shall be available to AEGCO at the Rockport Plant.
- 1.2 KEPCO shall, subject to the provisions and upon compliance with the then applicable requirements of Section 2.2 of this agreement, be entitled to receive 30% of the power (and the energy associated therewith) which shall be available to AEGCO at the Rockport Plant and KEPCO agrees to pay to AEGCO in consideration for the right to receive that 30% of the power (and the energy associated therewith) available to AEGCO at the Rockport Plant those amounts which IMECO would have paid AEGCO under the terms of the IMECO-AEGCO Unit Power Agreement, for KEPCO's entitlement as defined in this agreement. KEPCO shall commence the payment of such amounts to AEGCO on the earlier of the following dates: (i) June 30, 1985 and, (ii) the date of commercial operation of Rockport Unit No. 1.
- 2.1 The performance of the obligations of AEGCO hereunder shall be subject to the receipt and continued effectiveness of all authorizations of governmental regulatory authorities at the time necessary to permit AEGCO to perform its duties and obligations hereunder, including the receipt and continued effectiveness of all authorizations by governmental regulatory authorities at the time necessary to permit the completion by IMECO of the construction of the Rockport Plant, the operation of the Rockport Plant, and for AEGCO to make available to KEPCO 30% of the power (and the energy associated therewith) available to AEGCO at the Rockport Plant. AEGCO shall use its best efforts to secure and maintain all such authorizations by governmental regulatory authorities.
- The performance of the obligations of KEPCO hereunder shall be subject to the receipt and continued effectiveness of all authorizations of governmental regulatory authorities necessary at the time to permit KEPCO to perform its duties and obligations hereunder, including the receipt and continued effectiveness of all authorizations by governmental regulatory authorities necessary at the time to permit KEPCO to pay to AEGCO in consideration for the right to receive 30% of the power (and the energy associated therewith) available to AEGCO at the Rockport Plant the charges provided for in Section 1.2 of this agreement. KEPCO shall use its best efforts to secure and maintain all such authorizations by governmental regulatory authorities. KEPCO shall, to the extent permitted by law, be obligated to perform its duties and obligations hereunder, subject to then applicable provisions of this Section 2.2, (a) whether or not AEGCO shall have received all authorizations of governmental regulatory authorities necessary to permit AEGCO to perform its duties and obligations hereunder, (b) whether or not such authorizations, or any such authorization, shall at any time in question be in effect, and (c) so long as AEGCO and KEPCO shall continue to be subsidiary companies of AEP (as said term is defined in Section 2(a)(8) of the 1935 Act) or a successor thereto, whether or not, at any time in question, KEPCO shall have performed its duties and obligations under this agreement. In the event that either AEGCO or KEPCO shall cease to be such a subsidiary company, then and thereafter KEPCO shall not be relieved of its obligation to make payments

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pursuant to Section 1.2 of this agreement by reason of the failure of AEGCO to perform its duties and obligations hereunder occasioned by Act of God, fire, flood, explosion, strike, civil or military authority, insurrection, riot, act of the elements, failure of equipment, or for any other cause beyond the control of AEGCO; provided that, in any such event, AEGCO shall use its best efforts to put itself in a position where it can perform its duties and obligations hereunder as soon as is reasonably practicable.

- 3. To the extent that it may legally do so, KEPCO and AEGCO each hereby irrevocably waives any defense based on the adequacy of a remedy at law which may be asserted as a bar to the remedy of specific performance in any action brought against it for specific performance of this agreement by KEPCO, by AEGCO, or by a trustee under any mortgage or other debt instrument which KEPCO or AEGCO may, subject to requisite regulatory authority, enter into, or by any receiver or trustee appointed for KEPCO or AEGCO under the bankruptcy or insolvency laws of any jurisdiction to which KEPCO or AEGCO is or may be subject; provided, however, that nothing herein contained shall be deemed to constitute a representation or warranty by KEPCO or AEGCO that the respective obligations of KEPCO or AEGCO under this agreement are, as a matter of law, subject to the equitable remedy of specific performance.
- 4. KEPCO shall not be entitled to set off against any payment required to be made by KEPCO under this agreement (i) any amounts owed by AEGCO to KEPCO or (ii) the amount of any claim by KEPCO against AEGCO. The foregoing, however, shall not affect in any other way the rights and remedies of KEPCO with respect to any such amounts owed to KEPCO by AEGCO or any such claim by KEPCO against AEGCO.
- 5. The invalidity and unenforceability of any provision of this agreement shall not affect the remaining provisions hereof.
- 6. This agreement shall become effective with the date of commercial operation of Rockport Unit No. 1 and shall continue in effect through December 7, 2022.
- 7. This agreement shall be binding upon the parties hereto and their successors and assigns, but no assignment hereof, or of any right to any funds due or to become due under this agreement, shall in any event relieve either KEPCO or AEGCO of any of their respective obligations hereunder, or, in the case of KEPCO, reduce to any extent its entitlement to receive 30% of the power (and the energy associated therewith) available to AEGCO from time to time at the Rockport Plant.
- 8. The agreements herein set forth have been made for the benefit of KEPCO and AEGCO and their respective successors and assigns, and no other person shall acquire or have any right under or by virtue of this agreement.
- 9. KEPCO and AEGCO may, subject to the provisions of this agreement, enter into a further agreement or agreements between KEPCO and AEGCO setting forth detailed terms and provisions relating to the performance by KEPCO and AEGCO of their respective obligations under this agreement. No agreement entered into under this Section 9 shall, however, alter to any substantive degree the obligations of either party to this agreement in any manner inconsistent with any of the foregoing sections of this agreement.

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10. KEPCO shall, at any time and from time to time, be entitled to assign all of its right, title and interest in and to all of the power (and the energy associated therewith) to which KEPCO shall be entitled under this agreement, but KEPCO shall not, by such assignment, be relieved of any of its obligations and duties under this agreement except through the payment to AEGCO, by or on behalf of KEPCO, of the amount or amounts which KEPCO shall be obligated to pay pursuant to the terms of this agreement.

IN WITNESS WHEREOF, the parties hereto have caused this agreement to be duly executed as of the day and year first above written.

Ties Constanting Company
Ву
Vice President
KENTUCKY POWER COMPANY
Ву
President

AEP Generating Company

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RATE DESIGN

The total revenue requirement of AEGCO calculated pursuant to the IMECO-AEGCO Unit Power Agreement designated AEGCO FERC Rate Schedule No. 1 is designed to recover for AEGCO its total cost of providing power (and the energy associated therewith) available to AEGCO at the Rockport Plant.

DETERMINATION OF POWER BILL

In accordance with Section 1.2–3 of the Unit Power Agreement, I&M agrees to pay AEGCO in consideration for the right to receive all power (and the energy associated therewith) available to AEGCO at the Rockport Plant, as a demand charge for the right to receive such power (and as an energy charge for any associated energy taken by I&M), such amounts, less any amounts recovered by AEGCO from other sources, as shall be determined monthly as described below. Such amounts shall be calculated separately for Unit No. 1 (including Common Facilities) and for Unit No. 2. I&M shall then commence the payment of such amounts (power bill) on the earlier of the following dates: (i) June 30, 1985 and (ii) the date on which power including any test power, and any energy associated therewith, shall become available to AEGCO at the Rockport Plant.

The power bill for Unit No. 1 (including Common Facilities) shall be calculated each month and shall reflect recovery only of those costs related to the plant in service. It shall consist of the sum of (a) a return on common equity, (b) a return on other capital, (c) recovery of operating expenses and (d) provision for federal income taxes as described below and as illustrated in the example attached.

(a) Return on Common Equity, which shall be equal to the product of (i) the amount of common equity outstanding at the end of the previous month, but not more than 40% of the capitalization of AEGCO at the end of the previous month; (ii) 1.0133 (12.16% annual rate) as described in Note 1 below; (iii) the Operating Ratio, as defined in Note 2 below; and (iv) the Unit No. 1 Net In-Service Investment Ratio, as defined in Note 3 below, plus the product of (v) the amount of common equity in excess of 40% of the capitalization of AEGCO at the end of the previous month, if any such excess shall be determined; (vi) the weighted cost of debt outstanding at the end of the previous month; (vii) the Operating Ratio, as defined in Note 2 below; and (viii) the Unit No. 1 Net In-Service Investment Ratio, as defined in Note 3 below.

For the purposes of these calculations, the amount of common equity shall be equal to the sum of the Common Stock (Accounts 201-203, 209, 210, 212, 214 and 217), Other Paid-In Capital (Accounts 207, 208, 211 and 213), and Retained Earnings (Accounts 215-216) outstanding at the end of the previous month. Total capitalization shall be equal to the sum of Long-term Debt (Accounts 221-226 including current maturities and unamortized debt premium and discounts), Short-Term Debt (Accounts 231 and 233), Preferred Stock (Accounts 204-206), and Common Equity less any Temporary Cash Investments, Special

Deposits and Working Funds (Accounts 132-134, and 136, and 145) outstanding at the end of the previous month.

(b) Return on Other Capital, which shall be equal to the product of (i) the amount equal to the net interest expense associated with Long-Term and Short-Term Debt, net of any Temporary Cash Investments, Special Deposits and Working Funds, plus the preferred stock dividend requirement associated with the Preferred Stock outstanding at the end of the previous month; (ii) the Operating Ratio, as defined in Note 2 below; and (iii) the Unit No. 1 Net In-Service Investment Ratio, as defined in Note 3 below.

For the purposes of these calculations, net interest expense shall be equal to the sum of (i) the amount of Long-Term Debt outstanding at the end of the previous month multiplied by the weighted cost of such Long-Term Debt and (ii) the amount of Short-Term Debt outstanding at the end of the previous month multiplied by the weighted cost of such Short-Term Debt, less (iii) the amount of Temporary Cash Investments, Special Deposits and Working Funds outstanding at the end of the previous month multiplied by the weighted cost of Long Term and Short-Term Debt combined determined pursuant to (i) and (ii) above.

- Recovery of Operating Expenses, excluding federal income taxes, which shall consist of provision for depreciation and amortization (Accounts 403-407, 411), including Asset Retirement Obligation (ARO) depreciation and accretion expenses (Accounts 403.1 and 411.10), taxes other than federal income taxes (Accounts 408-411) and operating and maintenance expenses associated with Unit No. 1 (including Common Facilities) offset by other operating revenues as recorded on the Company's books during the month in accordance with the FERC Uniform System of Accounts for Major Electric Utilities (See Note 6). Recovery of expenses for test energy shall be limited to recovery of actual fuel expense as recorded on the Company's books during the month in accordance with the FERC Uniform System of Accounts for Major Electric Utilities. Operating and maintenance expenses shall include, and reflect the recovery of, Steam Power Generation Expenses (Accounts 500-515 including lease rental payments recorded in Account 507), Other Power Supply Expenses (Accounts 555-557), Transmission Expenses (Accounts 560-574), Distribution Expenses (Accounts 580-598), Customer Accounts Expenses (Accounts 901-905), Customer Service and Informational Expenses (Accounts 906-910), Sales Expenses (Accounts 911-917) and Administrative and General Expenses (Accounts 920-933 and 935). Recovery of 501 fuel expenses shall be adjusted to reflect the deferral and/or feedback of unrecovered levelized fuel expenses as may be recorded on the Company's books or as is currently recorded on the books of I&M.
- (d) Provision for Unit No. 1's (including Common Facilities) allocated share of net current and deferred federal income tax expense and investment tax credit included in operating income as determined by the Company in accordance with federal income tax law, SEC approved consolidated current tax allocation procedures, and FERC rules and regulations.

