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 REGULATORY ASSETS AND LIABILITIES; (4) APPROVAL OF A CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY; AND (5) ALL OTHER REQUIRED APPROVALS AND RELIEF	)	**CASE NO. 2020-00174**

DIRECT TESTIMONY

AND EXHIBITS

OF

LANE KOLLEN

ON BEHALF OF THE

ATTORNEY GENERAL OF THE COMMONWEALTH OF KENTUCKY

AND THE

KENTUCKY INDUSTRIAL UTILITY CUSTOMERS, INC.

J. KENNEDY AND ASSOCIATES, INC.
ROSWELL, GEORGIA

OCTOBER 2020

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DIRECT TESTIMONY OF LANE KOLLEN

I. QUALIFICATIONS AND SUMMARY

Q. Please state your name and business address.

A. My name is Lane Kollen. My business address is J. Kennedy and Associates, Inc. ("Kennedy and Associates"), 570 Colonial Park Drive, Suite 305, Roswell, Georgia 30075.

Q. What is your occupation and by whom are you employed?

A. I am a utility rate and planning consultant holding the position of Vice President and Principal with the firm of Kennedy and Associates.

Q. Please describe your education and professional experience.

A. I earned a Bachelor of Business Administration ("BBA") degree in accounting and a Master of Business Administration ("MBA") degree from the University of Toledo. I also earned a Master of Arts ("MA") degree in theology from Luther Rice University. I am a Certified Public Accountant ("CPA"), with a practice license, Certified Management Accountant ("CMA"), and Chartered Global Management Accountant ("CGMA"). I am a member of numerous professional organizations.

I have been an active participant in the utility industry for more than forty years, initially as an employee of The Toledo Edison Company from 1976 to 1983 and thereafter as a consultant in the industry since 1983. I have testified as an expert witness on planning, ratemaking, accounting, finance, and tax issues in proceedings before regulatory commissions and courts at the federal and state levels on hundreds of occasions.

I have testified before the Kentucky Public Service Commission on dozens of occasions, including Kentucky Power Company ("KPC" or "Company") base rate proceedings, Case Nos. 2017-00179, 2014-00396, 2009-00459, and 2005-00341; Mitchell acquisition proceeding, Case No. 2012-00578; allocation of fuel costs to off-system sales proceeding, Case No. 2014-00255; ecoPower biomass purchased power agreement ("PPA") proceeding, Case No. 2013-00144; Big Sandy 2 environmental retrofit proceeding, Case No. 2011-00401; wind power PPA proceeding, Case No. 2009-00545; various Environmental Surcharge ("ES") and Fuel Adjustment Clause ("FAC") proceedings; numerous Louisville Gas and Electric Company ("LG&E") and Kentucky Utilities Company ("KU") base rate, ES, and

FAC proceedings; and numerous other proceedings involving Big Rivers Electric Corporation and East Kentucky Power Cooperative, Inc.[1]

Q. On whose behalf are you testifying?

A. I am testifying on behalf of the Office of the Attorney General of the Commonwealth of Kentucky ("AG") and the Industrial Utility Customers, Inc. ("KIUC"), a group of large customers taking electric service on the KPC system. The AG and KIUC have been active participants in all significant KPC rate and certification proceedings for many years.

Q. Provide a brief overview of the Company's requests that affect its base and rider revenue requirements in this proceeding.

A. The Company's requests include: 1) a base rate increase of $70.097 million 2) an increase in the ES to reflect the proposed increase in the return on equity from 9.70% to 10.00%; 3) an increase in the Decommissioning Rider to reflect the proposed increase in the return on equity from 9.70% to 10.00%; 4) recovery of 100% of increases in Load-Serving Entity (LSE") Open Access Transmission Tariff ("OATT") transmission charges and credits (net expenses) incurred after the test year through the Purchased Power Adjustment ("PPA") rider ("Tariff PPA");[2] 5) termination of the Capacity Charge ("CC") tariff and the annual recovery of $6.2

[1] My qualifications and regulatory appearances are further detailed in my Exhibit___(LK-1).

2 The Company presently is allowed to recover 80% of increases in OATT LSE net expenses incurred after the last test year through the PPA Rider as the result of a settlement agreement in Case No. 2017-00179. The AG and KIUC opposed the recovery of increases in this expense through the PPA Rider in that proceeding, but agreed to the temporary modification of the PPA Rider in consideration of all provisions of the settlement agreement in that proceeding.

million, contingent on no changes to the Company's base rate increase request;[3] and 6) approval of a proposed new Grid Modernization Rider ("GMR") to recover the costs of "distribution modernization investments or to improve the Company's reliability and resiliency," including the proposed new Advanced Meter Infrastructure ("AMI") meters and infrastructure, with an initial GMR rate increase of $1.105 million, which will be updated annually to recover the incremental revenue requirements of new distribution investments; and 7) approval of a Certificate of Public Convenience and Necessity ("CPCN") to replace existing Advanced Meter Reading ("AMR") meters and infrastructure with new AMI meters and infrastructure; and 8) use of excess accumulated deferred income taxes ("EDIT") to offset the first year effects of the net of the proposed increase in the base revenue requirement, reduction in the CC tariff revenue requirement, and increase due to the new GMR.

Q. What is the purpose of your testimony?

A. The purpose of my testimony is to 1) describe the effects of the AG and KIUC recommendations on the Company's base, ES, Decommissioning Rider, PPA Rider, Federal Tax Cut ("FTC") Tariff rider, and CC tariff revenue requirements; 2) address and make recommendations on specific issues that will affect the Company's claimed base revenue requirements, including the return on equity within the range determined by Mr. Richard Baudino; 3) address the use of EDIT to offset the net effects of the base and CC tariff, and GMR revenue increases; 4) quantify the

3 The Capacity Cost Rider provides the Company with an enhanced return on equity on the costs incurred pursuant to the Rockport Unit Power Agreement ("UPA").

aggregate AG and KIUC recommended changes in the costs of capital on the ES and Decommissioning Rider revenue requirements; 5) address and make recommendations regarding the recovery of the Rockport Unit Power Agreement ("UPA") expense through the ES; 6) address and make recommendations regarding the recovery of incremental OATT LSE net expenses through the Tariff PPA rider; 7) address and make recommendations regarding the Company's proposed new GMR; and 8) make recommendations regarding the Company's request for a CPCN for deployment of AMI meters and infrastructure to replace existing AMR meters and infrastructure.

Q. Please summarize your testimony.

A. I recommend a reduction of $26.855 million in the Company's requested base revenue increase of $70.097 million.[4] I recommend additional reductions of $19.577 million in the ES and $1.340 million in the Decommissioning Rider revenue requirements.[5]

I recommend that the Commission adopt the Company's proposal to use unprotected EDIT to offset the first year of the requested base rate increase. I recommend that the Commission also use a portion of the remaining unprotected EDIT to offset 50% of the second year of the authorized base rate increase. Finally, I recommend that the Federal Tax Cut (FTC) Tariff continue at its current level until the EDIT balance if fully amortized.

[4] I provide my workpapers in live Excel workbook format with all formulas intact contemporaneously with the filing of my testimony. The amounts cited throughout my testimony are stated on a Kentucky retail jurisdictional basis unless otherwise noted, (*e.g.*, total Company).

[5] *Id.*

I recommend that the Commission extend the Rockport 2 SCR depreciation expense recovered through the ES from the present three-year depreciation period to reflect a ten-year amortization period as of the effective date that base rates are reset in this proceeding.

I recommend that the Commission terminate the Company's CC tariff as proposed by the Company, but without the condition that its requested base rate increase be granted without change.

I recommend that the Commission reject the Company's proposed GMR.

I recommend that the Commission reject the Company's request for a CPCN for the proposed AMI meters and infrastructure.

The following table summarizes the effect of the AG and KIUC recommendations on the base, ES, Decommissioning Rider, Tariff PPA, and CC tariff revenue requirements compared to the Company's requests to the extent the effects on the riders can be calculated at this time.

Kentucky Power Company Revenue Requirement
Summary of AG and KIUC Recommendations
Case No. 2020-00174
For the Test Year Ended March 31, 2020
($ Millions)

	AG and KIUC Adjustments	Revenue Change
Base Rate Increase Requested by Company		**70.097**
AG and KIUC Rate Base Issues		
Utilize Rate Base Instead of Capitalization to Reflect Return On Component for Base Rates	0.608	
Set Cash Working Capital in Rate Base to $0	(1.660)	
Remove Prepaid Pension and Prepaid OPEB from Rate Base, Net of ADIT	(5.204)	
Remove Accounts Payables Balances from CWIP in Rate Base	(0.687)	
Remove Accounts Payable Balances from Prepayments in Rate Base	(0.007)	
AG and KIUC Operating Income Issues		
Remove Incentive Compensation Expense Tied to Financial Performance	(5.666)	
Remove SERP Expense	(0.205)	
Remove Company's Proforma Adjustment to Restate Rockport UPA Operating Ratio	(1.706)	
Restate State Income Expense Based on Kentucky-Only Income Tax Rate of 5%	(0.692)	
Remove EEI Dues for Covered Activities (Legislative and Regulatory Advocacy and Public Relations)	(0.048)	
AG and KIUC Cost of Capital Issues		
Reallocate the Mitchell Coal Stock Adjustment Proportionately Across Capital Structure	(0.705)	
Increase Short Term Debt and Set Debt Rate at 0.51%	(2.512)	
Reduce Long Term Debt Rate to Reflect Refinance of June 2021 Maturity	(0.793)	
Reduce Return on Equity from 10.0% to 9.0%	(7.576)	
Total AG and KIUC Adjustments to KPCo Base Rate Request		(26.855)
Maximum Base Rate Increase After AG and KIUC Adjustments		**43.242**
Capacity Charge Reduction Requested by Company		**(6.200)**
Grid Modernization Rate Increase Requested by Company		**1.105**
AG and KIUC Recommendation to Reject GMR		**(1.105)**
Environmental Surcharge Increase Based on Requested Return on Equity		**0.935**
Restate State Income Expense Based on Kentucky-Only Income Tax Rate of 5%	(0.204)	
Reduce Cost of Capital Based on AG and KIUC Recommendations	(3.420)	
Reduce Depreciation Expense on Rockport 2 SCR	(15.953)	
Total AG and KIUC Adjustments to ES Increase		**(19.577)**
Decommissioning Rider Increase Based on Requested Return on Equity		**0.349**
Restate State Income Expense Based on Kentucky-Only Income Tax Rate of 5%	(0.073)	
Reduce Cost of Capital Based on AG and KIUC Recommendations	(1.267)	
Total AG and KIUC Adjustments to Decommissioning Rider Increase		**(1.340)**
Maximum Net Rate Increase After AG and KIUC Adjustments		**17.410**

II. RATE BASE AND CAPITALIZATION ISSUES

A. Rate Base Is Superior to Capitalization to Calculate The Return On Component of The Base Revenue Requirement

Q. Describe the Company's request to use capitalization to calculate the return on component of the base revenue requirement.

