



Vaughn_FRANKFORT-37003-v2-Kentucky_Power_Mitchell_AEV_Affidavit_06_01_2021.DOCX

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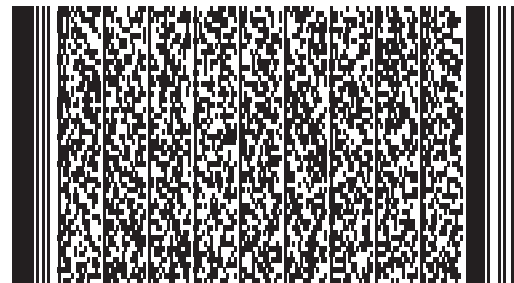
E-Signature Summary

E-Signature 1: Alex E Vaughan (AEV)

June 02, 2021 12:05:08 -8:00 [DAAC44BB2D88] [161.235.221.80]
aevaughan@aep.com (Principal) (Personally Known)

E-Signature Notary: S. Smithhisler (SRS)

June 02, 2021 12:05:08 -8:00 [6D4E4F1F3C89] [161.235.221.83]
srsmithhisler@aep.com
I, S. Smithhisler, did witness the participants named above electronically sign this document.



COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

Electronic Application Of Kentucky Power Company)
For (1) A General Adjustment Of Its Rates For Electric)
Service; (2) Approval Of Tariffs And Riders; (3))
Approval Of Accounting Practices To Establish) Case No. 2020-00174
Regulatory Assets And Liabilities; (4) Approval Of A)
Certificate Of Public Convenience And Necessity;)
And (5) All Other Required Approvals And Relief)

Affidavit Of Alex E. Vaughan

Alex E. Vaughan, after being duly sworn, states and deposes as follows:

1. I am of the age of majority and competent to make this affidavit. The statements contained in this affidavit are based on my own personal knowledge, or my review of the records of Kentucky Power Company within my custody and control.

2. I am employed by American Electric Power Service Corporation (“AEPSC”) as Director, Regulated Pricing and Renewables. My business address is 1 Riverside Plaza, Columbus, Ohio 43215. AEPSC is a wholly-owned subsidiary of American Electric Power Company, Inc. (“AEP”), the parent company of Kentucky Power Company (“Kentucky Power” or “Company”).

3. I previously filed written direct, rebuttal, supplemental, and supplemental rebuttal testimony in this proceeding and testified before the Commission in the November 2020 and April 2021 hearings in this proceeding.

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4. Prior to and including May 14, 2021 no customers of Kentucky Power Company took service under the Company's proposed Tariff N.M.S. II.

5. I reviewed Confidential Appendix B to the Commission's May 14, 2021 Order in this proceeding.

6. My review of Confidential Appendix B indicates that the generation, transmission, and distribution avoided cost calculations contained in Confidential Appendix B for both commercial residential customers contain mathematical and methodological errors. The errors result from the fact that in computing the avoided cost of generation, transmission, and distribution capacity the divisor in the rate equation was reduced without making corresponding adjustments to the peak reductions that result from those output levels. The adjustment is required because the higher levels of average peak reductions used in Confidential Appendix B cannot occur at the lower level of generation. The effect is to erroneously inflate the residential avoided cost rate by approximately 53 percent and the commercial avoided cost rate by approximately 39 percent.

7. Exhibit B to the Motion of Kentucky Power Company for Rehearing comprises spreadsheets illustrating the calculation of the net avoided cost rates for commercial and residential customers using the prices established in the Commission's May 14, 2021 Order but correcting the above-described errors and adjusting the average peak reductions to reflect the lower levels of generation used in Confidential Appendix B.

FURTHER THE AFFIANT SAYETH NAUGHT.



Alex E Vaughan

Signed on 2021/06/02 12:05:08 -8:00

Alex E. Vaughan

STATE OF OHIO

)

)

COUNTY OF FRANKLIN

)

The foregoing affidavit was signed and sworn to before me by Alex E. Vaughan on

06/02/2021



S Smithisler

Signed on 2021/06/02 12:05:08 -8:00

Notary Public