For purposes of computing federal income taxes, the interest expense deduction shall be equal to the sum of the net interest expense computed in accordance with paragraph (b)

above plus the imputed interest expense associated with common equity that is in excess of 40% of AEGCO's net capitalization.

The power bill for Unit No. 2 shall be calculated in the same manner as described for Unit No. 1 above except that it shall reflect the Unit No. 2 Net In-Service Investment Ratio and those expenses associated with Unit No. 2.

Notes:

1. Return on Equity

The return on common equity allowance shall be based upon a rate of return of 12.16% as set forth in sub-paragraph (a) above.

In October of 1988, and every October thereafter for the effective duration of AEGCO's formula rate, any purchaser under AEGCO's two unit power agreements, any state regulatory commission having jurisdiction over the retail rates of purchasers under these agreements, or any other entity representing customers' interest, may file a complaint with the Commission with respect to the specified rate of return on common equity. If the Commission, in response to such a complaint, or on its own motion, institutes an investigation into the reasonableness of the specified return on common equity, such investigation shall be pursued under the special procedures set forth as follows:

- A. The only issue to be addressed under these special procedures shall be the continued collection of the return on equity as incorporated in the formula rate; and
- B. Refund will be due, should the return on equity, specified in the formula be found not just and reasonable, dating from the first day of January immediately following the date the complaint is filed or an investigation is instituted by the Commission on its own motion, calculated on the resulting difference in rates due to the application of the return found to be just and reasonable and the return stated in the formula. The first such effective date for the calculation of refunds shall be January 1, 1989.

Any other complaint which challenges the justness and reasonableness of any other component of the filed formula rate or any other complaint filed at any other time which challenges the justness and reasonableness of the specified rate of return on common equity and which is set for investigation by the Commission shall be pursued under Section 206 of the Federal Power Act.

2. Operating Ratio

The Operating Ratio shall be computed each month commencing with the month in which Unit No. 1 at the Plant is placed in commercial operation. It shall be based on the balances, as recorded on the Company's books in accordance with the FERC Uniform

System of Accounts for Major Electric Utilities, outstanding at the end of the previous month and shall be derived by dividing (a) the amount of Electric Plant In Service (Account 101 including amounts associated with leasehold improvements but excluding amounts associated with capitalized leased assets and excluding amounts associated with Asset Retirement Obligations); less Accumulated Provision for Depreciation and Amortization (Accounts 108 and 111 but excluding amounts associated with Asset Retirement Obligations); plus Plant Held for Future Use (Account 105 pursuant to the provisions of Note 4.D. below); Materials and Supplies (Accounts 151-156 and 163 as adjusted pursuant to the provisions of Note 4.C. below); Other Deferred Debits (Account 186 pursuant to the provisions of Note 4.D. below); Prepayments (Account 165); other working capital (Accounts 128, 131, 135, 143, 146, 171 and 174 less Accounts 232-234, 236, 237, 238, 241 and 242); and Unamortized Debt Expense (Account 181) and Unamortized loss on reacquired debt (Account 189), less Other Deferred Credits (Account 253 including the unamortized gain on the sale of Rockport Unit No. 2); less Accumulated Deferred Federal Income Taxes (Accounts 190 and 281-283) and Accumulated Deferred Investment Tax Credit (Account 255) related to the plant in service by (b) the sum of (i) the amount determined pursuant to (a) plus (ii) the amount of Construction Work In Progress (Account 707) plus Materials and Supplies (Accounts 151-156 and 163), less Accumulated Deferred Federal Income Taxes related to the construction work in progress plus (iii) Plant Held for Future Use (Account 105), Other Deferred Debits (Account 186) and the amount of fuel inventory over the allowed level (Account 151.10) not otherwise included in (a) above.

3. Net In-Service Investment Ratio

The Unit No. 1 Net In-Service Investment Ratio shall be equal to 1.0 during the period commencing with the month in which Unit No. 1 at the Plant is placed in commercial operation and shall remain at 1.0 up to, but not including, the month in which Unit No. 2 at the Plant is placed in commercial operation. Thereafter, the Net In-Service Investment Ratio shall be computed each month, based on the balances, as recorded on the Company's books in accordance with the FERC Uniform System of Accounts for Major Electric Utilities, outstanding at the end of the previous month and shall be derived as follows:

- A. Unit No. 1 Net In-Service Investment Ratio shall be derived by dividing (a) the Net In-Service Investment associated with Unit No. 1 and Common Facilities by (b) the sum of the Net In-Service Investment associated with Unit No. 1 and Common Facilities plus the Net In-Service Investment associated with Unit No. 2.
- B. Unit No. 2 Net In-Service Investment Ratio shall be derived by dividing (a) the Net In-Service Investment associated with Unit No. 2 by (b) the sum of the Net In-Service Investment associated with the Unit No. 1 and Common Facilities plus the Net In-Service Investment associated with Unit No. 2.

4. Net In-Service Investment

The Net In-Service Investment shall be computed each month commencing with the month in which Unit No. 2 at the Plant is placed in commercial operation. It shall be based on the balances, as recorded on the Company's books in accordance with the FERC Uniform System of Accounts for Major Electric Utilities, outstanding at the end of the previous month and shall consist of the following:

- Unit No. 1 Net In-Service Investment shall consist of the sum of Electric A. Plant in Service (Account 101 including amounts associated with leasehold improvements but excluding amounts associated with capitalized leased assets and excluding amounts associated with Asset Retirement Obligations), Plant Held for Future Use (Account 105 pursuant to the provisions of Note 4.D. below), Materials and Supplies (Accounts 151-156 and 163 pursuant to the provisions of Note 4.C. below), and Prepayments (Account 165), Other Deferred Debits (Account 186 pursuant to the provisions of Note 4.D. below), other working capital (Accounts 128, 131, 135, 143, 146, 171 and 174 less Accounts 232-234, 236, 237, 238, 241 and 242), and Unamortized Debt Expense (Account 181) and Unamortized loss on reacquired debt (Account 189), less Other Deferred Credits (Account 253), less Accumulated Provision for Depreciation and Amortization (Accounts 108 and 111), Accumulated Deferred Federal Income Taxes (Accounts 190 and 281-283) and Accumulated Deferred Investment Tax Credit (Account 255) related to such Unit No. 1 and Common Facilities inservice investment.
- В. Unit No. 2 Net In-Service Investment shall consist of the sum of Electric Plant in Service (Account 101 including amounts associated with leasehold improvements but excluding amounts associated with capitalized leased assets and excluding amounts associated with Asset Retirement Obligations), Plant Held for Future Use (Account 105 pursuant to the provisions of Note 4.D. below), Materials and Supplies (Accounts 151-156 and 163 pursuant to the provisions of Note 4.C. below), Prepayments (Account 165), Other Deferred Debits (Account 186 pursuant to the provisions of Note 4.D. below), other working capital (Accounts 128, 131, 135, 143, 146, 171 and 174 less Accounts 232-234, 236, 237, 238, 241 and 242), and Unamortized Debt Expense (Account 181) and Unamortized loss on reacquired debt (Account 189), less Other Deferred Credits (Account 253 including the unamortized gain on the sale of Rockport Unit No.2), less Accumulated Provision for Depreciation and Amortization (Accounts 108 and 111), Accumulated Deferred Federal Income Taxes (Accounts 190 and 281-283) and Accumulated Deferred Investment Tax Credit (Account 255) related to the Unit No. 2 in-service investment.

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C. AEGCO shall be permitted to earn a return on its fuel inventory, recorded in Account 151.10, not in excess of a 68-day coal supply as defined herein. To the extent AEGCO's actual fuel inventory exceeds the allowable 68-day level, the return on such excess shall be recorded in a memo account. When AEGCO's actual fuel inventory is less than the allowable 68-day level, AEGCO shall be permitted to recover the return previously unrecovered, but in no event shall the power bill reflect a return on fuel inventory in excess of 68-day supply.

A 68-day coal inventory level shall be determined for each unit annually, and shall be based upon the actual experienced daily burn during the preceding calendar year. The actual experienced daily burn shall be defined to exclude the effect of forced and scheduled outages as well as curtailments as follows:

For each unit:

Actual experienced daily burn = 24 hours (<u>Tons burned per year</u>)

Operating hours

Where:

Operating hours = Hours in year minus forced and scheduled outage hours minus curtailment equivalent outage hours

and

Curtailment equivalent outage hours = The product for each curtailment of:

<u>kW of curtailed capacity</u> x Curtailment hours kW of rated capacity

The value of the allowable 68-day coal supply used to determine each month's power bill shall be equal to the number of tons determined above multiplied by the cost per ton of coal in inventory at the end of the previous month.

For 1990, a 68-day coal supply for AEGCO's share of Rockport Unit No. 2 shall be based on 12 months ending December 1990 data. For 1990 billing purposes, however, a 68-day coal supply for AEGCO's share of Rockport Unit No.2 shall initially be assumed to be equal to the 68-day coal supply for AEGCO's share of Rockport Unit No. 1, adjusted to reflect the Btu content and the unit cost of the coal for Rockport Unit No. 2.

AEGCO shall maintain a cumulative record of the unrecovered return as well as the subsequent recovery of that return as follows:

- i) To the extent that AEGCO's actual fuel inventory exceeds the allowable 68-day coal supply, AEGCO shall record each month an amount equal to the sum of the unrecovered return on fuel inventory and the return on previously unrecovered amounts. The unrecovered return on fuel inventory shall be calculated each month by deriving the difference between the power bill that would result if full recovery were provided and the power bill that results with the 68-day limitation imposed. The return on previously unrecovered amounts shall be calculated by multiplying the cumulative return unrecovered at the end of the previous month by the capital costs used to derive the power bill, adjusted for federal income taxes.
- To the extent that AEGCO's fuel inventory is less than the allowable 68-day coal supply, AEGCO shall record each month an amount equal to the return on previously unrecovered amounts less the recovered return in excess of actual inventory levels. The return on previously unrecovered amounts shall be calculated as described in (i) above. The recovered return in excess of actual inventory levels shall be calculated by deriving the difference between the power bill that would result if actual inventory balances were used and the power bill that results with an imputed inventory level. In no event will the cumulative value of the unrecovered return be allowed to fall below zero.
- D. AEGCO shall be permitted to include as part of its Net In-Service Investment Numerator amounts subsequently recorded in Accounts 105 and 186 subject to the conditions set forth in the Offer of Settlement in FERC Docket No. ER84-579-000, et al.
- E. Other Special Funds (Account 128), Other Current and Accrued Assets (Accounts 131, 135, 143, 146, 171 and 174), Other Deferred Debits (Accounts 181 and 189), Other Current and Accrued Liabilities (Accounts 232-234, 236, 237, 238, 241 and 242), and Other Deferred Credits (Account 253) shall be directly assigned to unit No. 1 (including Common Facilities) or Unit No. 2 whenever possible. Whenever such direct assignment is not practical, such balances shall be allocated between the units in proportion to the net dependable capability of each of the units.
- F. To recognize that the lease rental expense will be collected monthly but that the lease payment will be paid semiannually, the lease rental payable balance will be reflected as a rate base reduction in calculating the operating ratio and the Unit 2 net-in-service investment ratio as a means to credit the Unit 2 customers for the time value of money.

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5. Investment Balances

For the purpose of calculating the Operating Ratio and Net In-Service Investment Ratio, amounts shall reflect the balances, as recorded on the Company's book in accordance with the FERC Uniform System of Accounts for Major Electric Utilities, outstanding at the end of the previous month, except that when plant greater than or equal to 1% of the prior month ending plant value is transferred into service during the current month, such prior month balances shall be adjusted to reflect such transfers to service. Such adjustment shall be pro-rated for the number of days during the month that such plant addition was in-service.