A. The Company requests to use capitalization of $1,399.886 million to calculate the return on component of the base revenue requirement.[6]

Q. Has the Commission approved the use of rate base to calculate the return on component of the base revenue requirement for other utilities?

A. Yes. The Commission uses rate base to calculate the return on component of the base revenue requirement for nearly all the investor owned utilities, with the exceptions of the Company, Kentucky Utilities Company and Louisville Gas & Electric Company. The Commission recently approved the change to the use of rate base from capitalization for Duke Energy Kentucky, Inc. ("Duke Energy Kentucky") gas and electric in Case Nos. 2018-00261 and 2019-00271, respectively. The Commission also uses rate base for all of the Company's riders that include a return on investment component.

Q. What reasons did Duke Energy Kentucky provide in support of its requests to change to rate base from capitalization for its gas and electric operations?

A. In the Duke Energy Kentucky gas case, Duke witness Sara E. Lawler, Director Rates & Regulatory Planning of Duke Energy Business Services LLC, stated in Direct Testimony that the "Company believes that using gas rate base to calculate the

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[6] Section V Schedule 1 at line 18.

revenue requirement is the simplest and most transparent method."[7]

In the Duke Energy Kentucky electric case, two Duke witnesses provided testimony that the use of rate base was superior to the use of capitalization. In her Direct Testimony in that case, Amy B. Spiller, the CEO of Duke Energy Kentucky, stated that "Historically, the Company's electric base rates have been determined with reference to a return on capitalization. Although this methodology may have been appropriate in the past, another methodology is more common today. Specifically, and as evident in other Duke Energy Kentucky jurisdictions, a return-on-rate base approach provides a transparent and effective way to establish base rates. The Commission recently approved the return on rate-base approach for the Company's natural gas base rates in Case No. 2018-00261."[8] In his Direct Testimony in that case, William Don Wathen, Jr., Director of Rates and Regulatory Strategy for Ohio and Kentucky, stated that the "use of rate base is a more precise method for measuring the Company's actual investment in facilities and equipment to provide utility service" and that "the rate base methodology is an easier and more conventional way to represent investment in utility plant that is not only accepted by this Commission, but throughout the country."[9]

Q. Did the Commission accept Duke Energy Kentucky's request to change to rate base from capitalization for both its gas and electric operations?

A. Yes.

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[7] Direct Testimony of Sarah E. Lawler at 5 in Case No. 2018-00261.
[8] Direct Testimony of Amy B. Spiller at 25-26 in Case No. 2019-00271.
[9] Direct Testimony of William Don Wathen, Jr. at 11-12 in Case No. 2019-00271.

Q. Is the use of rate base superior to capitalization to calculate the return on component of the base revenue requirement?

A. Yes. The use of rate base is more precise and accurate than capitalization to calculate the return on component of the base revenue requirement. It allows the Commission to specifically review, assess, and quantify each of the costs that will earn a return, including those costs that are subtracted from rate base, such as accumulated deferred income taxes ("ADIT") and negative cash working capital ("CWC"), to the extent that CWC is calculated using the lead/lag approach. It also allows the Commission to avoid providing the utility a return on capitalization that is overstated due to timing differences, such as the issuance of long-term debt at favorable interest rates before it is necessary to fund construction or other cash requirements and the buildup of retained earnings at the end of a quarter mere days before dividends are declared and subsequently paid to the Company's parent company and sole shareholder.

Q. Does the Company agree that rate base is an accurate and appropriate basis for calculating the return on component of the base revenue requirement?

A. Yes.[10]

Q. Has the Company provided a reconciliation between its capitalization and net investment rate base for the test year?

[10] Response to AG-KIUC 2-10. I provide a copy of this response as my Exhibit___(LK-2).

A. Yes. The Company provided two reconciliations, one on a total Company basis and the other on a jurisdictional basis.[11,12] The total Company reconciliation schedule starts with the Company's trial balance at March 31, 2020 and lists the amounts in each major asset account and each major liability account, including the amounts in each capitalization account. The capitalization equals the net of the asset and non-capitalization liability accounts and ties to the Company's per book balances, adjusted only for accounts receivable financing, used as the starting point for its calculation of capitalization for ratemaking purposes.[13] The Company then made various proforma adjustments to the total Company capitalization amounts and jurisdictionalized the amounts.[14]

On the total Company reconciliation, the Company selected the major asset accounts and major liability accounts that it included in its calculation of total Company rate base. The Company then made various proforma adjustments and jurisdictionalized the amounts.[15]

Finally, the Company provided a separate reconciliation of the proforma capitalization and rate base amounts on a jurisdictional basis.[16]

Q. What do these reconciliations demonstrate?

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[11] Response to Staff 2-11. I provide a copy of this response as my Exhibit___(LK-3).

[12] Section II-Application Exhibit L Sch 4 tab in KPCO-R-KPSC_2_16_Attachment1 Excel workbook provided in response to Staff 2-16 provides the calculation of jurisdictional rate base starting with total Company amounts.

[13] Sch 3 tab in KPCO-R-KPSC_2_16_Attachment1 Excel workbook provided in response to Staff 2-16.

[14] *Id.*

[15] Sch 4 and Sch 5 tabs in KPCO-R-KPSC_2_16_Attachment1 Excel workbook provided in response to Staff 2-16.

[16] Section II – Application Exhibit L.

A. They demonstrate that the use of rate base is a more precise and accurate approach. The use of capitalization is less precise and less accurate because it is essentially a "residual" approach based on total assets less total liabilities other than capitalization. Of course, not all assets and liabilities are cash costs or provided a return through the ratemaking process. This is demonstrated on the total Company reconciliation where there are many assets and many liabilities from the Company's balance sheet accounts that are not included in the Company's calculation of rate base.

Q. What is your recommendation?

A. I recommend that the Commission calculate the return on component of the base revenue requirement using rate base rather than capitalization for the reasons cited by Duke Energy Kentucky in its recent gas and electric proceedings.

In addition, I recommend that the Commission make a series of corrections to the Company's calculation of rate base to establish the parameters for this and future base rate proceedings. The Commission has not previously closely reviewed the Company's calculations of rate base because they were not used directly to calculate the return on component of the base revenue requirement.

B. Corrections to Company's Calculation of Rate Base

Q. What corrections to the Company's calculation of rate base are necessary?

A. There are at least four corrections that are necessary. First, the cash working capital ("CWC") should be calculated using the lead/lag approach, or alternatively, set to $0.

Second, the prepaid pension asset and prepaid OPEB asset are not cash assets and should not be included in rate base. Third, the construction work in progress ("CWIP") included in rate base should be reduced by the accounts payable related to the CWIP. Fourth, the prepayments should be reduced by the accounts payable related to those prepayments.

1. Cash Working Capital

Q. How did the Company calculate the CWC component in its calculation of rate base?

A. The Company calculated CWC of $20.446 million using the one-eighth O&M expense formula approach.[17]

Q. Why should the Commission calculate CWC using the lead/lag approach, or alternatively, set it to $0?

A. The one-eighth O&M expense formula approach is outdated and inaccurate. The result of this formula mathematically can only be positive regardless of whether the customers provide the utility cash working capital funds, in which case the result conceptually should be negative, not positive. In addition, the result of this formula approach tends to be overstated because it is driven by the level of O&M expense and fails to actually directly measure the investment made either by the utility or its customers.

[17] Section 5 Schedule 4 line 43.

In contrast to the formula approach, the lead/lag approach provides an accurate and objective quantification. The lead/lag approach correctly measures and weights the timing of the delays in converting revenues into cash and the prepayments or delays in disbursing cash for expenses. It requires a lead/lag study to statistically and objectively sample and measure the leads and lags for the revenues and expenses, weight them on a dollar-day basis, and then quantify the net investment. The result is a net utility investment if it is positive or a net customer investment if the result is negative.

Q. Did the Company provide a CWC calculation using the lead/lag approach?

A. No. The AG and KIUC asked the Company to provide a CWC calculation using the lead/lag approach.[18] The Company has not performed one for this proceeding, although the Company has the data necessary to perform such a study and American Electric Power ("AEP") routinely provides such calculations and lead/lag studies in rate proceedings in other jurisdictions, including its utilities in Texas, Ohio, West Virginia, Virginia, Oklahoma, Arkansas, and Louisiana.[19] The Company also acknowledges that it is the only party in this proceeding that has the data necessary to perform such a study.[20] In other words, AEP has the expertise to perform a CWC calculation using the lead/lag approach or could have retained a consultant to do so, but chose not to in this proceeding.

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[18] Response to AG-KIUC 2-1. I have attached a copy of that response as my Exhibit___(LK-4).

[19] Responses to AG-KIUC 2-2 and AG-KIUC 2-7. I provide a copy of these responses as my Exhibit___(LK-5).

[20] Response to AG-KIUC 2-3. I provide a copy of this response as my Exhibit___(LK-6).

Q. Does the Company sell its receivables?

A. Yes. The Company sells its receivables to an affiliate, AEP Credit, Inc.[21] The sales substantially accelerate the conversion of the receivables into cash and significantly reduce the revenue lag (the number of days between the date the meter is read and the date customer payments are available in cash) compared to other utilities that do not sell their receivables and finance them for 30 or more days until they receive payment and the cash is available.[22]

Q. Has the Commission recently found that the lead/lag approach is superior to the one-eighth O&M expense formula approach?

A. Yes. In a recent Atmos Energy Corporation ("Atmos") rate case, the Commission found that the lead/lag approach provided a more accurate result than the one-eight O&M expense formula approach. Atmos uses rate base, not capitalization, to calculate the return on rate base or invested capital for the base revenue requirement. In that case, Atmos requested CWC calculated using the one-eight O&M expense formula approach, but provided a calculation using the lead/lag approach in response to discovery. In its Order in that proceeding, the Commission stated that "While the one-eighth O&M methodology is a reasonable estimate of cash working capital absent a lead/lag study, Atmos's lead/lag study is part of the record of this proceeding and more accurately reflects the working capital needs of Atmos."[23]

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[21] KPCO 2019 Form 1 at page 123.61.
[22] Response to AG-KIUC 2-6. I provide a copy of this response as my Exhibit___(LK-7).
[23] Atmos Energy Corporation Case No. 2017-00349 Order (KY PSC May 3, 2018) at 16-17.

