

VERIFICATION

The undersigned, Alex E. Vaughan, being duly sworn, deposes and says he is the Manager, Regulatory Pricing and Analysis that he has personal knowledge of the matters set forth in the forgoing responses and the information contained therein is true and correct to the best of his information, knowledge and belief.

Alex E. Vaughan

Alex E. Vaughan

STATE OF OHIO)
) Case No. 2017-00179
COUNTY OF FRANKLIN)

Subscribed and sworn to before me, a Notary Public in and before said County and State, by Alex E. Vaughan, this the 18th day of December 2017.

Amanda E. Owen

Notary Public



Amanda E. Owen, Attorney At Law
NOTARY PUBLIC - STATE OF OHIO
My commission has no expiration date
Sec. 147.03 R.C.

My Commission Expires: Never

Kentucky Power Company
KPSC Case No. 2017-00179 General Rate Adjustment
KIUC's Post Hearing Data Requests
Dated December 13, 2017

DATA REQUEST

KIUC_PH_001 Exhibit 1 to the Settlement Agreement shows that under the proposed rates the ROR provided by Rate IGS will be 7.71%, versus a system average ROR of 6.48%. Please identify the amount of dollar subsidy that will be paid by Rate IGS under the proposed rates.

RESPONSE

Under the terms of the Settlement Agreement, the IGS class will pay approximately \$4.7 million of subsidy to the Residential Class.

Witness: Alex E. Vaughan

Kentucky Power Company
KPSC Case No. 2017-00179 General Rate Adjustment
KIUC's Post Hearing Data Requests
Dated December 13, 2017

DATA REQUEST

KIUC_PH_002 Under the proposed rates, what is the dollar amount of the subsidy that will be received by the residential class?

RESPONSE

Under the terms of the Settlement Agreement, the Residential class will receive approximately \$28.2 million of subsidy from the other customer classes.

Witness: Alex E. Vaughan

Kentucky Power Company
KPSC Case No. 2017-00179 General Rate Adjustment
KIUC's Post Hearing Data Requests
Dated December 13, 2017

DATA REQUEST

KIUC_PH_003 For each year of the proposed 3-year base rate stay out, what is the amount of transmission cost savings projected from the Transmission Return Difference?

RESPONSE

Under the terms of the Settlement Agreement, the Company will include a \$607,326 Transmission Return Difference as a credit in the calculation of the 2018 purchase power adjustment factor under Tariff P.P.A. The derivation of the 2018 Transmission Return Difference is shown in Exhibit AEV-4S. The estimated amounts of the Transmission Return Difference credit for 2019 and 2020 are approximately \$1.0 million and \$1.8 million, respectively.

Witness: Alex E. Vaughan

Kentucky Power Company
KPSC Case No. 2017-00179 General Rate Adjustment
KIUC's Post Hearing Data Requests
Dated December 13, 2017

DATA REQUEST

KIUC_PH_004 For each year of the proposed 3-year base rate stay out, what is the estimated amount of transmission expenses that would not be recoverable under the 20% absorbed by the Company?

RESPONSE

Kentucky Power will not recover approximately \$2.8 million (2018), \$4.5 million (2019), and \$7.8 million (2020) of its OATT LSE charges during the three-year base rate case stay out provided for by the Settlement Agreement.

Witness: Alex E. Vaughan