6. Allocation of Expenses

Operating expenses shall be directly assigned to Unit No. 1 (including Common Facilities) or Unit No. 2 whenever possible. Whenever such direct assignment is not practical, such expenses shall be allocated between the units in accordance with the basis that gave rise to such expense.

AEGCO's operating and maintenance expenses shall include, and AEGCO shall be allowed recovery of, administrative and general expenses, related payroll taxes and other cost, allocated to AEGCO by I&M as operator of the Rockport Plant or incurred directly by AEGCO.

I&M shall allocate to AEGCO, a portion of I&M's administrative and general expenses charged to Accounts 920, 921, 922, 923, 924, 925, 926, 931 and 935; related payroll taxes charge to Account 408; and a portion of the expenses of the Rockport Information Center charged to Accounts 506, 511 and 514 that generally relate to Rockport Plant operations. Such charges shall be allocated to AEGCO on the basis of the ratio of AEGCO's share of the Rockport Plant operation and maintenance wages and salaries, divided by the sum of total Rockport Plant operations and maintenance wages and salaries, plus all other I&M operation and maintenance wages and salaries, less I&M's administrative and general wages and salaries. For the period beginning December 10, 1984 and ending December 31, 1985 this ratio will be developed based on actual 1985 amounts. In subsequent calendar years, this ratio will be adjusted annually based on the prior calendar year's amounts.

AEGCO's operation and maintenance expenses shall also include, and AEGCO shall be allowed recovery of, other administrative and general expenses directly incurred by AEGCO and included in the appropriate administrative and general expense accounts.

BILLINGS AND PAYMENTS

All bills for amounts owing hereunder shall be due and payable on the fifteenth day of the month next following the month or other period to which such bills are applicable, or on the tenth day following receipt of the bill, whichever date is later. Interest on unpaid amounts shall accrue daily at the prime interest rate per annum in effect on the due date at the

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Citibank, plus 2% per annum, from the due date until the date upon which payment is made. Unless otherwise agreed upon, the calendar month shall be the standard period for the purpose of settlements under this Agreement. If bills cannot be accurately determined at any time, they shall be rendered on an estimated basis and subsequently adjusted to conform to the terms of the unit power agreements.

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AEP GENERATING COMPANY SAMPLE POWER BILL SUMMARY OF MONTHLY POWER BILL

Line		<u>Amount</u>
<u>No.</u> 1	Return on Common Equity	
2	Return on Other Capital	
_	rotain on ourse capital	
3	Total Return	
4	+ Fuel	
5	+ Purchased Power	
6	- Other Operating Revenues	
7	+ Other Operation and Maintenance Exp	
8	- Depreciation, Amortization and Accretion Expenses	
9	+ Taxes Other Than Federal Income Tax	
10	+ Federal and State Income Tax	
4.4	Total Hait 4 Manthly Davies Dill	
11	= Total Unit 1 Monthly Power Bill	
10	Determination of Endard Income Tay :	==========
12	Determination of Federal Income Tax :	
13	Total Return (Line 3)	
14	+ Unit 1 Schedule M Adjustments	
15	+ Unit 1 Deferred Federal Income Taxes	
16	- Unit 1 Interest Expense Deduction *	
10	Office interest Expense Deduction	
17	= Subtotal	
18	x Gross-Up (FIT Rate / 1-FIT Rate)	
19	= Unit 1 Current Federal Income Tax	
20	+ Unit 1 Def Fed & State Income Taxes	
21	= Total Unit 1 Fed&State Income Taxes	
		=======================================
22	Proof of Federal Income Tax :	
23	Total Unit 1 Annual Monthly Power Bill	
24	- Operation and Maintenance Expenses	
25	- Depreciation, Amortization and Accretion Expenses	
26	- Taxes Other Than Federal Income Tax	
27	- Unit 1 Interest Expense Deduction *	
28	+ Other Operating Revenues	
29	= Pre-Tax Book Income	
30	+ Unit 1 Schedule M Adjustments	
30	+ Office Toolleddie W. Adjustifierits	
31	= Unit 1 Taxable Income	
32	x Current Federal Income Tax Rate	
33	= Unit 1 Current Federal Income Tax	
34	+ Unit 1 Def Fed & State Income Taxes	
35	= Total Unit 1 Fed&State Income Taxes	
		==========
	* From Page 54 of 18 : Line 21 + (Line 28 x Line 31 x Line 32)	

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AEP GENERATING COMPANY SAMPLE POWER BILL OPERATING RATIO

No.		<u>Amount</u>
1	Operating Ratio:	
2	Net In-Service Investment:	
3 4 5 6 7 8 9 10 11	Electric Plant In-Service - Accumulated Depreciation + Materials & Supplies + Prepayments + Plant Held For Future Use (A/C 105) * + Other Deferred Debits (A/C 186) * + Other Working Capital *** + Unamortized Debt Expense (A/C 181, 189) - Other Deferred Credits (A/C 253) - Accumulated Deferred FIT	
13 14	- Accumulated Deferred ITC Total Net In-Service Investment	
15	Non-In-Service Investment - CWIP :	
16 17 18	Construction Work In Progress + Materials & Supplies - Accumulated Deferred FIT	
19	Total Non-In-Service Investment - CWIP	
20	Non-In-Service Investment - Other :	
21 22 23	Plant Held for Future Use (A/C 105) ** + Other Deferred Debits (A/C 186) ** + Fuel Inventory Over Allowed Level ****	
24	Total Non-In-Service Investment - Other	
25	Total Investment (Lines 14+19+24)	
26	Operating Ratio (Line 14/Line 25)	
27	Non-In-Service Investment-CWIP Ratio (Line 19/Line 25)	
28	Non-In-Service Investment-Other Ratio (Line 24/Line 25)	
Exclu	Total Investment ermitted By FERC adding Amounts on Lines 7 and 8 units 128, 131, 135, 143, 146, 171 and 174, Less Accounts 232-234, 236, 237, 238, 241	

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

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

Line No.		<u>Amount</u>
1	Net In-Service Investment Ratio:	
2	Unit 1 Net In-Service Investment:	
3 4 5 6 7 8 9 10 11 12 13	Electric Plant In-Service - Accumulated Depreciation + Materials & Supplies + Prepayments + Plant Held For Future Use (A/C 105) * + Other Deferred Debits (A/C 186) * + Other Working Capital ** + Unamortized Debt Expense (A/C 181, 189) - Other Deferred Credits (A/C 253) - Accumulated Deferred FIT - Accumulated Deferred ITC	
14	Total Unit 1 Net In-Service Investment	
15	Unit 2 Net In-Service Investment:	
16 17 18 19 20 21 22 23 24 25 26 27	Electric Plant In-Service - Accumulated Depreciation + Materials & Supplies + Prepayments + Plant Held For Future Use (A/C 105) * + Other Deferred Debits (A/C 186) * + Other Working Capital ** + Unamortized Debt Expense (A/C 181, 189) - Other Deferred Credits (A/C 253) - Accumulated Deferred FIT - Accumulated Deferred ITC Total Unit 2 Net In-Service Investment Total Net In-Service Investment	
29	Net In-Service Investment Ratio:	
30	Unit 1 (Line 14 / Line 28)	
31	Unit 2 (Line 27 / Line 28)	
	* As Permitted By FERC ** Accounts 128, 131, 135, 143, 146, 171 and 174,	========

Less Accounts 232-234, 236, 237, 238, 241 and 242

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

Line No.		<u>Amount</u>
1	Net Capitalization:	
2	Long-Term Debt	
3	+ Short-Term Debt	
4 5	+ Preferred Stock + Common Equity	
6	- Temporary Cash Investments	
7	Net Capitalization	
8	40% of Net Capitalization	
9	Return on Common Equity:	
10	Lesser of Line 5 or Line 8	
11	x Equity Return (Monthly Rate)	
12 13	= Equity Returnx Operating Ratio	
14	x Net In-Service Investment Ratio	
15	= Subtotal	
16	Excess of Line 5 Over Line 8	
17	x Weighted Cost of Debt (Monthly Rate)	
18	= Return on Equity over 40% of Capitalization	
19 20	x Operating Ratio x Net In-Service Investment Ratio	
21	= Subtotal	
00	11 % 4 B + E - % 4 % - 4 5 - 1 % - 0 4 %	
22	Unit 1 Return on Equity (Line 15 + Line 21)	=========
23	Return on Other Capital:	
24	Long-Term Debt Interest Expense (A/C 427-429)	
25	+ Short-Term Debt Interest Expense (A/C 434 <u>0</u>)	
26	+ Other Interest Expense (A/C 428-431) - Temporary Cash Investment Income *	
27	- Temporary Cash investment income	
28	= Net Interest Expense	
29	+ Preferred Stock Dividends (a/c 437)	
30	= Net Cost of Other Capital	
31	x Operating Ratio	
32	x Net In-Service Investment Ratio	
33	= Unit 1 Return on Other Capital	
		=========

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

Line No.		Amount
1	Debt Balances (Prior Month Ending) :	
2 3 4 5	Long-Term Debt + Short-Term Debt + Other Debt Total Debt Balances (Prior Month Ending)	
6	Weighting of Debt Balances :	
7 8 9	Long-Term Debt + Short-Term Debt + Other Debt Total Debt Balances	
10	Total Debt Balances	=========
11	Debt Cost Rates:	
12 13 14	Long-Term Debt Short-Term Debt Other Debt	
15	Weighted Cost of Debt :	
16 17 18	Long-Term Debt + Short-Term Debt + Other Debt	
19	Total Weighted Cost of Debt	

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

Line No.		Amount
1	Unit 1 Materials and Supplies:	
2	Fuel Stock - Coal (per Line 23)	
3	Fuel Stock Expenses - Undistributed (152)	
4	Fuel Stock - Oil (151)	
5	Plant Materials & Operating Supplies	
6	Merchandise	
7	Undistributed Stores Expense	
8	Total Materials & Supplies	
9	Support of Coal Inventory Value:	========
10	Actual Cool Inventory (A/C 151 10)	
10	Actual Coal Inventory (A/C 151.10) + Equivalent Inventory re: Deferred Return	
11	+ Equivalent inventory re. Defende Return	
12	- Imputed Coal Inventory	
12	= Imputed Coal Inventory	
13	Coal Inventory W/ 75 68 Day Supply Cap	
14	Tons Consumed	
15	/ Hours Available *	
16	= Tons Consumed per Hour	
17	x 24 Hours per Day	
18	= Tons Consumed Per Day	
19	x 75 <u>68</u> days	
20	= 75 68/day Supply (Tons)	
21	x Coal Cost per Ton (per A/C 151.10 at End of Prior Month)	
21	A Codi Cost per for (per 700 for 10 f. 10 dt End of Frior Month)	
22	= 75 68 day Coal Inventory	
22	= 70 <u>00</u> day obal involutiy	
23	Lesser of Imputed or Capped Coal Inventory	
20	200001 of impulsed of suppose sout involvery	
24	Imputed Inventory Minus Line 23	
		========
25	Accumulated Deferred Inventory Return - Unit 1 (Memo Item):	
26	Beginning Balance	
27	+ Current Month Return on Beginning Balance	
28	+ Current Month Deferral	
29	- Current Month Recovery	
20	Suit Site Michael (1000 Voly	
30	= Ending Balance **	
50	- Litariy Dalario	

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

^{**} May Not Be Less Than Zero

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AEP GENERATING COMPANY SAMPLE POWER BILL DETAIL OF OTHER OPERATING REVENUES