Q. Has the Commission previously found that the lead/lag approach will result in negative CWC when the utility's receivables are sold and the revenue lag is minimal?

A. Yes. In the most recent Duke Energy Kentucky (electric) case, the Commission set CWC at $0. Unlike the Company, Duke Energy Kentucky sought to change to rate base from capitalization to calculate the return on component of the revenue requirement. However, like the Company, Duke Energy Kentucky sought to calculate CWC using the one-eighth O&M expense formula approach. Like the Company, Duke Energy Kentucky sells its receivables to a third party, thus reducing its revenue lag to little more than 1 day. Like the Company, Duke Energy Kentucky refused to provide a lead/lag CWC study using the lead/lag approach, which likely would have resulted in negative CWC due to the minimal revenue lag.

Q. Has the Company provided any empirical support that the one-eighth O&M expense formula approach is more accurate than the lead/lag approach?

A. No. The Company was asked to provide all empirical support that the one-eighth O&M expense formula approach is more accurate. The Company objected to the request. It chose to provide no empirical support for the proposition, likely because there is none.[24]

Q. What is your recommendation in this case for the CWC to include in rate base and your recommendation for future proceedings?

[24] Response to AG-KIUC 2-9. I provide a copy of this response as my Exhibit___(LK-8).

A. I recommend that the Commission include $0 for CWC in rate base due to the absence of a correct calculation of CWC using the lead/lag approach, which likely would be negative. I also recommend that the Commission direct the Company to provide a calculation of CWC using the lead/lag approach in future base rate proceedings.

Q. What is the effect of your recommendation on the base revenue requirement?

A. The effect is a reduction of $1.660 million in the base revenue requirement.

Q. Should the Commission also set CWC in the ES to $0 in the absence of a correct calculation of CWC using the lead/lag approach, which likely also would be negative?

A. Yes. I recommend that the Commission set the CWC in the ES to $0. The ES revenue requirement presently includes a calculation of CWC using the one-eighth O&M expense formula approach, although it is a relatively small amount and the effect on the ES revenue requirement is less than $0.030 million. The Company sells its customer receivables without consideration of whether the receivables were due to the base rate tariffs or any of the rider tariffs. Given that fact, the one-eighth O&M expense formula approach is no more appropriate or reasonable for the ES or any other rider tariff than it is for the base revenue requirement.

2. Prepaid Pension and OPEB Assets

Q. Describe the Company's request to include a prepaid pension asset and a prepaid OPEB asset in rate base.

A. The Company included $44.206 million ($44.879 million total Company) for a prepaid pension asset and $19.872 million ($20.175 million total Company) for a prepaid OPEB asset in rate base.[25] The Company recorded the total Company amounts for accounting purposes in account 1650010 and account 1650035 for pension and OPEB, respectively. The Company also reflected the related liability accumulated deferred income taxes ("ADIT") as subtractions from rate base.

Q. In the Company's trial balance and the reconciliation between capitalization and rate base on a total Company basis are there amounts in other accounts related to the prepaid pension asset in account 1650010 and the prepaid OPEB asset in account 1650035 that are recorded for accounting purposes?

A. Yes. The Company recorded equivalent negative amounts (contra-assets) in accounts 1650014 and 1650037 for the prepaid pension asset and the prepaid OPEB asset, respectively. The sum of the prepaid pension amounts in accounts 1650010 and 1650014 is $0 and the sum of the prepaid OPEB amounts in accounts 1650035 and 1650037 is $0 for accounting and financial reporting purposes.

In other words, in reality, there is no prepaid pension asset and there is no prepaid OPEB asset unless you ignore the negative amounts in accounts 1650014 and 1650037, which is what the Company did in its calculation of rate base.

[25] These amounts are shown in the Company's response to Staff 2-11, which provides a reconciliation between capitalization and rate base on a total Company basis.

Q. Is the Company's failure to include the negative prepaid pension and negative prepaid OPEB amounts in accounts 1650014 and 1650037 as subtractions from rate base correct?

A. No. First, the two are interrelated; either both the positive and negative accounts should be reflected or both ignored in the calculation of rate base. In any event, the correct effect on rate base, similar to the actual balance for accounting purposes and the effect on the Company's balance sheet, should be $0.

Second, the Company's accounting reflected in these four accounts is not required, defined, or described by GAAP or the FERC USOA. Rather, AEP itself has uniquely defined these accounts for use by its operating utilities within its accounting system for recordkeeping purposes and, as is apparent in multiple rate proceedings in multiple jurisdictions, to assist the operating companies in their attempts to increase rate base by including only the positive amounts in accounts 1650010 and 1650035 in rate base.[26]

Q. Is there additional evidence that the amounts in accounts 1650010 and 1650035 should not be included in rate base?

A. Yes. The Company provided the amounts in the following table in response to discovery.[27]

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[26] There are no defined prepaid OPEB asset or prepaid pension asset subaccounts listed or described in the FERC Uniform System of Accounts. *See* 18 C.F.R. Pt. 101. The Company's 1650035 and 1650010 subaccounts are uniquely defined and used by the Company and other AEP operating utilities for recordkeeping purposes and to support their attempts to include the asset amounts in rate base.

[27] Response to AG-KIUC 2-17. I have attached a copy of that response as my Exhibit___(LK-9).

Kentucky Power Company
Pension and OPEB Balances as of December 31, 2019

Account	Description	Pension	OPEB
1650010/ 1650035	Prepayment - Contributions	$45,500,106	$19,143,276
1650014/ 1650037	ASC 715 Prepayment Reclass	(45,500,106)	(19,143,276)
1290000/ 1290001	ASC 715 Trust Funded Positions (Assets)	-	23,421,499
2283016/ 2283006	ASC 715 Trust Funded Position (Liabilities)	(1,611,500)	-
1823165/ 1823166	ASC 715 - Regulatory Asset	45,940,166	(2,107,133)
1900010/ 1900011	ASC 715 - ADFIT Asset	246,002	(455,929)
2190006/ 2190007	ASC – 715 Other Comprehensive Income	925,438	(1,715,161)
	Total ASC 715 Entries	-	-
	Total Pension and OPEB Accounts	45,500,106	19,143,276
	Total Pension and OPEB Excluding 165 Accounts	$ 45,500,106	$ 19,143,276

This table reflects *all* of the pension and OPEB balance sheet amounts, not only the amounts in the four prepaid pension and prepaid OPEB accounts on a total Company basis as of December 31, 2019. As I previously addressed, the amounts in accounts 1650010 and 1650014 net to $0. The amounts in accounts 1650035 and 1650037 net to $0. However, the amounts in the other accounts net to a regulatory asset of $45.500 million for pension and a negative regulatory asset (essentially a regulatory liability recorded in a regulatory asset account) of $19.143 million for OPEB in excess of the net of the funded amounts (trust fund assets less present value of benefit obligation), net of minor ADIT amounts, and net of amounts in other comprehensive income (a component of common equity). These are the same amounts as the prepaid pension asset and prepaid OPEB asset in accounts 1650010 and 1650035, respectively, but this presentation shows more clearly the source of the amounts included by the Company in rate base and why this is in error.

Q. Does the Company's accounting for the prepaid pension asset and prepaid OPEB asset actually demonstrate that it does *not* finance these assets?

A. Yes. The amounts in the four account 165 accounts net to $0, so there is no financing requirement associated with those accounts and no further inquiry is required. The next issue is whether the net regulatory assets calculated from the rest of the accounts are assets that the Company financed or merely the amounts necessary to offset the net unfunded portions of the pension and OPEB obligations (liabilities). If the former, then they should be included in rate base. If the latter, then they are merely accounting entries that represent amounts that the Company will need to collect from customers in the future to pay the pension and OPEB obligations and should not be included in rate base.

Q. Are the net regulatory assets merely accounting entries that have not been financed?

A. Yes. The origin of these net regulatory assets dates to the adoption of Statement of Financial Accounting Standards ("SFAS") Nos. 87 (Pensions) and 106 (OPEBs) more than twenty years ago. SFAS Nos. 87 and 106 changed the accounting rules to require that pension and OPEB assets and liabilities be recorded on the balance sheet. Utilities were directed to record the difference between the assets and liabilities as a regulatory liability (if the liabilities exceeded the assets) or as a regulatory asset (if the assets exceeded the liabilities). There was and has been no outlay of cash or financing for these regulatory assets.

Q. Did Duke Energy Kentucky include a prepaid pension asset or a prepaid OPEB asset in rate base when it changed to the rate base approach from the capitalization approach?

A. No. Duke Energy Kentucky did not include either a prepaid pension asset or a prepaid OPEB asset or a regulatory asset related to the pension and OPEB assets and liabilities in rate base.[28,29]

Q. What is your recommendation?

A. I recommend that the Commission exclude the prepaid pension asset and prepaid OPEB asset from rate base. There is no ADIT effect to exclude these two amounts from rate base due to an error in the Company's calculation of rate base, which I subsequently address.

Q. What is the effect of your recommendation?

A. The effect is a reduction of $5.204 million in the base revenue requirement.

Q. If the Commission uses rate base in lieu of capitalization and does not correct the Company's calculation of rate base to exclude the prepaid pension asset and prepaid OPEB asset, then is there a related error that needs to be corrected?

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[28] Schedule B-1 from Duke Energy Kentucky (gas) rate base in Case No. 2018-00261.
[29] Schedule B-1 from Duke Energy Kentucky (electric) rate base in Case No. 2019-00271.

A. Yes. The Company failed to exclude the asset ADIT related to the pension and OPEB contra-asset accounts. The Company agrees this error should be corrected if the Commission includes the prepaid pension asset and prepaid OPEB asset in rate base without the offsetting negative prepaid pension asset and prepaid OPEB asset in accounts 1650014 and 1650037, respectively.[30]

3. Accounts Payable – Construction Work In Progress

Q. Describe the Company's request to include CWIP in rate base.

A. The Company included CWIP of $87.885 million in rate base.[31]

Q. Does the Company have accounts payables outstanding related to CWIP?

A. Yes. The Company had $8.460 million in accounts payables outstanding on a 13-month average basis during the test year.[32]

Q. Did the Company offset CWIP by the accounts payable outstanding related to the CWIP?

A. No.

Q. Should the CWIP included in rate base be reduced by the accounts payable outstanding related to the CWIP?

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[30] Response to AG-KIUC 2-16. I provide a copy of this response as my Exhibit___(LK-10).
[31] Section V Schedule 4 at line 44.
[32] Attachment 1 to Response to Staff 2-10. I have attached a copy of that response as my Exhibit___(LK-11).

A. Yes. I recommend that the CWIP be reduced by the related accounts payable outstanding. The Company has not financed the portion of the CWIP that has related accounts payable outstanding. The Company's vendors have financed that CWIP.