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

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

Line No.	Account No.	<u>Description</u>	<u>Amount</u>
1	500, 502-508	Steam Power Generation - Operation	
2	501	Fuel - Operation	
3	510-515	Steam Power Generating - Maintenance	
4		Total Steam Power Generation Expenses	
5	555-557	Other Power Supply Expenses	
6	560-567.1	Transmission Expenses - Operation	
7	568-574	Transmission Expenses - Maintenance	
_			
8		Total Transmission Expenses	
•	500 500	District E	
9	580-589	Distribution Expenses - Operation	
10	590-598	Distribution Expenses - Maintenance	
11		Total Distribution Expenses	
12	901-905	Customer Accounts Expenses - Operation	
13	906-910	Customer Service and Informational Expenses - Operation	
14	911-917	Sales Expenses - Operation	
15	920-933	Administrative and General Expenses - Operation	
16	935	Administrative and General Expenses -	
10	300	Maintenance	
17		Total Administrative & General Exp.	
18		Total Operation & Maintenance Expenses	
		·	========

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AEP GENERATING COMPANY SAMPLE POWER BILL DETAIL OF DEPRECIATION, EXPENSE & AMORTIZATION AND ACCRETION EXPENSES

Line No.	Account <u>No.</u>	<u>Description</u>	<u>Amount</u>
1 <u>1a</u>	403 <u>403.1</u>	Depreciation Expense ARO Depreciation Expense	
2	404	Amortization of Limited-Term Electric Plant	
3	405	Amortization of Other Electric Plant	
4	406	Amortization of Electric Plant Acquistion Adjustments	
5	407	Amortization of Property Losses, Unrecovered Plant and Regulatory Study Costs	
6		Total Depreciation Exp. & Amortization	
<u>7</u>	<u>411.10</u>	ARO Accretion Expense	
<u>8</u>		Total Depreciation, Amortization & Accretion Expenses	

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

Line No. BS1	Account <u>No.</u>	<u>Description</u> Amount	
1	408.1	Taxes Other Than Federal Income Taxes, Utility Operating Income	
2	409.1	State Income Taxes	
2		Total Taxes Other than FIT	
3		Total Taxes Other than FTI	

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

Line No.	Account <u>No.</u>	<u>Description</u>	<u>Amount</u>
1		Unit 1 Schedule `M' Adjustments	
2	N/A	Excess ACRS Over Normalization Base Depreciation	
3	N/A	Excess Normalization Base Over Book Depreciation	
4	N/A	Other Unit 1 Schedule `M' Adjustments	
5		Total Unit 1 Schedule `M' Adjustments_*	=======
6		Unit 1 Deferred Federal Income Tax	
7	410.1	Excess ACRS Over Norm. Base Depr. (Line 2 x FIT Rate * -1)	
8	410.1, 411.1	Other Unit 1 Schedule `M' Adjustments -	
9	410.1	Feedback of Deferred State Income Taxes	
9	411.1	Feedback of Accumulated DFIT re: ABFUDC - Unit 1 Negative Amount Denotes Reduction.	
11 10	411.1	Feedback of Accumulated DFIT re: Overheads Capitalized - Unit 1	
12	411.1	Feedback of Accumulated DFIT - Other	
13 <u>11</u>	411.1	Feedback of Accumulated DFIT re: Other Schedule `M' AdjUtility	
14 <u>12</u>		Total Unit 1 Deferred Federal and State Income Tax *	

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

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

Line No.	Account <u>No.</u>	<u>Description</u>	<u>Amount</u>
1		ELECTRIC PLANT IN SERVICE	
2	101	Electric Plant In Service	
3	102	Electric Plant Purchased	
4	103	Experimental Elec. Plant Unclassified	
5	103.1	Electric Plant In Process of Reclassification	
6	104	Electric Plant Leased to Others	
7	106	Completed Construction Not Classified	
8	114	Electric Plant Acquisition Adjustments	
9	116	Other Electric Plant Adjustments	
10	118	Other Utility Plant	
10	110	Other Othicy Flant	
11		Total Electric Plant In Service	
12	105	Plant Held For Future Use	
13		ACCUMULATED DEPRECIATION	
14	10 <mark>68</mark>	Accumulated Provision for Depreciation of Electric Utility Plant	
15	110	Accumulated Provision for Depreciation and Amort. of Elec. Utility Plant	
16	111	Accumulated Provision for Amortization of Electric Utility Plant	
17	115	Accumulated Provision for Amortization of Electric Plant Acquisition Adjustments	
18	119	Accumulated Provision for Depreciation and Amortization of Other Utility Plant	
19		Total Accumulated Depreciation	
20		MATERIAL AND SUPPLIES	
21	151	Fuel Stock	
22	152	Fuel Stock Expenses - Undistributed	
23	153	Residuals	
24	154	Plant Materials and Operating Supplies	
25	155	Merchandise	
26	156	Other Materials and Supplies	
27	163	Stores Expense Undistributed	
28		Total Materials and Supplies	
		(In-Service Portion)	
	40=		
29	165	Prepayments	
	4	04 - D. (- 1 D. 1 %	
30	186	Other Deferred Debits	

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

			<u>Amount</u>
Line	Account		
No.	No.	Description *	
	400		
1	128	Other Special Funds	
2	131	Cash	
3	135	Other Intra Company Adjustments	
4	143	Accounts Receivable-Miscellaneous	
5	146	Accounts Receivable-Associated Company	
6	171	Interest and Dividends Receivable	
7	174	Miscellaneous Current and Accrued Assets	
8	232	Accounts Payable-General	
9	234	Accounts Payable-Associated Company	
10	236	Taxes Accrued	
11	237	Interest Accrued	
12	238	Dividends Declared	
13	241	Tax Collections Payable	
14	242	Misc Current and Accrued Liabilities	
15		Total Other Working Capital	
			=======
16	181+ 189	Unamortized Debt Expense	
. •		, 	
17	253	Other Deferred Credits	

^{*} debit <credit>

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

Line	Account		<u>Amount</u>
<u>No.</u>	No.	<u>Description</u>	
31		ACCUMULATED DEFERRED INCOME TAXES	
32	190	-Accumulated Deferred Income Taxes	
33	281	+Accumulated Deferred Income Taxes -	
33	201	Accelerated Amortization Property	
34	282	+Accumulated Deferred Income Taxes -	
01	202	Other Property	
35	283	+Accumulated Deferred Income Taxes -	
		Other	
36		Total Accumulated Deferred Income	
		Taxes (In-Service Portion)	
37	255	+Accumulated Deferred Investment Tax	
		Credits	
38	186.50	-Accumulated Deferred Investment Tax	
		Credit	
39		Total Accumulated Deferred Investment	
		Tax Credits	
40		Total Net In-Service Investment -	
		Unit 1	
			=========

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

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

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AEP GENERATING COMPANY SAMPLE POWER BILL DETAIL OF NET CAPITALIZATION

Line No.	Account No.	<u>Description</u>	<u>Amount</u>
1		COMMON CAPITAL STOCK	
2	201	Common Stock Issued	
3	202	Common Stock Subscribed	
4	203	Common Stock Liability for Conversion	
5	209	Reduction In Par or Stated Value of Capital Stock	
6	210	Gain on Resale or Cancellation of	
		Reacquired Capital Stock	
7	212	Installments Received on Capital Stock	
8	214	Capital Stock Expense	
9	217	Reacquired Capital Stock	
10		Total Common Capital Stock	
11		OTHER PAID-IN CAPITAL	
12	207	Premium on Capital Stock	
13	208	Donations Received from Stockholders	
14	211	Miscellaneous Paid-In Capital	
15	213	Discount on Capital Stock	
. •		2.000 dan 0.00 dap 1.00 dan 0.00 da	
16		Total Other Paid-In Capital	
17		RETAINED EARNINGS	
18	215	Appropriated Retained Earnings	
19	215.1	Appropriated Retained Earnings-	
		Amortization Reserve, Federal	
20	216	Unappropriated Retained Earnings	
		3.	
21		Total Retained Earnings	
22		Total Common Equity	
23		PREFERED CAPITAL STOCK	
24	204	Preferred Stock Issued	
25	205	Preferred Stock Subscribed	
26	206	Preferred Stock Liability	
-		for Conversion	
27		Total Preferred Capital Stock	
		•	

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

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

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

Line No.		<u>Amount</u>
1	Capitalization Balances (Prior Month Ending) :	
2	Long-Term Debt	
3	+ Short-Term Debt	
4	+ Preferred Stock	
5	+ Common Equity	
6	- Capitalization Offsets	
•		
7	Total Capitalization Balances	
	•	========
8	Weighting of Capitalization Balances :	
9	Long-Term Debt	
10	+ Short-Term Debt	
11	+ Preferred Stock	
12	+ Common Equity	
13	- Capitalization Offsets	
	·	
14	Total Capitalization	
15	Capitalization Cost Rates :	
16	Long-Term Debt	
17	Short-Term Debt	
18	Preferred Stock	
19	Common Equity	
20	Capitalization Offsets	
21	Rate of Return (Net of Tax) :	
22	Long-Term Debt	
23	+ Short-Term Debt	
24	+ Preferred Stock	
25	+ Common Equity	
26	- Capitalization Offsets	
27	Total Rate of Return (Net of Tax)	
		========
28	Weighted Net Cost of Debt	
00	. Dre Toy Common Faulty (Line 05 / co 05)	
29	+ Pre-Tax Common Equity (Line 25 / .66 .65)	
20	- Pote of Poturn (Pro Toy)	
30	= Rate of Return (Pre-Tax)	========

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Unit Power Service Agreement Between AEP Generating Company and Kentucky Power Company

Clean Version

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AEP Generating Company FERC Rate Schedule No. 2 Unit Power Service to Kentucky Power Company

Tariff Submitter: AEP Generating Company FERC Tariff Program Name: FPA Electric

Tariff Title: RS and SA

Tariff Record Proposed Effective Date: December 31, 2012

Tariff Record Title: Kentucky Power Company Unit Power Agreement

Option Code: A

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UNIT POWER AGREEMENT

THIS AGREEMENT dated as of August 1, 1984 by and between KENTUCKY POWER COMPANY ('KEPCO") and AEP GENERATING COMPANY ("AEGCO").