Q. What is the effect of your recommendation?

A. The effect is a reduction of $0.687 million in the base revenue requirement.

4. Accounts Payable - Prepayments

Q. Describe the Company's request to include prepayments in rate base, other than the prepaid pension asset and prepaid OPEB asset.

A. The Company included other prepayments of $1.807 million in rate base.[33]

Q. Does the Company have accounts payables outstanding related to those prepayments?

A. Yes. The Company had $0.084 million in accounts payables outstanding on a 13-month average basis in the test year.[34] Although this is a relatively minor amount in this proceeding, it could be greater in future proceedings.

Q. Did the Company offset the prepayments by the accounts payable outstanding related to those prepayments?

[33] Section V Schedule 4 at line 232.

[34] Attachment 1 to Response to Staff 2-10. I have attached a copy of that response as my Exhibit___(LK-11).

A. No.

Q. Should the prepayments included in rate base be reduced by the accounts payable outstanding related to the prepayments?

A. Yes. I recommend that the prepayments be reduced by the related accounts payable outstanding. The Company has not financed the portion of the prepayments that has related accounts payable outstanding. The Company's vendors have financed those prepayments.

Q. What is the effect of your recommendation?

A. The effect is a reduction of $0.007 million in the base revenue requirement.

C. Corrections to Capitalization If Capitalization Is Used for Return On Component of Base Revenue Requirement

Q. If the Commission continues to use capitalization for the return component of the base revenue requirement, are there corrections and modifications that are necessary?

A. Yes. There are numerous costs that should be removed or added to capitalization so that it is consistent with the appropriate ratemaking recovery of the return on these costs. Some are related to non-utility activities, some are related to surcharges and either are or should be included in the costs recovered through those surcharges, and some are not specifically allowed a return on. Some simply vary from positive to negative amounts over time and are not appropriate to include in base rates under the assumption that they generally will net to zero over time. These costs include the following:

	Adjustments to Capitalization ($000's)	
131	Cash	629
134	Cash Equivalents	382
142	PJM Trans Enhancement Refund	644
142	AR Peoplesoft Billing-Cust	1,395
142	AR Long-Term Customer	3,133
146	Intercompany Receivables	20,942
172	Rents Receivable	3,836
173	Accrued Utility Revenues	11,543
175	Energy Trading	3,457
182.3	SFAS 112 Postemployment Benef	3,437
182.3	DSM Incentives	4,514
182.3	Unrealized Loss on Fwd Commitments	1,831
182.3	Net CCS FEED Study Costs	707
182.3	IGCC Pre-Construction Costs	1,078
182.3	BS1OR Under Recovery	(2,107)
182.3	BSRR Unit 2 O&M	1,166
182.3	Deferred Dep - Environmental	5,559
182.3	Def Depr-Big Sandy Unit 1 Gas	1,039
182.3	Def Prop Tax-Big Sandy U1 Gas	359
183	Prelimin Surv & Invesgtn Chrgs	1,105
186	Billings and Deferred Projects	363
186	Deferred Expenses	5,636
234	Intercompany Payables	(21,938)
244	Energy Contracts Current	(1,931)
	Total	46,779

Q. What is the effect of your recommendation on capitalization and the revenue requirement?

A. The effect is a reduction, net of ADIT for applicable items, of $34.345 million to adjusted capitalization and a reduction of $2.789 million in the base revenue requirement.[35] I have not reflected this reduction in the revenue requirement on the table in the Summary section of my testimony because these adjustments to capitalization are necessary only if the Commission calculates the return on component of the revenue requirement using capitalization.

III. OPERATING INCOME ISSUES

A. Incentive Compensation Expense Tied to Financial Performance

Q. Describe the Company's request for recovery of incentive compensation expense tied to AEP's financial performance.

A. The Company included $5.631 million in incentive compensation expense tied to AEP's financial performance. Of this amount, $1.164 million was incurred pursuant to the AEP Long Term Incentive Plan ("LTIP") and $4.467 million was incurred pursuant to the AEP Incentive Compensation Plan ("ICP").[36] The sum of these amounts after gross-up for bad debt expense and regulatory fees is $5.666 million. These amounts represent net amounts after exclusions of amounts billed to the co-owner of the Mitchell plant.

[35] The calculations are detailed in my electronic workpapers filed coincident with my testimony.

[36] The calculations are detailed in my electronic workpapers filed coincident with my testimony. Sources of data include Section V Exhibit 2 Adjustment WP 27, the response to AG-KIUC 1-26, and the response to AG-KIUC 2-18. I have attached a copy of each as my Exhibit___(LK-12). The Company provided the incentive compensation expense included in the test year revenue requirement incurred directly by the Company and incurred by AEP Service Corporation and allocated to the Company. The Company also provided calculation distinctions in response to AG-KIUC 1-27, a copy of which is provided in a separate exhibit as noted below.

Q. Please describe the AEP LTIP incentive compensation expense.

A. The AEP LTIP was implemented to incentivize AEP executives and managers to enhance shareholder value. If AEP executives and managers achieve or exceed the LTIP target metrics for total shareholder returns ("TSR") and earnings per share ("EPS"), they are rewarded with additional compensation.[37]

The LTIP incentive compensation consisted of performance share incentives ("PSIs") and restricted stock units ("RSUs") during the test year.[38] The LTIP PSI incentive compensation in 2019 was based only on AEP's EPS and TSR target metrics, both of which are measures of AEP's financial performance. The 2020 LTIP PSI was expanded slightly to include a target metric for a Non-Emitting Generating Capacity Goal. The LTIP RSU incentive compensation is based on the stock price of AEP at the grant date.[39] The stock price, by definition, is a measure of AEP's financial performance.

Q. Please describe the AEP ICP incentive compensation expense.

A. The AEP ICP was implemented to reward employees for achieving or exceeding targets for AEP's EPS as well as certain operations and safety metrics, weighted 70% to AEP's EPS and 30% to the other target metrics during 2019 and 100% to AEP's EPS starting in 2020.[40] The Company incurred $4.467 million in ICP

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[37] Company's response to AG-KIUC 1-27. I have attached a copy of that response as my Exhibit___(LK-13.)
[38] "Units" are similar to shares of AEP common stock, but have no voting rights.
[39] *Id*.
[40] Response to Staff 4-24. I have attached a copy of this response as my Exhibit___(LK-14).

incentive compensation expense in the test year, all of which is tied to the achievement of AEP's EPS starting in 2020.

Q. Should the Commission include the AEP LTIP and ICP incentive compensation expense tied to AEP's financial performance in the Company's revenue requirement?

A. No. I recommend that these expenses be disallowed. The Commission historically has disallowed and removed incentive compensation expenses from the revenue requirement that were incurred to incentivize the achievement of shareholder goals as measured by financial performance, not incurred to incentivize the achievement of customer and safety goals. That is because the achievement of AEP LTIP and ICP target metrics tied to financial performance benefits shareholders to the detriment of customers in rate proceedings such as this. The vast majority AEP LTIP and the entirety of AEP ICP were incurred starting in 2020 to achieve shareholder goals and was not directly tied to the achievement of regulated utility service requirements.

In the most recent Company base rate proceeding, the Company agreed to forego recovery of all incentive compensation expense tied to financial performance as one term in a settlement agreement, which the Commission accepted.[41] In the prior Company base rate proceeding, the Commission specifically disallowed incentive compensation expense incurred to achieve shareholder goals. In its discussion related to the disallowance, the Commission stated:

> Incentive criteria based on a measure of EPS, with no measure of improvement in areas such as service quality, call-center response, or other customer-focused criteria are clearly shareholder oriented. As noted in Case No. 2013-00148, the Commission has long held that ratepayers receive little,

[41] Kentucky Power Company Case No. 2017-00179 Order (KY PSC Jan. 18, 2018) at 13-15.

> if any, benefit from these types of incentive plans. It has been the Commission's practice to disallow recovery of the cost of employee incentive plans that are tied to EPS or other earnings measures and we find that Kentucky Power's argument to the contrary does nothing to change this holding as it is unpersuasive.[42]

Likewise, in its order in Kentucky-American Water Company Case No. 2010-00036, the Commission disallowed incentive compensation expense tied to "financial goals that primarily benefited shareholders."[43]

Again, in its order in Atmos Case No. 2013-00148, the Commission stated "Incentive criteria based on a measure of EPS, with no measure of improvement in areas such as safety, service quality, call-center response, or other customer-focused criteria, are clearly shareholder-oriented. As noted in the hearing on this matter, the Commission has long held that ratepayers receive little, if any, benefit from these types of incentive plans. . . It has been the Commission's practice to disallow recovery of the cost of employee incentive plans that are tied to EPS or other earnings measures."[44] Thus, the LTIP and ICP expense tied to EPS and total shareholder return should be borne by shareholders, not customers.

Further, incentive compensation incurred to incentivize AEP financial performance also provides the Company's executives, managers, and employees a direct incentive to seek greater and more frequent rate increases from customers in order to improve AEP's EPS and TSR. The greater the rate increases and revenues, the greater AEP's EPS and TSR and the greater the incentive compensation expense.

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[42] Kentucky Power Company Case No. 2014-00396 Order (KY PSC June 22, 2015) at 25.
[43] Kentucky American Water Company Case No. 2010-00036 Order (KY PSC Dec. 14, 2010) at 32.
[44] Atmos Energy Corporation Case No. 2013-00148 Order (KY PSC April 22, 2014) at 20.

Thus, there is an inherent conflict between achieving lower rates for customers on the one hand and achieving greater financial performance for shareholders and greater incentive compensation for executives, managers, and other employees on the other hand. Thus, all such expenses should be allocated to shareholders, not to customers.

Finally, the Company's request to embed these expenses in the revenue requirement tends to be self-fulfilling. The additional revenues ensure that the expense is recovered regardless of the Company's actual performance and regardless of its operational and safety performance. Thus, the expenses should be directly assigned to AEP shareholders, not customers.

In summary, the Company's requests for recovery of LTIP and ICP expense tied to EPS and total shareholder return fall clearly within the disallowance precedent and should be allocated to shareholders and not recovered from customers.

B. Supplemental Executive Retirement Plan ("SERP") Expense

Q. Describe the SERP expense included in the test year base revenue requirement.

A. The Company included $0.006 million in SERP expense for its employees and another $0.199 million in affiliate charges from AEP Service Corporation ("AEPSC ").[45]

Q. Has the Commission previously disallowed SERP expense?

A. Yes. The Commission stated in Case No. 94-355:

[45] Response to AG-KIUC 1-29. I have provided a copy of that response as my Exhibit___(LK-15.)