WITNESSETH:

WHEREAS, AEGCO, a subsidiary company of American Electric Power Company, Inc. ("AEP") under the Public Utility Holding Company Act of 1935 (the "1935 Act"), is part owner of the Rockport Steam Electric Generating Plant presently under construction at a site along the Ohio River near the Town of Rockport, Indiana, which will consist of two 1,300,000-kilowatt fossil-fired steam electric generating units and associated equipment and facilities (the "Rockport Plant"), the first unit ("Unit No. 1") of which is presently expected to be placed in commercial operation on or about December 1, 1984 and the second unit ("Unit No. 2") of which is presently expected to be placed in commercial operation in 1988; and

WHEREAS, AEGCO entered into an Owners' Agreement, dated March 31, 1982, as amended, (the "Owners' Agreement"), with Indiana & Michigan Electric Company ("IMECO") and KEPCO, other subsidiary companies of AEP under the 1935 Act, pursuant to which AEGCO and KEPCO planned to acquire 35% and 15% undivided ownership interests from IMECO respectively, as tenants in common without right of partition, in the Rockport Plant which, upon completion of the construction of Unit No. 1, is thereafter to be operated as a part of the interconnected, integrated electric system comprising the American Electric Power System (the "AEP System"); and

WHEREAS, the Owners' Agreement, as amended, provides that if KEPCO is unable to obtain timely regulatory approval to acquire and directly own its intended 15% ownership interest in the Rockport Plant by the date test power and energy becomes available from Unit No. 1, which is anticipated to occur not earlier than September 1, 1984, or, if such regulatory approval is limited or restricted in any manner as to make performance by KEPCO impossible, impractical or uneconomic, then, AEGCO may and proposes to acquire the 15% undivided ownership interest intended for KEPCO; and

WHEREAS, if AEGCO acquires the 15% undivided ownership interest intended for KEPCO then AEGCO proposes, upon completion of the construction of Unit No. 1 and the completion thereafter of the construction of Unit No. 2, to make available to KEPCO, pursuant to this agreement, 30% of the available power (and the energy associated therewith) to which AEGCO shall from time to time be entitled at the Rockport Plant, which amount is equivalent to the 15% ownership interest intended for KEPCO; and

WHEREAS, IMECO proposes to complete the construction of the Rockport Plant pursuant to the provisions of the Owners' Agreement, as amended, and, upon completion of such construction, to operate the Rockport Plant pursuant to an operating agreement entered into by IMECO, AEGCO and KEPCO in accordance with the Owners' Agreement;

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NOW, THEREFORE, in consideration of the terms and of the agreements hereinafter set forth, the parties hereto agree with each other that if AEGCO acquires the 15% undivided ownership interest intended for KEPCO then:

- 1.1 AEGCO shall, subject to the provisions and upon compliance with the then applicable requirements of Section 2.1 of this agreement, make available, or cause to be made available, to KEPCO 30% of the power (and the energy associated therewith) which shall be available to AEGCO at the Rockport Plant.
- 1.2 KEPCO shall, subject to the provisions and upon compliance with the then applicable requirements of Section 2.2 of this agreement, be entitled to receive 30% of the power (and the energy associated therewith) which shall be available to AEGCO at the Rockport Plant and KEPCO agrees to pay to AEGCO in consideration for the right to receive that 30% of the power (and the energy associated therewith) available to AEGCO at the Rockport Plant those amounts which IMECO would have paid AEGCO under the terms of the IMECO-AEGCO Unit Power Agreement, for KEPCO's entitlement as defined in this agreement. KEPCO shall commence the payment of such amounts to AEGCO on the earlier of the following dates: (i) June 30, 1985 and, (ii) the date of commercial operation of Rockport Unit No. 1.
- 2.1 The performance of the obligations of AEGCO hereunder shall be subject to the receipt and continued effectiveness of all authorizations of governmental regulatory authorities at the time necessary to permit AEGCO to perform its duties and obligations hereunder, including the receipt and continued effectiveness of all authorizations by governmental regulatory authorities at the time necessary to permit the completion by IMECO of the construction of the Rockport Plant, the operation of the Rockport Plant, and for AEGCO to make available to KEPCO 30% of the power (and the energy associated therewith) available to AEGCO at the Rockport Plant. AEGCO shall use its best efforts to secure and maintain all such authorizations by governmental regulatory authorities.
- The performance of the obligations of KEPCO hereunder shall be subject to the receipt and continued effectiveness of all authorizations of governmental regulatory authorities necessary at the time to permit KEPCO to perform its duties and obligations hereunder, including the receipt and continued effectiveness of all authorizations by governmental regulatory authorities necessary at the time to permit KEPCO to pay to AEGCO in consideration for the right to receive 30% of the power (and the energy associated therewith) available to AEGCO at the Rockport Plant the charges provided for in Section 1.2 of this agreement. KEPCO shall use its best efforts to secure and maintain all such authorizations by governmental regulatory authorities. KEPCO shall, to the extent permitted by law, be obligated to perform its duties and obligations hereunder, subject to then applicable provisions of this Section 2.2, (a) whether or not AEGCO shall have received all authorizations of governmental regulatory authorities necessary to permit AEGCO to perform its duties and obligations hereunder, (b) whether or not such authorizations, or any such authorization, shall at any time in question be in effect, and (c) so long as AEGCO and KEPCO shall continue to be subsidiary companies of AEP (as said term is defined in Section 2(a)(8) of the 1935 Act) or a successor thereto, whether or not, at any time in question, KEPCO shall have performed its duties and obligations under this agreement. In the event that either AEGCO or KEPCO shall cease to be such a subsidiary company, then and thereafter KEPCO shall not be relieved of its obligation to make payments

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pursuant to Section 1.2 of this agreement by reason of the failure of AEGCO to perform its duties and obligations hereunder occasioned by Act of God, fire, flood, explosion, strike, civil or military authority, insurrection, riot, act of the elements, failure of equipment, or for any other cause beyond the control of AEGCO; provided that, in any such event, AEGCO shall use its best efforts to put itself in a position where it can perform its duties and obligations hereunder as soon as is reasonably practicable.

- 3. To the extent that it may legally do so, KEPCO and AEGCO each hereby irrevocably waives any defense based on the adequacy of a remedy at law which may be asserted as a bar to the remedy of specific performance in any action brought against it for specific performance of this agreement by KEPCO, by AEGCO, or by a trustee under any mortgage or other debt instrument which KEPCO or AEGCO may, subject to requisite regulatory authority, enter into, or by any receiver or trustee appointed for KEPCO or AEGCO under the bankruptcy or insolvency laws of any jurisdiction to which KEPCO or AEGCO is or may be subject; provided, however, that nothing herein contained shall be deemed to constitute a representation or warranty by KEPCO or AEGCO that the respective obligations of KEPCO or AEGCO under this agreement are, as a matter of law, subject to the equitable remedy of specific performance.
- 4. KEPCO shall not be entitled to set off against any payment required to be made by KEPCO under this agreement (i) any amounts owed by AEGCO to KEPCO or (ii) the amount of any claim by KEPCO against AEGCO. The foregoing, however, shall not affect in any other way the rights and remedies of KEPCO with respect to any such amounts owed to KEPCO by AEGCO or any such claim by KEPCO against AEGCO.
- 5. The invalidity and unenforceability of any provision of this agreement shall not affect the remaining provisions hereof.
- 6. This agreement shall become effective with the date of commercial operation of Rockport Unit No. 1 and shall continue in effect through December 7, 2022.
- 7. This agreement shall be binding upon the parties hereto and their successors and assigns, but no assignment hereof, or of any right to any funds due or to become due under this agreement, shall in any event relieve either KEPCO or AEGCO of any of their respective obligations hereunder, or, in the case of KEPCO, reduce to any extent its entitlement to receive 30% of the power (and the energy associated therewith) available to AEGCO from time to time at the Rockport Plant.
- 8. The agreements herein set forth have been made for the benefit of KEPCO and AEGCO and their respective successors and assigns, and no other person shall acquire or have any right under or by virtue of this agreement.
- 9. KEPCO and AEGCO may, subject to the provisions of this agreement, enter into a further agreement or agreements between KEPCO and AEGCO setting forth detailed terms and provisions relating to the performance by KEPCO and AEGCO of their respective obligations under this agreement. No agreement entered into under this Section 9 shall, however, alter to any substantive degree the obligations of either party to this agreement in any manner inconsistent with any of the foregoing sections of this agreement.

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10. KEPCO shall, at any time and from time to time, be entitled to assign all of its right, title and interest in and to all of the power (and the energy associated therewith) to which KEPCO shall be entitled under this agreement, but KEPCO shall not, by such assignment, be relieved of any of its obligations and duties under this agreement except through the payment to AEGCO, by or on behalf of KEPCO, of the amount or amounts which KEPCO shall be obligated to pay pursuant to the terms of this agreement.

IN WITNESS WHEREOF, the parties hereto have caused this agreement to be duly executed as of the day and year first above written.

By
Vice President
KENTUCKY POWER COMPANY
Ву
President

AEP Generating Company

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RATE DESIGN

The total revenue requirement of AEGCO calculated pursuant to the IMECO-AEGCO Unit Power Agreement designated AEGCO FERC Rate Schedule No. 1 is designed to recover for AEGCO its total cost of providing power (and the energy associated therewith) available to AEGCO at the Rockport Plant.

DETERMINATION OF POWER BILL

In accordance with Section 1.3 of the Unit Power Agreement, I&M agrees to pay AEGCO in consideration for the right to receive all power (and the energy associated therewith) available to AEGCO at the Rockport Plant, as a demand charge for the right to receive such power (and as an energy charge for any associated energy taken by I&M), such amounts, less any amounts recovered by AEGCO from other sources, as shall be determined monthly as described below. Such amounts shall be calculated separately for Unit No. 1 (including Common Facilities) and for Unit No. 2. I&M shall then commence the payment of such amounts (power bill) on the earlier of the following dates: (i) June 30, 1985 and (ii) the date on which power including any test power, and any energy associated therewith, shall become available to AEGCO at the Rockport Plant.

The power bill for Unit No. 1 (including Common Facilities) shall be calculated each month and shall reflect recovery only of those costs related to the plant in service. It shall consist of the sum of (a) a return on common equity, (b) a return on other capital, (c) recovery of operating expenses and (d) provision for federal income taxes as described below and as illustrated in the example attached.

(a) Return on Common Equity, which shall be equal to the product of (i) the amount of common equity outstanding at the end of the previous month, but not more than 40% of the capitalization of AEGCO at the end of the previous month; (ii) 1.0133 (12.16% annual rate) as described in Note 1 below; (iii) the Operating Ratio, as defined in Note 2 below; and (iv) the Unit No. 1 Net In-Service Investment Ratio, as defined in Note 3 below, plus the product of (v) the amount of common equity in excess of 40% of the capitalization of AEGCO at the end of the previous month, if any such excess shall be determined; (vi) the weighted cost of debt outstanding at the end of the previous month; (vii) the Operating Ratio, as defined in Note 2 below; and (viii) the Unit No. 1 Net In-Service Investment Ratio, as defined in Note 3 below.

For the purposes of these calculations, the amount of common equity shall be equal to the sum of the Common Stock (Accounts 201-203, 209, 210, 212, 214 and 217), Other Paid-In Capital (Accounts 207, 208, 211 and 213), and Retained Earnings (Accounts 215-216) outstanding at the end of the previous month. Total capitalization shall be equal to the sum of Long-term Debt (Accounts 221-226 including current maturities and unamortized debt premium and discounts), Short-Term Debt (Accounts 231 and 233), Preferred Stock (Accounts 204-206), and Common Equity less any Temporary Cash Investments, Special

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Deposits and Working Funds (Accounts 132-134, 136, and 145) outstanding at the end of the previous month.

(b) Return on Other Capital, which shall be equal to the product of (i) the amount equal to the net interest expense associated with Long-Term and Short-Term Debt, net of any Temporary Cash Investments, Special Deposits and Working Funds, plus the preferred stock dividend requirement associated with the Preferred Stock outstanding at the end of the previous month; (ii) the Operating Ratio, as defined in Note 2 below; and (iii) the Unit No. 1 Net In-Service Investment Ratio, as defined in Note 3 below.

For the purposes of these calculations, net interest expense shall be equal to the sum of (i) the amount of Long-Term Debt outstanding at the end of the previous month multiplied by the weighted cost of such Long-Term Debt and (ii) the amount of Short-Term Debt outstanding at the end of the previous month multiplied by the weighted cost of such Short-Term Debt, less (iii) the amount of Temporary Cash Investments, Special Deposits and Working Funds outstanding at the end of the previous month multiplied by the weighted cost of Long Term and Short-Term Debt combined determined pursuant to (i) and (ii) above.