> The Attorney General's second adjustment would reduce expenses by $41,789 for SERP costs directly incurred by Cincinnati Bell because the Commission has previously removed from cost of service the cost of plans when benefits for highly compensated employees exceed the pension plan for all employees." Not surprisingly, we find the adjustment should be accepted.[46]

The policy rationale for exclusion of SERP costs is the same as that cited by the Commission more recently to deny recovery of 401(k) plan matching contributions that a utility makes on behalf of employees who also participate in a defined benefit plan.[47] For example, in Case No. 2016-00169,[48] the Commission stated: "The Commission believes all employees should have a retirement benefit, but finds it excessive and not reasonable that Cumberland Valley continues to contribute to both a defined-benefit pension plan as well as a 401(k) plan for salaried employees."[49]

In this proceeding, the Company's desire to recover SERP expenses from customers, instead of shareholders, is an attempt to make an end-run around the Commission's prohibition against recovery of excessive expenses incurred pursuant to multiple retirement plans. The Commission's existing policy of excluding expenses for multiple supplemental retirement programs available to salaried employees is even more crucial in the context of SERP, which is available exclusively to highly-compensated executives.

[46] In Re Application of Cincinnati Bell Telephone Co., Case No. 94-355, p. 16. See also, In Re Application of Louisville Gas & Electric Co., Case No. 90-158, Final Order dated Dec. 21, 1990, p. 27.

[47] See, e.g., In Re Electronic Application of Louisville Gas & Elec. Co. for an Adjustment of Rates, etc., Case No. 2016-00371, Final Order dated June 22, 2017, pp. 16-17.

[48] In Re Application of Cumberland Valley Electric, Inc. for a General Adjustment of Rates, Case No. 2016-00169, Final Order dated Feb. 6, 2017, p. 10.

[49] *Id*. at 10.

Q. What is your recommendation?

A. I recommend that the Commission disallow SERP expense for the reasons that it has cited in prior Orders.

C. Rockport UPA Demand Expense

Q. Describe the Company's post-test year adjustment to increase the Rockport UPA demand expense.

A. The Company proposes a post-test year adjustment in the Rockport UPA demand expense to reflect an increase in the operating ratio after the Rockport 2 SCR was placed in service in June 2020 and transferred to plant in service from construction work in progress.[50] This adjustment increases demand expense by $1.696 million and the base revenue requirement by $1.706 million.[51]

Q. Should the Commission increase the base revenue requirement to include this post-test year adjustment?

A. No. I recommend that the Commission direct the Company to defer the additional expense and accumulate it in the Rockport UPA regulatory asset, then subsequently recover it as an increase in the amortization expense through the PPA Rider starting in December 2022 coincident with the termination of the Rockport UPA. It is not reasonable to further increase the recovery of the Rockport UPA expense through the base revenue requirement for the next two years. There already is a mechanism in

[50] Direct Testimony of Alex Vaughan at 48.
[51] *Id.*, 49.

place to defer and amortize a portion of the Rockport UPA expense in order to mitigate the rate increases through 2022 and the rate reduction that otherwise will occur in December 2022. Finally, the deferral of this post-test year increase in expense is consistent with my recommendation to defer the interest expense resulting from a post-test year adjustment in the cost of debt, which I discuss in the Cost of Capital section of my testimony. In this manner, the two post-test year adjustments will be addressed through deferrals in order to mitigate the effects of these costs on the base revenue requirement in this proceeding, but still will provide the Company full recovery, albeit at later dates, and do so without harming customers.

D. State Income Tax Rates and Expense

Q. Describe the Company's calculation of state income tax rates and expenses included in the base revenue requirement.

A. The Company proposes a state income tax rate of 5.8545%, a rate that is substantially in excess of the Kentucky state income tax rate of 5.00%.[52] The state income tax rate of 5.8545% is a blended rate resulting from state income taxes apportioned to the Company from Illinois with an income tax rate of 9.50%, Michigan with an income tax rate of 6.00%, and West Virginia with an income tax rate of 6.50%, and Kentucky with its state income tax rate of 5.00%.[53]

[52] Section V Schedule 2 Workpaper S-2 page 2 of 3.
[53] *Id.*

Q. Is a blended state income tax rate of 5.8545% reasonable for ratemaking purposes?

A. No. The Company's base and rider revenue requirements in Kentucky should be based on Kentucky state income tax rates regardless of whether the taxable income for all or some of the AEP entities is included in other states' income tax returns and then apportioned to that state based on some allocation factor.

The fact that AEP entities operate in numerous states should be irrelevant for ratemaking purposes. That should not affect the state income tax rate or the state income tax expense included in the Company's base and rider revenue requirements.

The Commission should treat the Company as a standalone entity for the calculation of state income tax expense in the same manner that it treats the Company as a standalone entity for the calculation of federal income tax expense for ratemaking purposes. In prior cases, the Commission declined to include AEP consolidated tax savings, declined to reflect tax savings from interest on the debt AEP has used to finance its equity investment in the Company in the calculation of federal income tax expense for ratemaking purposes, and declined to reflect the parent company loss adjustment ("PCLA") tax benefit for ratemaking purposes even though it actually was allocated from AEP to the Company and reflected as a reduction in its per books income tax expense. In its Order in Case No. 2014-00396, the Commission rejected the AG's recommendation to include the parent company loss adjustment as a reduction to the Company's federal income tax expense and base revenue requirement, stating:

> The Commission finds that the AG's proposal to include the PCLA in Kentucky Power's federal income tax expense is inappropriate. This

> recommendation, if adopted, would represent a significant departure from over 25 years of the Commission's established and balanced policy prohibiting affiliate cross-subsidization. Therefore, the "stand-alone" approach the Commission has historically used shall be used to allocate income tax liabilities for Kentucky ratemaking purposes. Accordingly, we deny the AG's proposed adjustment for ratemaking purposes. *(footnote omitted).*[54]

Q. What is your recommendation?

A. I recommend that the Commission calculate state income expense using the Kentucky state income tax rate for base and rider revenue requirement purposes.

Q. What are the effects of your recommendation on the base, ES, and Decommissioning Rider revenue requirements?

A. The effects are a reduction of $0.692 million in the base revenue requirement, a reduction of $0.204 million in the ES revenue requirement, and a reduction of $0.073 million in the Decommissioning Rider revenue requirement.

Q. Does your recommendation affect the gross revenue conversion factor?

A. Yes. It reduces the gross revenue conversion factor from 1.35273 to 1.34056. I used the revised gross revenue conversion factor to calculate the effects of this recommendation on the base, ES, and Decommissioning Rider revenue requirements.

E. Edison Electric Institute ("EEI") Dues

[54] Kentucky Power Company Case No. 2014-00396 Order (KY PSC June 22, 2015) at 23.

Q. Describe the Commission's precedent regarding EEI Dues.

A. EEI is an electric utility lobbying organization, whose primary interest is the protection of utility shareholders. The Commission generally has disallowed 45.45% of dues paid to EEI because a portion of the dues applied toward 1) legislative advocacy, 2) regulatory advocacy, and 3) public relations. Commission orders in a number of cases including Case Nos. 2003-00433[55] and 2003-00434[56] have referred to these types of costs as "covered expenses" relying upon a designation of such activities on former EEI invoices based on NARUC operating expense categories.

Q. Can you describe the EEI dues that were included in the test year costs?

A. Yes. The Company supplied a copy of the invoice submitted by EEI to American Electric Service Company ('AEPSC") in discovery[57] showing that a total of $2.637 million related to regular membership and industry issues. The Company's 4.02% allocated share of that amount was $0.106 million.[58] There is no indication that any of this amount was removed from test year costs.

Q. Did the invoice designate certain percentages of the activities that related to covered expenses?

A. Yes. The invoice included footnotes stating that 13% of membership dues and 24% of industry dues were related to "influencing legislation." There were no further

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[55] Louisville Gas & Electric Company Case No. 2003-00433 Order (KY-PSC dated June 30, 2004) at pages 51-52.

[56] Kentucky Utilities Company Case No. 2003-00434 Order (KY-PSC dated June 30, 2004) at pages 44-45.

[57] Response to AG-KIUC 2-44 Attachment 1 page 3 of 20. I have attached a copy of the applicable portion of that response as my Exhibit___(LK-16).

[58] The calculations are detailed in my electronic workpapers filed coincident with my testimony.

definitions of such costs on the invoice.

Q. What is your recommendation?

A. I recommend that the cost of EEI dues in the test year of $0.106 million be reduced by 45.35% in accordance with Commission precedent on the matter. This is a higher percentage of costs than designated on the invoice itself. However, there is no assurance that the percentage designations for "influencing legislation" included on the invoice includes all of the legislative advocacy, regulatory advocacy, and public relations costs as contemplated in the past by the Commission.

Q. What is the effect of your recommendation?

A. The effect is a reduction in expense and in the base revenue requirement of $0.048 million.

IV. COST OF CAPITAL ISSUES

A. Mitchell Coal Stock Adjustment to Reduce Short-Term Debt

Q. Describe the Company's proforma adjustment to reduce short-term debt to $0.

A. It made a proforma adjustment to capitalization of $13.084 million to reduce actual Mitchell coal inventories to target levels ("Mitchell Coal Stock Adjustment"),[59] but

[59] Section V Exhibit 1 Workpaper S-3 page 4 of 4.

allocated this adjustment first to short-term debt until it was reduced to $0 and then allocated the remainder between long-term debt and common equity.[60]

Q. Is the Company's allocation of the Mitchell coal stock proforma adjustment first to short-term debt reasonable?

A. No. The Company does not finance long-term coal inventories solely with short-term debt and any disallowance of the Mitchell coal inventories should not be preferentially assumed to be financed with low-cost short-term debt with only minimal long-term debt or common equity. If there had been sufficient short-term debt, the Company would have allocated the entirety of the adjustment to short-term debt and none of it to long-term debt or common equity. This fact alone demonstrates the fallacy of the Company's approach because it rests not on any principle, but only on the amount of short-term debt outstanding at the end of the test year. If the test year had ended December 31, 2019, then the Company would have allocated the entirety of the adjustment to short-term debt simply because there was sufficient short-term debt for it to do, and not because it actually financed the excessive coal inventory at Mitchell with short-term debt.

Q. What is the effect of your recommendation to allocate the Mitchell coal stock adjustment proportionately across the capital structure rather than preferentially allocating it first to short-term debt on the base revenue requirement?

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[60] Section V Exhibit 1 Workpaper S-3 page 1 of 4.

A. The effect is a reduction of $0.705 million in the base revenue requirement.

B. Short-Term Debt In The Capital Structure

Q. Describe the Company's proposed capital structure.

A. The Company proposes a capital structure consisting of 0% short-term debt, 3.02% accounts receivables financing, 53.73% long-term debt, and 43.25% common equity.

Q. Is this proposed capital structure reasonable?

A. No. It reflects no short-term debt due to the Mitchell coal stock adjustment, despite the fact that the Company has a long history of using significant amounts of low-cost short-term debt to finance its utility and other investments. More specifically, in the test year, the Company had an average monthly balance of short-term debt outstanding of $80.621 million.[61] In fact, it had a balance of short-term debt of $113.175 million at December 31, 2019, or 6.42% of its capital structure,[62] and increased that amount to $120.549 million at February 28, 2020.[63] Just before the end of the test year, the Company paid down this short-term debt to $10.536 million at March 31, 2020, or 0.595% of its capital structure,[64] and then subsequently proformed this amount to $0 for ratemaking purposes.

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[61] Section V Schedule 3 Workpaper S-3 page 3 of 4 at line 14.

[62] Attachment 1 to response to Staff 2-2. I have attached a copy of that response as my Exhibit___(LK-17).

[63] Section V Schedule 3 Workpaper S-3 page 3 of 4 at line 11.

[64] Attachment 1 to response to Staff 2-2. I have attached a copy of that response as my Exhibit___(LK-17).

Q. What is a reasonable amount of short-term debt to include in the "per book" capital structure before proforma adjustments and before allocations to Kentucky retail jurisdiction?

A. The reasonable amount of short-term debt is the amount that the Company itself deemed reasonable and borrowed on average during the test year, or $80.621 million.

Q. Does your recommendation change the total debt and common equity capitalization proposed by the Company?

A. No. It only modifies the debt component to reflect the additional short-term debt in lieu of a comparable amount and percentage of long-term debt.

Q. What is a reasonable interest rate on this short-term debt?

A. The most recent interest rate on short-term debt incurred by the Company is 0.51%.[65]

Q. What is the effect of your recommendation to include the test year monthly average of short-term debt in the capital structure on the base revenue requirement?

A. The effect is a reduction of $2.512 million in the base revenue requirement.

C. Maturing 7.250% Long-Term Debt Issue

Q. Describe the 7.250% long-term debt issue that will mature in June 2021.

[65] Response to AG-KIUC 1-75. I have attached a copy of that response as my Exhibit___(LK-18).

A. The Company has outstanding $40.000 million in Senior Unsecured Notes – Series A that will mature on June 18, 2021, less than six months after rates are reset in this proceeding.[66] The effective interest rate on this debt issue is 7.319%, which includes the interest on the principal plus the amortization of discount and issuance costs. The annualized cost of this debt issue is $2.928 million (total Company).

Q. Will the Company issue new debt to replace this issue when it matures?

A. Yes. That has been the Company's practice.

Q**. Will the cost of the new debt be substantially less than the effective 7.319% cost on the maturing debt?**

A. Yes. Interest rates are at historic lows due in part to the federal government and the Federal Reserve's responses to the Covid-19 pandemic. The cost of new debt likely will be less than 4.0% and could be less than 3.0% depending on the tenor (term) of the new debt that is issued and the market pricing available for the tenor selected. The effective interest rate typically increases with the length of the tenor. The effective interest rates on the Company's four separate debt issuances with different tenors issued on September 12, 2017 demonstrate this correlation. The seven-year tenor has an effective interest rate of 3.182%, the ten-year tenor has an effective interest rate of 3.388%, the twelve-year tenor has an effective interest rate of

[66] Attachment 1 page 2 to response to Staff 2-3. I have attached a copy of that response as my Exhibit___(LK-19).

3.483%, and the thirty-year tenor has an effective interest rate of 4.139%. Interest rates have declined since September 2017.

Q. Due to the short period remaining (less than six months after rates are reset in this proceeding) that this high-cost debt issue will be outstanding, should this cost be included in the base revenue requirement?

A. No. I recommend that the Commission reflect a 4.0% cost for the new debt issue in the weighted cost of long-term debt and direct the Company to defer the difference in jurisdictional interest expense between this rate and the high-cost debt issue until it matures as a regulatory asset and then direct the Company thereafter to defer the difference in interest expense between this rate and the actual interest rate on the new debt issue as a regulatory asset (if greater) or as a reduction to the regulatory asset initially deferred (if less) until rates are reset in the next base rate proceeding. At that time, the regulatory asset will be included in rates and the Company will recover the deferred interest expense or repay the recovery in excess of the interest expense if there is either a regulatory asset or a regulatory liability at that date.

Q. What is the reduction in annual interest expense when the high-cost issue is replaced with new lower-cost debt in June 2021?

A. The annualized reduction in annual interest expense will be $1.3 million or more (total Company). In other words, by January 1, 2024, three years from the date rates will be reset in this proceeding, the Company will have recovered approximately

$3.3 million more than its actual interest expense after June 18, 2021 if the Commission does not act to protect customers in this proceeding.

Q. Will your recommendation harm the Company?

A. No. It is fair to both the Company and its customers. The Company recovers its actual interest expense and the customers pay the Company only its actual interest expense. This recommendation to reduce revenue requirements through a known and measurable reduction to test year expenses is similar to the Company's proposed post-test year increase to revenue requirements related to the Rockport UPA demand expense increase.

Q. What is the effect of your recommendation on the base revenue requirement?

A. The effect is a reduction of $0.793 million in the base revenue requirement.

<u>D. Return on Equity</u>

Q. What is the AG and KIUC return on equity recommendation?

A. I recommend a return on equity of 9.0%. AG and KIUC witness Mr. Baudino provided a range for the return on equity of 8.93% to 9.25%, but did not provide a point estimate in recognition that there were other policy factors that should be considered in this proceeding. In important respects, these are the same policy factors that were considered by the Company when it proposed a 10.0% return on equity even though its witness Mr. McKenzie provided a recommendation for a 10.3% return on equity. Company witness Mr. D. Brett Mattison states:

> Company Witness McKenzie's analysis demonstrates that an ROE of 10.3% is warranted for the Company. Although Mr. McKenzie's analysis supports a higher ROE, Kentucky Power is requesting an ROE of 10.0% as a third way to mitigate the rate increase in this case. Each of these measures represents a one-time proposal that Kentucky Power is making, without prejudice to the Company's positions in future rate cases, in recognition of the unique economic and financial challenges that customers in the Company's service territory are facing as a result of COVID-19.[67]

The AG and KIUC 9.0% return on equity represents a reduction of 25 basis points from the upper level of the range recommended by Mr. Baudino, approximately the same reduction proposed by the Company itself.

In addition to the economic and financial challenges that customers are facing, the Company will be guaranteed its authorized return in the base revenue requirement in 2023 pursuant to the settlement term approved by the Commission in Case No. 2017-00179. Under that settlement term, the Company will use the reduction in the Rockport UPA revenue requirement in 2023 to recover any earnings deficiency calculated on a ratemaking basis in 2023. After the Company meets its authorized return, the remainder will flow through to ratepayers in the PPA rider.

Further, the return on equity determined in this proceeding will be applied in the Company's riders that include rate base amounts, including the ES, Decommissioning Rider, and the PPA rider (return on deferral of Rockport UPA costs through December 7, 2022 and current return thereafter). These riders all provide the Company guaranteed recovery of approved costs and thus, have less regulatory and financial risk than the costs recovered through base rates.

[67] Direct Testimony of D Brett Mattison at 8.

Finally, use of a return on equity at or near the lower end of the range determined reasonable is consistent with the Commission's Order in Case No. 2017-00179 wherein it stated:

> The Commission is cognizant of the risk inherent to Kentucky Power's service territory and load profile. The Commission notes the Attorney General's position that Eastern Kentucky has been economically depressed for the past decade and that the Commission should consider the economic conditions of the region in evaluating the overall rates and rate design. Therefore, given the adverse economic situation of the service territory of high unemployment, low earnings, and high poverty rates, the Commission finds a lower ROE will allow Kentucky Power to earn a fair return while reflecting the situation of its customers.

Since the Commission issued its Order in the last case, economic conditions in Eastern Kentucky have deteriorated further.

Q. What is the effect of the AG-KIUC return on equity recommendation?

A. The effect is a reduction of $7.576 million in the base revenue requirement. This reduction is incremental to the reductions for the other cost of capital recommendations that I address.

E. Quantification of AG and KIUC Cost of Capital Recommendations on Rider Revenue Requirements

Q. What are the effects of the AG and KIUC cost of capital recommendations, including the 9.0% return on equity, on the ES and Decommissioning Rider revenue requirements?

A. The effects are a reduction of $3.420 million in the ES revenue requirement and a reduction of $1.267 million in the Decommissioning Rider revenue requirement.

These reductions are incremental to the reductions for the state income tax rate issue that I previously addressed and quantified.

V. USE OF EDIT TO OFFSET 100% OF THE FIRST YEAR AND 50% OF THE SECOND YEAR OF BASE RATE INCREASE AND CONTINUATION OF THE FTC TARIFF AT ITS CURRENT LEVEL

Q. Describe the Company's proposal to use unprotected EDIT to offset the first year of its requested base rate increase, CC rate reduction, and GMR rate increase, if adopted.

A. The Company's base rate increase, CC rate reduction, and GMR rate increase, if adopted without change, will result in a net rate increase of $65.002 million.[68] The Company proposes to offset this net rate increase only for 2021 by accelerating the amortization of unprotected EDIT.[69] The Company proposes to continue the test year level of amortization of EDIT through the Tariff FTC in 2021, 2022, and each subsequent year until the EDIT is fully exhausted, which will be earlier due to the one-time amortization to offset the net rate increase in 2021.[70]

Q. Do you agree with the use of EDIT in this manner to mitigate the effects of the allowed net rate increases in the first year after rates are reset in this proceeding?

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[68] Application at Summary Tab of Section V.
[69] Direct Testimony of Brian West at 8-9.
[70] Direct Testimony of Alex Vaughan at 33-34 and response to Staff 4-83(a). I have attached a copy of that response as my Exhibit___(LK-20).

A. Yes. This is an appropriate mitigation using amounts that are due customers and will be refunded in any event; this simply accelerates the refund.

Q. Will the amount of the EDIT used to mitigate the effects of the allowed net rate increases in the first-year change based on the AG and KIUC recommendations?

A. Yes. The amount necessary to mitigate the effects of the allowed net rate increases will be substantially less than the $65.002 million quantification calculated by the Company due to the reductions in the base rate increase and rejection of the proposed GMR recommended by the AG and KIUC.

Q. Do you agree with the Company's proposal to revert to the lower test year level of amortization of unprotected EDIT in 2022 and each subsequent year until the EDIT is fully exhausted?