- (c) Recovery of Operating Expenses, excluding federal income taxes, which shall consist of provision for depreciation and amortization (Accounts 403-407, 411), including Asset Retirement Obligation (ARO) depreciation and accretion expenses (Accounts 403.1 and 411.10), taxes other than federal income taxes (Accounts 408-411) and operating and maintenance expenses associated with Unit No. 1 (including Common Facilities) offset by other operating revenues as recorded on the Company's books during the month in accordance with the FERC Uniform System of Accounts for Major Electric Utilities (See Note 6). Recovery of expenses for test energy shall be limited to recovery of actual fuel expense as recorded on the Company's books during the month in accordance with the FERC Uniform System of Accounts for Major Electric Utilities. Operating and maintenance expenses shall include, and reflect the recovery of, Steam Power Generation Expenses (Accounts 500-515 including lease rental payments recorded in Account 507), Other Power Supply Expenses (Accounts 555-557), Transmission Expenses (Accounts 560-574), Distribution Expenses (Accounts 580-598), Customer Accounts Expenses (Accounts 901-905), Customer Service and Informational Expenses (Accounts 906-910), Sales Expenses (Accounts 911-917) and Administrative and General Expenses (Accounts 920-933 and 935). Recovery of 501 fuel expenses shall be adjusted to reflect the deferral and/or feedback of unrecovered levelized fuel expenses as may be recorded on the Company's books or as is currently recorded on the books of I&M.
- (d) Provision for Unit No. 1's (including Common Facilities) allocated share of net current and deferred federal income tax expense and investment tax credit included in operating income as determined by the Company in accordance with federal income tax law, SEC approved consolidated current tax allocation procedures, and FERC rules and regulations.

For purposes of computing federal income taxes, the interest expense deduction shall be equal to the sum of the net interest expense computed in accordance with paragraph (b)

above plus the imputed interest expense associated with common equity that is in excess of 40% of AEGCO's net capitalization.

The power bill for Unit No. 2 shall be calculated in the same manner as described for Unit No. 1 above except that it shall reflect the Unit No. 2 Net In-Service Investment Ratio and those expenses associated with Unit No. 2.

Notes:

1. Return on Equity

The return on common equity allowance shall be based upon a rate of return of 12.16% as set forth in sub-paragraph (a) above.

In October of 1988, and every October thereafter for the effective duration of AEGCO's formula rate, any purchaser under AEGCO's two unit power agreements, any state regulatory commission having jurisdiction over the retail rates of purchasers under these agreements, or any other entity representing customers' interest, may file a complaint with the Commission with respect to the specified rate of return on common equity. If the Commission, in response to such a complaint, or on its own motion, institutes an investigation into the reasonableness of the specified return on common equity, such investigation shall be pursued under the special procedures set forth as follows:

- A. The only issue to be addressed under these special procedures shall be the continued collection of the return on equity as incorporated in the formula rate; and
- B. Refund will be due, should the return on equity, specified in the formula be found not just and reasonable, dating from the first day of January immediately following the date the complaint is filed or an investigation is instituted by the Commission on its own motion, calculated on the resulting difference in rates due to the application of the return found to be just and reasonable and the return stated in the formula. The first such effective date for the calculation of refunds shall be January 1, 1989.

Any other complaint which challenges the justness and reasonableness of any other component of the filed formula rate or any other complaint filed at any other time which challenges the justness and reasonableness of the specified rate of return on common equity and which is set for investigation by the Commission shall be pursued under Section 206 of the Federal Power Act.

2. Operating Ratio

The Operating Ratio shall be computed each month commencing with the month in which Unit No. 1 at the Plant is placed in commercial operation. It shall be based on the balances, as recorded on the Company's books in accordance with the FERC Uniform

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System of Accounts for Major Electric Utilities, outstanding at the end of the previous month and shall be derived by dividing (a) the amount of Electric Plant In Service (Account 101 including amounts associated with leasehold improvements but excluding amounts associated with capitalized leased assets and excluding amounts associated with Asset Retirement Obligations); less Accumulated Provision for Depreciation and Amortization (Accounts 108 and 111 but excluding amounts associated with Asset Retirement Obligations); plus Plant Held for Future Use (Account 105 pursuant to the provisions of Note 4.D. below); Materials and Supplies (Accounts 151-156 and 163 as adjusted pursuant to the provisions of Note 4.C. below); Other Deferred Debits (Account 186 pursuant to the provisions of Note 4.D. below); Prepayments (Account 165); other working capital (Accounts 128, 131, 135, 143, 146, 171 and 174 less Accounts 232-234, 236, 237, 238, 241 and 242); and Unamortized Debt Expense (Account 181) and Unamortized loss on reacquired debt (Account 189), less Other Deferred Credits (Account 253 including the unamortized gain on the sale of Rockport Unit No. 2); less Accumulated Deferred Federal Income Taxes (Accounts 190 and 281-283) and Accumulated Deferred Investment Tax Credit (Account 255) related to the plant in service by (b) the sum of (i) the amount determined pursuant to (a) plus (ii) the amount of Construction Work In Progress (Account 707) plus Materials and Supplies (Accounts 151-156 and 163), less Accumulated Deferred Federal Income Taxes related to the construction work in progress plus (iii) Plant Held for Future Use (Account 105), Other Deferred Debits (Account 186) and the amount of fuel inventory over the allowed level (Account 151.10) not otherwise included in (a) above.

3. Net In-Service Investment Ratio

The Unit No. 1 Net In-Service Investment Ratio shall be equal to 1.0 during the period commencing with the month in which Unit No. 1 at the Plant is placed in commercial operation and shall remain at 1.0 up to, but not including, the month in which Unit No. 2 at the Plant is placed in commercial operation. Thereafter, the Net In-Service Investment Ratio shall be computed each month, based on the balances, as recorded on the Company's books in accordance with the FERC Uniform System of Accounts for Major Electric Utilities, outstanding at the end of the previous month and shall be derived as follows:

- A. Unit No. 1 Net In-Service Investment Ratio shall be derived by dividing (a) the Net In-Service Investment associated with Unit No. 1 and Common Facilities by (b) the sum of the Net In-Service Investment associated with Unit No. 1 and Common Facilities plus the Net In-Service Investment associated with Unit No. 2.
- B. Unit No. 2 Net In-Service Investment Ratio shall be derived by dividing (a) the Net In-Service Investment associated with Unit No. 2 by (b) the sum of the Net In-Service Investment associated with the Unit No. 1 and Common Facilities plus the Net In-Service Investment associated with Unit No. 2.

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4. Net In-Service Investment

The Net In-Service Investment shall be computed each month commencing with the month in which Unit No. 2 at the Plant is placed in commercial operation. It shall be based on the balances, as recorded on the Company's books in accordance with the FERC Uniform System of Accounts for Major Electric Utilities, outstanding at the end of the previous month and shall consist of the following:

- A. Unit No. 1 Net In-Service Investment shall consist of the sum of Electric Plant in Service (Account 101 including amounts associated with leasehold improvements but excluding amounts associated with capitalized leased assets and excluding amounts associated with Asset Retirement Obligations), Plant Held for Future Use (Account 105 pursuant to the provisions of Note 4.D. below), Materials and Supplies (Accounts 151-156 and 163 pursuant to the provisions of Note 4.C. below), and Prepayments (Account 165), Other Deferred Debits (Account 186 pursuant to the provisions of Note 4.D. below), other working capital (Accounts 128, 131, 135, 143, 146, 171 and 174 less Accounts 232-234, 236, 237, 238, 241 and 242), and Unamortized Debt Expense (Account 181) and Unamortized loss on reacquired debt (Account 189), less Other Deferred Credits (Account 253), less Accumulated Provision for Depreciation and Amortization (Accounts 108 and 111), Accumulated Deferred Federal Income Taxes (Accounts 190 and 281-283) and Accumulated Deferred Investment Tax Credit (Account 255) related to such Unit No. 1 and Common Facilities inservice investment.
- В. Unit No. 2 Net In-Service Investment shall consist of the sum of Electric Plant in Service (Account 101 including amounts associated with leasehold improvements but excluding amounts associated with capitalized leased assets and excluding amounts associated with Asset Retirement Obligations), Plant Held for Future Use (Account 105 pursuant to the provisions of Note 4.D. below), Materials and Supplies (Accounts 151-156 and 163 pursuant to the provisions of Note 4.C. below), Prepayments (Account 165), Other Deferred Debits (Account 186 pursuant to the provisions of Note 4.D. below), other working capital (Accounts 128, 131, 135, 143, 146, 171 and 174 less Accounts 232-234, 236, 237, 238, 241 and 242), and Unamortized Debt Expense (Account 181) and Unamortized loss on reacquired debt (Account 189), less Other Deferred Credits (Account 253 including the unamortized gain on the sale of Rockport Unit No.2), less Accumulated Provision for Depreciation and Amortization (Accounts 108 and 111), Accumulated Deferred Federal Income Taxes (Accounts 190 and 281-283) and Accumulated Deferred Investment Tax Credit (Account 255) related to the Unit No. 2 in-service investment.

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C. AEGCO shall be permitted to earn a return on its fuel inventory, recorded in Account 151.10, not in excess of a 68-day coal supply as defined herein. To the extent AEGCO's actual fuel inventory exceeds the allowable 68-day level, the return on such excess shall be recorded in a memo account. When AEGCO's actual fuel inventory is less than the allowable 68-day level, AEGCO shall be permitted to recover the return previously unrecovered, but in no event shall the power bill reflect a return on fuel inventory in excess of 68-day supply.

A 68-day coal inventory level shall be determined for each unit annually, and shall be based upon the actual experienced daily burn during the preceding calendar year. The actual experienced daily burn shall be defined to exclude the effect of forced and scheduled outages as well as curtailments as follows:

For each unit:

Actual experienced daily burn = 24 hours (

(<u>Tons burned per year</u>) Operating hours

Where:

Operating hours = Hours in year minus forced and scheduled outage hours minus curtailment equivalent outage hours

and

Curtailment equivalent outage hours = The product for each curtailment of:

<u>kW of curtailed capacity</u> x Curtailment hours kW of rated capacity

The value of the allowable 68-day coal supply used to determine each month's power bill shall be equal to the number of tons determined above multiplied by the cost per ton of coal in inventory at the end of the previous month.

For 1990, a 68-day coal supply for AEGCO's share of Rockport Unit No. 2 shall be based on 12 months ending December 1990 data. For 1990 billing purposes, however, a 68-day coal supply for AEGCO's share of Rockport Unit No.2 shall initially be assumed to be equal to the 68-day coal supply for AEGCO's share of Rockport Unit No. 1, adjusted to reflect the Btu content and the unit cost of the coal for Rockport Unit No. 2.

AEGCO shall maintain a cumulative record of the unrecovered return as well as the subsequent recovery of that return as follows:

- i) To the extent that AEGCO's actual fuel inventory exceeds the allowable 68-day coal supply, AEGCO shall record each month an amount equal to the sum of the unrecovered return on fuel inventory and the return on previously unrecovered amounts. The unrecovered return on fuel inventory shall be calculated each month by deriving the difference between the power bill that would result if full recovery were provided and the power bill that results with the 68-day limitation imposed. The return on previously unrecovered amounts shall be calculated by multiplying the cumulative return unrecovered at the end of the previous month by the capital costs used to derive the power bill, adjusted for federal income taxes.
- To the extent that AEGCO's fuel inventory is less than the allowable 68-day coal supply, AEGCO shall record each month an amount equal to the return on previously unrecovered amounts less the recovered return in excess of actual inventory levels. The return on previously unrecovered amounts shall be calculated as described in (i) above. The recovered return in excess of actual inventory levels shall be calculated by deriving the difference between the power bill that would result if actual inventory balances were used and the power bill that results with an imputed inventory level. In no event will the cumulative value of the unrecovered return be allowed to fall below zero.
- D. AEGCO shall be permitted to include as part of its Net In-Service Investment Numerator amounts subsequently recorded in Accounts 105 and 186 subject to the conditions set forth in the Offer of Settlement in FERC Docket No. ER84-579-000, et al.
- E. Other Special Funds (Account 128), Other Current and Accrued Assets (Accounts 131, 135, 143, 146, 171 and 174), Other Deferred Debits (Accounts 181 and 189), Other Current and Accrued Liabilities (Accounts 232-234, 236, 237, 238, 241 and 242), and Other Deferred Credits (Account 253) shall be directly assigned to unit No. 1 (including Common Facilities) or Unit No. 2 whenever possible. Whenever such direct assignment is not practical, such balances shall be allocated between the units in proportion to the net dependable capability of each of the units.
- F. To recognize that the lease rental expense will be collected monthly but that the lease payment will be paid semiannually, the lease rental payable balance will be reflected as a rate base reduction in calculating the operating ratio and the Unit 2 net-in-service investment ratio as a means to credit the Unit 2 customers for the time value of money.