A. No. I recommend that the Commission use an additional amount of the EDIT remaining at the end of 2021 to mitigate 50% of the net increase that otherwise will occur in 2022. This will provide additional mitigation using the customers' own funds and phase-in the net rate increase to its full level in 2023.

Q. Is there sufficient unprotected EDIT to achieve this additional mitigation in 2022?

A. Yes. The Company had a revenue equivalent of $113.5 million in unprotected EDIT at April 30, 2020.[71] The Company proposes to use the revenue equivalent of $10.8 million of the unprotected EDIT to relieve outstanding uncollectible accounts as set forth in its Application in Case No. 2020-00176. However, the Commission issued an Order in that proceeding stating that the EDIT issues would be addressed in this proceeding. The Company also continues to amortize the unprotected EDIT through the FTC Tariff. I estimate that it will have a revenue equivalent remaining balance of approximately $96-$107 million at the end of this year, depending on whether the Commission accepts, modifies, or rejects the Company's request to use a portion of the balance to relieve outstanding uncollectible accounts.

Q. Do you agree with the Company's proposal to continue the test year level of the FTC Tariff until the EDIT is fully utilized?

A. Yes. The EDIT constitutes funds that are owed to consumers. Giving those funds back to consumers in the amounts contained in the FTC Tariff is reasonable. Reducing the FTC Tariff would effectively be a rate increase, and that should be avoided.

VI. ROCKPORT 2 SCR DEPRECIATION EXPENSE OVER THREE YEARS IN ES IS UNREASONABLY SHORT AND SHOULD BE EXTENDED TO TEN YEARS

Q. Describe the Rockport 2 SCR depreciation expense included in the ES.

[71] Direct Testimony of Brian West at 8, as clarified through informal discovery.

A. The Company purchases 30% of AEGCo's 50% of the Rockport 2 capacity and energy. The Company is billed monthly pursuant to the terms set forth in the Rockport UPA. AEGCo incurred $135.373 million to install a new selective catalytic converter on Rockport Unit 2 in 2020, despite the fact that AEGCo's Rockport 2 lease and the Rockport UPA both terminate on December 7, 2022. Kentucky Power's 30% share of the SCR cost is $40.6 million. AEGCo is depreciating the new SCR over three years to coincide with the termination of the lease and the UPA.

The Company recovers the cost of the new SCR through the ES, both the return on and the depreciation expense pursuant to the Commission's Order in Case No. 2019-00389.

Q. Is it reasonable to recover the cost of the Rockport 2 SCR over three years?

A. No. This is an unreasonably short period to recover the cost of an SCR that has a much longer potential service life than three years, but no longer will be owned by AEGCo after the Rockport 2 lease and the Rockport UPA are terminated on December 7, 2022.

Q. Is the Commission required to provide contemporaneous recovery of the Rockport 2 SCR depreciation expense?

A. No. The Commission can allow recovery of the Rockport 2 SCR plant costs over any reasonable period. It does not need to provide contemporaneous recovery to match the timing of the amounts invoiced pursuant to the Rockport UPA. It can modify the recovery of this depreciation expense in the ES to reflect an extended depreciation/amortization period and direct the Company to defer the difference in the depreciation expense from January 2021 through December 7, 2022 and begin to amortize the deferral starting December 8, 2022 through the end of the amortization period.

Q. Did the Indiana Utility Regulatory Commission ("IURC") recently review the Rockport 2 SCR and the proposed three-year depreciation period for Indiana Michigan Power Company ("I&M")?

A. Yes. In IURC Cause No. 44871, I&M proposed and the IURC authorized a ten-year depreciation period even through the Rockport 2 lease would terminate in December 2022. I&M evaluated several options with respect to the SCR, including early termination of the lease, non-renewal of the lease and retirement of Rockport 2 upon the termination of the lease, and renewal of the lease. I&M concluded that installing the new SCR provided it with the "optionality" to renew the lease if it subsequently found that to be economic.

Q. Should the Commission extend the depreciation/amortization recovery period for the Rockport 2 SCR in the same manner that the IURC did for I&M?

A. Yes. That would be reasonable and would mitigate the effect of this cost on customers. Because of the functioning of the ES, the Company will receive its weighted average cost of capital carrying charge on the unamortized balance.

Q. What is the effect of your recommendation?

A. The effect is a $15.953 million reduction in the ES revenue requirement.

VII. RECOVERY OF INCREMENTAL OATT LSE NET EXPENSES THROUGH PPA RIDER

Q. Describe the Company's proposal to include incremental OATT LSE net expenses through the PPA Rider.

A. The Company seeks to recover 100% of the incremental increases in the OATT LSE net expenses incurred after the test year through the PPA Rider.

Q. Is this reasonable?

A. No. The primary driver of increases in the OATT LSE net expenses is transmission capital expenditures by other AEP utilities and AEP state transmission companies ("transcos"), as discussed in greater detail by AG and KIUC witness Mr. Stephen Baron. The significant increases in Kentucky Power's OATT LSE expense are being driven by continuing growth in transmission investments in Ohio, Indiana, Virginia and West Virginia, not in Kentucky. Therefore, these cost increases are within the control of AEP. These cost increases are not the result of uncontrollable PJM actions. Therefore, while base revenue recovery remains appropriate, PPA rider recovery for incremental AEP transmission investment in other states is not appropriate.

Q. Under federal preemption, is the Commission required to provide the Company contemporaneous recovery of increasing expenses as they are incurred?

A. No. Nor has the Company made this claim. If the Commission continues its practice of providing full recovery of these expenses in the test year through the base revenue requirement, then it has fulfilled its obligation to provide recovery. The Company never was authorized to recover post-test year increases in these expenses in prior cases until the Commission approved a settlement term in the last case that allowed recovery of 80% of such post-test year increases through the PPA rider until base rates are reset in this proceeding. Thus, if that temporary recovery is terminated when base rates are reset in this proceeding, then it simply reverts to the same recovery process as existed prior to the last proceeding.

Q. Has the Company addressed or even acknowledged the fact that the term in the settlement agreement in the last case only resolved the issues in that case, but do not control or resolve the issues in this case?

A. No. This is an important point because the Company simply assumes that it will continue to recover 80% of the incremental expenses through the PPA Rider even if the Commission rejects its proposed increase to 100%.

Q. Are the significant recent increases, and projected additional increases, in the Company's allocated share of AEP transmission expense additional reasons to allow only base rate recovery of transmission costs?

A. Yes. As explained more fully by AG and KIUC witness Mr. Baron, KPC's allocated share of AEP transmission costs has significantly increased in recent years, and that increase is projected to continue. From the Company's 2014 rate case (Case No.

2014-00396) to the current case, KPC's allocated share of AEP net PJM LSE OATT charges and credits has increased by 80% from $53.8 million to $96.9 million. In 2020, the difference in total revenue requirements between KPC's actual transmission costs (including the Kentucky transco) and the amount allocated to it under the AEP Transmission Agreement is $19 million. That $19 million is about 25% above Kentucky Power's standalone transmission costs. Under AEP's 2020-2024 capital budget forecast, Kentucky Power will be allocated approximately $465 million in new AEP East system-wide transmission expenditures. That amounts to approximately 33% of the Company's as-filed rate base amount in this case of $1,408 million. Allowing pass-through recovery of transmission cost increases through the PPA would eliminate all incentive for Kentucky Power to control these costs.

Q. What is your recommendation?

A. I recommend that the Commission deny any recovery of incremental OATT LSE net expenses through the PPA Rider. Recovery should be solely through base rates. If this creates earnings erosion between rate cases, then Kentucky Power should address this issue with its affiliate utilities and affiliate state transcos. This is not a problem created by customers and should not be resolved by imposing increases in the expenses on customers through the PPA rider between base rate proceedings.

VIII. TERMINATION OF CAPACITY CHARGE TARIFF

Q. Describe the Company's proposal to terminate the Capacity Charge tariff when base rates are reset in this proceeding.

A. The Company presently recovers $6.2 million annually through the CC tariff and will continue to do so through December 7, 2022 when the Rockport 2 lease is terminated and the Rockport UPA is terminated. The Company proposes to terminate the CC tariff effective when base rates are reset in this proceeding as a mitigation measure, but subject to the condition that the Commission make no changes to its requested base rate increase.[72]

Q. Describe the history of the Capacity Charge Tariff.

A. AEP Generating Company (AEGCO) owns 50% of Rockport Unit 1 and Unit 2. In 1984 Kentucky Power entered into a wholesale Unit Power Agreement to purchase 30% of AEGCO's 50% share, or 15% of Rockport. The power purchased from Rockport Unit 1 is priced at a FERC approved cost of service rate. The power purchased from Rockport Unit 2 is priced under the terms of a sale/leaseback transaction. Rockport Unit 2 is owned by the Wilmington Trust Company and other lessors and is leased to the AEP parties (AEGCO and I&M). The return on equity component for AEGCO's equity investment in both Rockport Units has been and is 12.16%.

In 2004, the Commission approved a Settlement Agreement between Kentucky Power, the Office of Attorney General and KIUC which included an 18-year extension of the Rockport Unit Power Agreement until December 7, 2022. As

[72] Application at 8, par. 13(a).

part of that Settlement Agreement, the AG and KIUC agreed to not oppose the inclusion of a premium for Rockport. That premium is the Capacity Charge (CC) recovered through the CC tariff. For the first five years of the 18-year extension, the CC premium was $5.1 million per year, and for the next 13 years it is $6.2 million per year. Over the 18-year extension the total CC premium would be $106 million.

The CC currently costs the average residential customer $1.66 per month. If the CC premium continues from the effective date of new rates in this case until December 7, 2022, then the average residential customer will pay an additional $38.

Q. Please describe the litigation surrounding the Rockport Plant.

A. The litigation is complex. This is my understanding from reviewing AEP's 10-K. The owners of Rockport Unit 2 (Wilmington Trust, et.al.) are suing AEGCO and I&M, essentially alleging that under AEP's system-wide New Source Review (NSR) Consent Decree with EPA, Sierra Club and others, AEP failed to install proper environmental control equipment on Rockport Unit 2 by favoring other AEP owned generation. Therefore, when the owners take back Unit 2 at the end of the sale/leaseback, the suit alleges that the owners will be saddled with excessive environmental costs.

The most recent NSR Consent Decree requires AEP to install Selective Catalytic Reduction (SCR) technology at Rockport Unit 2 in 2020. AEGCO's 50% share of the SCR cost is $135.373 million, which makes Kentucky Power's 30% share $40.6 million. Even though the SCR has a useful life of more than twenty years, it will be fully depreciated and recovered through Kentucky Power's environmental surcharge by December 7, 2022. Earlier in my testimony, I recommended lengthening the SCR depreciation period from three to ten years.