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5. Investment Balances

For the purpose of calculating the Operating Ratio and Net In-Service Investment Ratio, amounts shall reflect the balances, as recorded on the Company's book in accordance with the FERC Uniform System of Accounts for Major Electric Utilities, outstanding at the end of the previous month, except that when plant greater than or equal to 1% of the prior month ending plant value is transferred into service during the current month, such prior month balances shall be adjusted to reflect such transfers to service. Such adjustment shall be pro-rated for the number of days during the month that such plant addition was in-service.

6. Allocation of Expenses

Operating expenses shall be directly assigned to Unit No. 1 (including Common Facilities) or Unit No. 2 whenever possible. Whenever such direct assignment is not practical, such expenses shall be allocated between the units in accordance with the basis that gave rise to such expense.

AEGCO's operating and maintenance expenses shall include, and AEGCO shall be allowed recovery of, administrative and general expenses, related payroll taxes and other cost, allocated to AEGCO by I&M as operator of the Rockport Plant or incurred directly by AEGCO.

I&M shall allocate to AEGCO, a portion of I&M's administrative and general expenses charged to Accounts 920, 921, 922, 923, 924, 925, 926, 931 and 935; related payroll taxes charge to Account 408; and a portion of the expenses of the Rockport Information Center charged to Accounts 506, 511 and 514 that generally relate to Rockport Plant operations. Such charges shall be allocated to AEGCO on the basis of the ratio of AEGCO's share of the Rockport Plant operation and maintenance wages and salaries, divided by the sum of total Rockport Plant operations and maintenance wages and salaries, plus all other I&M operation and maintenance wages and salaries, less I&M's administrative and general wages and salaries. For the period beginning December 10, 1984 and ending December 31, 1985 this ratio will be developed based on actual 1985 amounts. In subsequent calendar years, this ratio will be adjusted annually based on the prior calendar year's amounts.

AEGCO's operation and maintenance expenses shall also include, and AEGCO shall be allowed recovery of, other administrative and general expenses directly incurred by AEGCO and included in the appropriate administrative and general expense accounts.

BILLINGS AND PAYMENTS

All bills for amounts owing hereunder shall be due and payable on the fifteenth day of the month next following the month or other period to which such bills are applicable, or on the tenth day following receipt of the bill, whichever date is later. Interest on unpaid amounts shall accrue daily at the prime interest rate per annum in effect on the due date at the

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Citibank, plus 2% per annum, from the due date until the date upon which payment is made. Unless otherwise agreed upon, the calendar month shall be the standard period for the purpose of settlements under this Agreement. If bills cannot be accurately determined at any time, they shall be rendered on an estimated basis and subsequently adjusted to conform to the terms of the unit power agreements.

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AEP GENERATING COMPANY SAMPLE POWER BILL SUMMARY OF MONTHLY POWER BILL

Line No.		<u>Amount</u>
1	Return on Common Equity	
2	Return on Other Capital	
3	Total Return	
4 5	+ Fuel + Purchased Power	
6	- Other Operating Revenues	
7	+ Other Operation and Maintenance Exp	
8	- Depreciation, Amortization and Accretion Expenses	
9	+ Taxes Other Than Federal Income Tax	
10	+ Federal and State Income Tax	
4.4	T. 111 74 M. 41 B. B.	
11	= Total Unit 1 Monthly Power Bill	
12	Determination of Federal Income Tax :	=======================================
13	Total Return (Line 3)	
14	+ Unit 1 Schedule M Adjustments	
15	+ Unit 1 Deferred Federal Income Taxes	
16	- Unit 1 Interest Expense Deduction *	
	·	
17	= Subtotal	
18	x Gross-Up (FIT Rate / 1-FIT Rate)	
19	= Unit 1 Current Federal Income Tax	
20	+ Unit 1 Def Fed & State Income Taxes	
24	Total Unit 4 Food 9 Ctata Income Tayon	
21	= Total Unit 1 Fed&State Income Taxes	
22	Proof of Federal Income Tax :	=========
23	Total Unit 1 Monthly Power Bill	
24	- Operation and Maintenance Expenses	
25	- Depreciation, Amortization and Accretion Expenses	
26	- Taxes Other Than Federal Income Tax	
27	- Unit 1 Interest Expense Deduction *	
28	+ Other Operating Revenues	
29	= Pre-Tax Book Income	
30	+ Unit 1 Schedule M Adjustments	
04	Heit A Tauchla luccus	
31	= Unit 1 Taxable Income	
32	x Current Federal Income Tax Rate	
33 34	= Unit 1 Current Federal Income Tax + Unit 1 Def Fed & State Income Taxes	
34	T OTHE 1 DELIFER & STATE HICOTHE TAXES	
35	= Total Unit 1 Fed&State Income Taxes	
00	- Total Office I Toda Otato Indone Taxes	==========
	* From Page 4 of 18 : Line 21 + (Line 28 x Line 31 x Line 32)	

**** Includes Rockport 1 and 2

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AEP GENERATING COMPANY SAMPLE POWER BILL OPERATING RATIO

Line No.		<u>Amount</u>
1	Operating Ratio:	
2	Net In-Service Investment:	
3	Electric Plant In-Service	
4	- Accumulated Depreciation	
5	+ Materials & Supplies	
6	+ Prepayments	
7	+ Plant Held For Future Use (A/C 105) *	
8	+ Other Deferred Debits (A/C 186) *	
9	+ Other Working Capital ***	
10	+ Unamortized Debt Expense (A/C 181, 189)	
11	- Other Deferred Credits (A/C 253)	
12	- Accumulated Deferred FIT	
13	- Accumulated Deferred ITC	
14	Total Net In-Service Investment	
15	Non-In-Service Investment - CWIP :	
16 17 18	Construction Work In Progress + Materials & Supplies - Accumulated Deferred FIT	
10	- Accumulated Defended FTI	
19	Total Non-In-Service Investment - CWIP	
20	Non-In-Service Investment - Other :	
21 22 23	Plant Held for Future Use (A/C 105) ** + Other Deferred Debits (A/C 186) ** + Fuel Inventory Over Allowed Level ****	
24	Total Non-In-Service Investment - Other	
25	Total Investment (Lines 14+19+24)	
		=========
26	Operating Ratio (Line 14/Line 25)	
27	Non-In-Service Investment-CWIP Ratio (Line 19/Line 25)	
28	Non-In-Service Investment-Other Ratio (Line 24/Line 25)	
29	Total Investment	
	Permitted By FERC	=========
	uding Amounts on Lines 7 and 8	
*** Acc	ounts 128, 131, 135, 143, 146, 171 and 174, Less Accounts 232-234, 236, 237, 238, 241	and 242

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

Line No.		<u>Amount</u>
1	Net In-Service Investment Ratio:	
2	Unit 1 Net In-Service Investment:	
3	Electric Plant In-Service - Accumulated Depreciation	
5 6	+ Materials & Supplies + Prepayments	
7	+ Plant Held For Future Use (A/C 105) *	
8	+ Other Deferred Debits (A/C 186) *	
9	+ Other Working Capital **	
10	+ Unamortized Debt Expense (A/C 181, 189)	
11	- Other Deferred Credits (A/C 253)	
12	- Accumulated Deferred FIT	
13	- Accumulated Deferred ITC	
14	Total Unit 1 Net In-Service Investment	
15	Unit 2 Net In-Service Investment:	
16	Electric Plant In-Service	
17	- Accumulated Depreciation	
18	+ Materials & Supplies	
19	+ Prepayments	
20	+ Plant Held For Future Use (A/C 105) *	
21	+ Other Deferred Debits (A/C 186) *	
22	+ Other Working Capital **	
23	+ Unamortized Debt Expense (A/C 181, 189) - Other Deferred Credits (A/C 253)	
24 25	- Other Deferred Credits (A/C 255) - Accumulated Deferred FIT	
26	- Accumulated Deferred ITC	
	/ localitation Dolonou II C	
27	Total Unit 2 Net In-Service Investment	
28	Total Net In-Service Investment	
		========
29	Net In-Service Investment Ratio:	
30	Unit 1 (Line 14 / Line 28)	
31	Unit 2 (Line 27 / Line 28)	
	* As Permitted By FERC	========
	** Accounts 128, 131, 135, 143, 146, 171 and 174,	=

Less Accounts 232-234, 236, 237, 238, 241 and 242

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

Line No.		<u>Amount</u>
1	Net Capitalization:	
2 3 4	Long-Term Debt + Short-Term Debt + Preferred Stock	
5 6	+ Common Equity - Temporary Cash Investments	
7	Net Capitalization	
8	40% of Net Capitalization	
9	Return on Common Equity:	
10 11 12 13 14 15	Lesser of Line 5 or Line 8 x Equity Return (Monthly Rate) = Equity Return x Operating Ratio x Net In-Service Investment Ratio = Subtotal	
16 17 18 19 20 21	Excess of Line 5 Over Line 8 x Weighted Cost of Debt (Monthly Rate) = Return on Equity over 40% of Capitalization x Operating Ratio x Net In-Service Investment Ratio = Subtotal	
22	Unit 1 Return on Equity (Line 15 + Line 21)	========
23	Return on Other Capital:	
24 25 26 27	Long-Term Debt Interest Expense (A/C 427-429) + Short-Term Debt Interest Expense (A/C 430) + Other Interest Expense (A/C 431) - Temporary Cash Investment Income *	
28 29	Net Interest Expense+ Preferred Stock Dividends (a/c 437)	
30 31 32	Net Cost of Other Capitalx Operating Ratiox Net In-Service Investment Ratio	
33	= Unit 1 Return on Other Capital	

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

Line No.		<u>Amount</u>
1	Debt Balances (Prior Month Ending) :	
2	Long-Term Debt	
3	+ Short-Term Debt	
4	+ Other Debt	
5	Total Dobt Palangos (Prior Month Ending)	
5	Total Debt Balances (Prior Month Ending)	=========
6	Weighting of Debt Balances :	
7	Long-Term Debt	
8	+ Short-Term Debt	
9	+ Other Debt	
10	Total Debt Balances	
10	Total Debt Balances	
11	Debt Cost Rates :	
12	Long-Term Debt	
13	Short-Term Debt	
14	Other Debt	
15	Weighted Cost of Debt:	
	110 g 110 a 0 0 0 1 0 0 0 1 1	
16	Long-Term Debt	
17	+ Short-Term Debt	
18	+ Other Debt	
19	Total Weighted Cost of Debt	
		=========

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

Line No.		Amount
1	Unit 1 Materials and Supplies:	
2	Fuel Stock - Coal (per Line 23)	
3	Fuel Stock Expenses - Undistributed (152)	
4	Fuel Stock - Oil (151)	
5	Plant Materials & Operating Supplies	
6	Merchandise	
7	Undistributed Stores Expense	
8	Total Materials & Supplies	
9	Support of Coal Inventory Value:	
10	Actual Coal Inventory (A/C 151.10)	
11	+ Equivalent Inventory re: Deferred Return	
	1	
12	= Imputed Coal Inventory	
13	Coal Inventory W/68 Day Supply Cap	
14	Tons Consumed	
15	/ Hours Available *	
16	= Tons Consumed per Hour	
17	x 24 Hours per Day	
18	= Tons Consumed Per Day	
19	x 68 days	
20	= 68 day Supply (Tons)	
21	x Coal Cost per Ton (per A/C 151.10 at End of Prior Month)	
20	60 day Cool Inventory	
22	= 68 day Coal Inventory	
23	Losser of Imputed or Cannod Coal Inventory	
23	Lesser of Imputed or Capped Coal Inventory	
24	Imputed Inventory Minus Line 23	
24	imputed inventory willias Line 23	========
25	Accumulated Deferred Inventory Return - Unit 1 (Memo Item):	
26	Beginning Balance	
27	+ Current Month Return on Beginning Balance	
28	+ Current Month Deferral	
29	- Current Month Recovery	
30	= Ending Balance **	
		========

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

^{**} May Not Be Less Than Zero

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AEP GENERATING COMPANY SAMPLE POWER BILL DETAIL OF OTHER OPERATING REVENUES

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

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

Line No.	Account No.	<u>Description</u>	<u>Amount</u>
1	500, 502-508	Steam Power Generation - Operation	
2	501	Fuel - Operation	
3	510-515	Steam Power Generating - Maintenance	
4		Total Steam Power Generation Expenses	
5	555-557	Other Power Supply Expenses	
6	560-567.1	Transmission Expenses - Operation	
7	568-574	Transmission Expenses - Maintenance	
_			
8		Total Transmission Expenses	
•	500 500		
9	580-589	Distribution Expenses - Operation	
10	590-598	Distribution Expenses - Maintenance	
11		Total Distribution Expenses	
12	901-905	Customer Accounts Expenses - Operation	
13	906-910	Customer Service and Informational Expenses - Operation	
14	911-917	Sales Expenses - Operation	
15	920-933	Administrative and General Expenses - Operation	
16	935	Administrative and General Expenses - Maintenance	
17		Total Administrative & General Exp.	
		·	
18		Total Operation & Maintenance Expenses	
10		Total Operation a Maintenance Expenses	========

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AEP GENERATING COMPANY SAMPLE POWER BILL DETAIL OF DEPRECIATION, AMORTIZATION AND ACCRETION EXPENSES

Line No.	Account No.	<u>Description</u>	<u>Amount</u>
1 1a 2 3 4	404 405 406	Depreciation Expense ARO Depreciation Expense Amortization of Limited-Term Electric Plant Amortization of Other Electric Plant Amortization of Electric Plant Acquistion Adjustments	
5	407	Amortization of Property Losses, Unrecovered Plant and Regulatory Study Costs	
6		Total Depreciation Exp. & Amortization	
7	411.10	ARO Accretion Expense	
8		Total Depreciation, Amortization & Accretion Expenses	

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

Line No. BS1	Account <u>No.</u>	<u>Amount</u> <u>Description</u>
1	408.1	Taxes Other Than Federal Income Taxes, Utility Operating Income
2	409.1	State Income Taxes
3		Total Taxes Other than FIT
		=======================================

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

Line No.	Account <u>No.</u>	<u>Description</u>	<u>Amount</u>
1		Unit 1 Schedule `M' Adjustments	
2	N/A	Excess ACRS Over Normalization Base Depreciation	
3	N/A	Excess Normalization Base Over Book Depreciation	
4	N/A	Other Unit 1 Schedule `M' Adjustments	
5		Total Unit 1 Schedule `M' Adjustments *	=======
6		Unit 1 Deferred Federal Income Tax	
7	410.1	Excess ACRS Over Norm. Base Depr. (Line 2 x FIT Rate * -1)	
8	410.1, 411.1	Other Unit 1 Schedule `M' Adjustments -	
9	411.1	Feedback of Accumulated DFIT re: ABFUDC - Unit 1 Negative Amount Denotes Reduction.	
10	411.1	Feedback of Accumulated DFIT re: Overheads Capitalized - Unit 1	
11	411.1	Feedback of Accumulated DFIT re: Other Schedule `M' AdjUtility	

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

Total Unit 1 Deferred Federal and State Income Tax *

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

Line No.	Account No.	Description	<u>Amount</u>
<u> 140.</u>	110.	<u>Description</u>	
1		ELECTRIC PLANT IN SERVICE	
2	101	Electric Plant In Service	
3	102	Electric Plant Purchased	
4	103	Experimental Elec. Plant Unclassified	
5	103.1	Electric Plant In Process of Reclassification	
6	104	Electric Plant Leased to Others	
7	106	Completed Construction Not Classified	
8	114	Electric Plant Acquisition Adjustments	
9	116	Other Electric Plant Adjustments	
10	118	Other Utility Plant	
11		Total Electric Plant In Service	
12	105	Plant Held For Future Use	
13		ACCUMULATED DEPRECIATION	
14	108	Accumulated Provision for Depreciation of Electric Utility Plant	
15	110	Accumulated Provision for Depreciation	
		and Amort. of Elec. Utility Plant	
16	111	Accumulated Provision for Amortization	
		of Electric Utility Plant	
17	115	Accumulated Provision for Amortization	
		of Electric Plant Acquisition	
		Adjustments	
18	119	Accumulated Provision for Depreciation	
		and Amortization of Other Utility	
		Plant	
19		Total Accumulated Depreciation	
20		MATERIAL AND SUPPLIES	
21	151	Fuel Stock	
22	152	Fuel Stock Expenses - Undistributed	
23	153	Residuals	
24	154	Plant Materials and Operating Supplies	
25	155	Merchandise	
26	156	Other Materials and Supplies	
27	163	Stores Expense Undistributed	
28		Total Materials and Supplies	
		(In-Service Portion)	
		•	
29	165	Prepayments	
30	186	Other Deferred Debits	

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

Lina	A		<u>Amount</u>
Line	Account		
<u>No.</u>	No.	<u>Description *</u>	
1	128	Other Special Funds	
2	131	Cash	
3	135	Other Intra Company Adjustments	
4	143	Accounts Receivable-Miscellaneous	
5	146	Accounts Receivable-Associated Company	
6	171	Interest and Dividends Receivable	
7	174	Miscellaneous Current and Accrued Assets	
8	232	Accounts Payable-General	
9	234	Accounts Payable-Associated Company	
10	236	Taxes Accrued	
11	237	Interest Accrued	
12	238	Dividends Declared	
13	241	Tax Collections Payable	
14	242	Misc Current and Accrued Liabilities	
15		Total Other Working Capital	
			========
16	181+ 189	Unamortized Debt Expense	
17	253	Other Deferred Credits	

^{*} debit <credit>

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

Line	Account		<u>Amount</u>
<u>No.</u>	No.	<u>Description</u>	
31		ACCUMULATED DEFERRED INCOME TAXES	
32	190	-Accumulated Deferred Income Taxes	
33	281	+Accumulated Deferred Income Taxes -	
		Accelerated Amortization Property	
34	282	+Accumulated Deferred Income Taxes -	
		Other Property	
35	283	+Accumulated Deferred Income Taxes -	
00		Other	
36		Total Accumulated Deferred Income	
		Taxes (In-Service Portion)	
37	255	+Accumulated Deferred Investment Tax	
31	200	Credits	
38	186.50	-Accumulated Deferred Investment Tax	
		Credit	
39		Total Accumulated Deferred Investment	
		Tax Credits	
40		Total Net In-Service Investment -	
		Unit 1	
			=========

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

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

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AEP GENERATING COMPANY SAMPLE POWER BILL DETAIL OF NET CAPITALIZATION

Line No.	Account No.	<u>Description</u>	<u>Amount</u>
1		COMMON CAPITAL STOCK	
2	201	Common Stock Issued	
3	202	Common Stock Subscribed	
4	203	Common Stock Liability for Conversion	
5	209	Reduction In Par or Stated Value of Capital Stock	
6	210	Gain on Resale or Cancellation of	
		Reacquired Capital Stock	
7	212	Installments Received on Capital Stock	
8	214	Capital Stock Expense	
9	217	Reacquired Capital Stock	
10		Total Common Capital Stock	
11		OTHER PAID-IN CAPITAL	
12	207	Premium on Capital Stock	
13	208	Donations Received from Stockholders	
14	211	Miscellaneous Paid-In Capital	
15	213	Discount on Capital Stock	
. •		2.000 dan 6.00 Gap. 16.1 G. 100 l.	
16		Total Other Paid-In Capital	
17		RETAINED EARNINGS	
18	215	Appropriated Retained Earnings	
19	215.1	Appropriated Retained Earnings-	
		Amortization Reserve, Federal	
20	216	Unappropriated Retained Earnings	
		3.	
21		Total Retained Earnings	
22		Total Common Equity	
23		PREFERED CAPITAL STOCK	
24	204	Preferred Stock Issued	
25	205	Preferred Stock Subscribed	
26	206	Preferred Stock Liability	
-		for Conversion	
27		Total Preferred Capital Stock	
		•	

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

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

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

Line No.		<u>Amount</u>
1	Capitalization Balances (Prior Month Ending) :	
2	Long-Term Debt	
3	+ Short-Term Debt	
4	+ Preferred Stock	
5	+ Common Equity	
6	- Capitalization Offsets	
7	Total Capitalization Balances	
		========
8	Weighting of Capitalization Balances:	
9	Long-Term Debt	
10	+ Short-Term Debt	
11	+ Preferred Stock	
12	+ Common Equity	
13	- Capitalization Offsets	
14	Total Capitalization	
15	<u>Capitalization Cost Rates :</u>	========
16	Long-Term Debt	
17	Short-Term Debt	
18	Preferred Stock	
19	Common Equity	
20	Capitalization Offsets	
21	Rate of Return (Net of Tax):	
22	Long-Term Debt	
23	+ Short-Term Debt	
24	+ Preferred Stock	
25	+ Common Equity	
26	- Capitalization Offsets	
27	Total Pote of Poture (Not of Tay)	
21	Total Rate of Return (Net of Tax)	
28	Weighted Net Cost of Debt	
20	. Dro Toy Common Fruits (Line 25 / 65)	
29	+ Pre-Tax Common Equity (Line 25 / .65)	
30	= Rate of Return (Pre-Tax)	
30	- Nato of Notalli (1 to Tax)	========

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FERC rendition of the electronically filed tariff records in Docket No. ER13-00286-000

Filing Data: CID: C003184

Filing Title: Unit Power Agreements Amendment

Company Filing Identifier: 216 Type of Filing Code: 10 Associated Filing Identifier: Tariff Title: RS and SA Tariff ID: 101

Payment Confirmation: Suspension Motion:

Tariff Record Data:

Record Content Description, Tariff Record Title, Record Version Number, Option Code: Rate Schedule No. 1, Indiana Michigan Power Company Unit Power Agreement, 0.0.0, A

Record Narative Name: Tariff Record ID: 3

Tariff Record Collation Value: 1200000 Tariff Record Parent Identifier: 0

Proposed Date: 2012-12-31

Priority Order: 1

Record Change Type: NEW Record Content Type: 2 Associated Filing Identifier:

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Record Content Description, Tariff Record Title, Record Version Number, Option Code: Rate Schedule No. 2, Kentucky Power Company Unit Power Agreement, 0.0.0, A

Record Narative Name: Tariff Record ID: 4

Tariff Record Collation Value: 1300000 Tariff Record Parent Identifier: 0

Proposed Date: 2012-12-31 Priority Order: 1 Record Change Type: NEW

Record Content Type: 2 Associated Filing Identifier:

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Document Content(s)	Attorney General's First Set of Data Requests Dated August 14, 2017
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216-7508362a-753f-44d1-92e3-133b911aa094.PDF	Page 253 of 253
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