The most recent NSR Consent Decree also requires that AEP install enhanced dry sorbent injection (DSI) on both Rockport Units by the end of 2020. Total SO2 emissions from Rockport Unit 1 and Unit 2 are limited to 10,000 tons beginning in 2021, which is reduced to 5,000 tons per year when Unit 1 retires in 2028. The enhanced DSI system will increase Rockport operating and capital costs, thus increasing costs to Kentucky Power ratepayers.

Q. Do you agree with the Company's proposal to terminate the CC tariff when base rates are reset in this proceeding?

A. Yes. However, I recommend that the Commission reject the Company's condition. The CC tariff is a retail rate and is not a cost imposed on the Company through a FERC tariff, unlike the costs imposed pursuant to the UPA itself.

The Commission adopted the CC tariff through a Settlement Agreement as an incentive to renew the UPA for an additional 18 years. Since then, circumstances have changed and the CC tariff is no longer reasonable.

First, the 12.16% ROE that Kentucky Power pays AEGCO for AEGCO's investment in the Rockport plant is excessive under current market conditions. And that very high ROE is being applied to a smaller rate base as the plant is depreciated. When the $6.2 million of "free" money recovered through the CC tariff is added to AEGCO's contractual 12.16% equity return recovered through base rates and the ES, then AEP's realized return is much greater than the contractual 12.16%. For the period August 2019 through July 2020, when the $6.2 million CC revenue is added to the FERC approved 12.16% ROE, AEP earned an effective ROE of 33.81% on its Rockport investment.

Second, the litigation surrounding the Rockport plant has forced Kentucky Power ratepayers to pay for significant new capital investments in the environmental surcharge over a short period of time. Kentucky Power's cost of the Unit 2 SCR is $40.6 million. The Rockport Unit 2 SCR required under the Wilmington Bank litigation and NSR Consent Decree will be depreciated over three years even though it has a useful life of over twenty years. When the owner of Unit 2 gets the facility back after the sale/leaseback ends on December 7, 2022 it will have a fully paid for almost new SCR. The capital cost of the enhanced DSI on Unit 2 also will be depreciated over three years, and the DSI will increase the operating costs of both Rockport Units. These environmental costs paid for by ratepayers through the environmental surcharge may have been necessary to meet the requirements of the Consent Decree, but those costs also reduced AEP's litigation risk.

Paying a premium over and above cost-of-service for 16 years has been long enough. The CC tariff should be terminated two years early when new rates take effect in this case. Asking residential customers to continue paying an extra $1.66 per month under current economic conditions is unreasonable. Nor should residential and business customers pay AEP an effective ROE of 33.81% on its Rockport investment.

IX. PROPOSED GMR AND CPCN FOR AMI

A. Grid Modernization Rider

Q. Describe the Company's proposed GMR.

A. The Company proposes a new GMR "to recover the capital and incremental operation and maintenance expenses associated with projects to modernize the distribution grid or to improve the Company's reliability and resiliency, including the Company's AMI deployment proposed in this case."[73]

Q. Should the Commission approve the proposed GMR?

A. No. First, there is no need for the proposed GMR to recover the costs of AMI meters and the related infrastructure if the Commission denies a CPCN.

Second, there is no other evident or compelling need for the GMR to provide recovery of unknown future distribution modernization projects.

Third, the costs of new distribution investments historically have not been carved out for special ratemaking recovery through riders between base rate proceedings. This also has been true for gas utilities, except where it was necessary to incur significant costs to accelerate the replacement of pipelines and services assets due to safety issues.

Fourth, the Company has not demonstrated any special financial or other need to recover incremental distribution costs through a rider rather than base rates when they are periodically reset.

Fifth, the Company has proposed no offsets to the incremental costs recoverable through the proposed GMR for the decrements in costs that will occur

[73] Application at 10, par 18(a).

when new distribution assets are placed in service, such as the proposed AMI and related infrastructure.[74] In the case of the AMI and related infrastructure, there will be some savings that should be offset against the costs of the new investments and operating expenses. The Company will achieve maintenance expense savings due to lower failure rates and due to the ability to remotely turn on and turn off service.[75,76] Also in that case, the Company will achieve depreciation expense savings when it retires the AMR meters and related infrastructure and is required to discontinue depreciation expense on those retired assets pursuant to Generally Accepted Accounting Principles ("GAAP") and the FERC Uniform System of Accounts ("USOA").[77,78] In addition, in that case, the Company will no longer incur ad valorem tax expense on the retired AMR meters and related infrastructure.

Finally, the Company has proposed no offsets for the reductions in rate base on existing distribution investments to reflect increases in accumulated depreciation and ADIT, which are sources of funds for new investment between base rate proceedings.

Q. What is your recommendation?

A. I recommend that the Commission reject the proposed GMR. However, if the Commission approves a GMR, then it should modify the costs recovered through the

[74] Response to AG-KIUC 1-90. I have attached a copy of that response as my Exhibit___(LK-21). The Company provided its estimate of incremental O&M expense. There were no decrements or offsets for savings.

[75] Direct Testimony of Stephen Blankenship at 13: "the Company expects the transition to AMI meters to result in a reduction in fleet costs and other savings from streamlining of departments."

[76] The Company provided estimated savings in account 902 Meter Reading of $0.623 million.

[77] Response to AG-KIUC 1-63. I have attached a copy of that response as my Exhibit___(LK-22).

[78] The Company provided estimated reduction in AMR meter depreciation expense of $0.889 million.

proposed rider to reflect all savings in O&M expense, depreciation expense, ad valorem tax expense, and other expenses as reductions in the GMR revenue requirement. In addition, it should modify the proposed rider to reflect the decrements in costs on existing distribution plant due to increases in accumulated depreciation and ADIT.

B. CPCN for AMI Meters and Related Infrastructure

Q. Describe the Company's request for a CPCN for AMI Meters and Related Infrastructure.

A. The Company requests a CPCN to replace its existing AMR meters and related infrastructure with new AMI meters and related infrastructure over the four-year period 2021-2025. The Company plans to spend $36.960 million over those four years, consisting of $34.494 million in capital expenditures and $2.466 million in O&M expense.[79]

Q. Has the Company performed a cost/benefit study to justify the replacement of its AMR meters and related infrastructure?

A. No. The Company simply claims that an economic study is not necessary and that it has no intention to perform one.[80]

Q. Do you agree that an economic study is not necessary?

[79] Direct Testimony of Stephen Blankenship at 17.
[80] Response to AG-KIUC 1-95. I have attached a copy of that response as my Exhibit___(LK-23).

A. No. The Company's proposed AMI and related infrastructure is a significant cost and it is discretionary. It will impose an unnecessary cost on its customers in a difficult economic environment, a fact that the Company acknowledges and has attempted to mitigate through other proposed measures, including the accelerated amortization of excess unprotected EDIT and the termination of the CC tariff.

The proposed AMI and related infrastructure will not result in net savings or even breakeven in comparison to retaining its existing AMR meters and related infrastructure. In addition, the Company acknowledges that it has available supplies of retired, but still functional, AMR meters from its sister utilities that it can use to replace AMR meters or components, such as communication modules, if and when the meters or components fail.[81]

Q. Are AMR meters and replacement parts still available?

A. Yes. They are available from other AEP utilities and other utilities that have retired their AMR meters. Additionally, while the Company asserts that its current metering system is "technologically obsole[te]," nonetheless it acknowledges at least one vendor continues to manufacture the type of meter it currently uses.[82]

Q. What is your recommendation?

A. I recommend that the Commission deny the CPCN without prejudice. The proposed retirement of AMR meters and infrastructure with AMI meters and infrastructure is

[81] Response to AG_KIUC 1-117. I have attached a copy of that response as my Exhibit___(LK-24).

[82] Direct Testimony of Stephen Blankenship at 3-4.

not necessary and it is not economic. Since the Company has refused to submit any cost-benefit analyses with the current application, there is no way for the Commission to determine whether the cited "benefits" of the proposed AMI meters are accurate in any manner. Most importantly, this is not the right time to impose discretionary costs on a declining customer base that is suffering economically.

Q. Does this complete your testimony?

A. Yes.

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 REGULATORY	**)**	**CASE NO. 2020-00174**
ASSETS AND LIABILITIES; (4) APPROVAL OF	**)**	
A CERTIFICATE OF PUBLIC CONVENIENCE	**)**	
AND NECESSITY; AND (5) ALL OTHER	**)**	
REQUIRED APPROVALS AND RELIEF	**)**	

EXHIBITS

OF

LANE KOLLEN

ON BEHALF OF THE

ATTORNEY GENERAL OF THE COMMONWEALTH OF KENTUCKY

AND THE

KENTUCKY INDUSTRIAL UTILITY CUSTOMERS, INC.

J. KENNEDY AND ASSOCIATES, INC.
ROSWELL, GEORGIA

OCTOBER 2020

EXHIBIT _____ (LK-1)

RESUME OF LANE KOLLEN, VICE PRESIDENT

EDUCATION

University of Toledo, BBA
Accounting

University of Toledo, MBA

Luther Rice University, MA

PROFESSIONAL CERTIFICATIONS

Certified Public Accountant (CPA)

Certified Management Accountant (CMA)

PROFESSIONAL AFFILIATIONS

American Institute of Certified Public Accountants

Georgia Society of Certified Public Accountants

Institute of Management Accountants

Society of Depreciation Professionals

Mr. Kollen has more than thirty years of utility industry experience in the financial, rate, tax, and planning areas. He specializes in revenue requirements analyses, taxes, evaluation of rate and financial impacts of traditional and nontraditional ratemaking, utility mergers/acquisition and diversification. Mr. Kollen has expertise in proprietary and nonproprietary software systems used by utilities for budgeting, rate case support and strategic and financial planning.

EXPERIENCE

1986 to Present:

J. Kennedy and Associates, Inc.: Vice President and Principal. Responsible for utility stranded cost analysis, revenue requirements analysis, cash flow projections and solvency, financial and cash effects of traditional and nontraditional ratemaking, and research, speaking and writing on the effects of tax law changes. Testimony before Connecticut, Florida, Georgia, Indiana, Louisiana, Kentucky, Maine, Maryland, Minnesota, New York, North Carolina, Ohio, Pennsylvania, Tennessee, Texas, West Virginia and Wisconsin state regulatory commissions and the Federal Energy Regulatory Commission.

1983 to 1986:

Energy Management Associates: Lead Consultant.
Consulting in the areas of strategic and financial planning, traditional and nontraditional ratemaking, rate case support and testimony, diversification and generation expansion planning. Directed consulting and software development projects utilizing PROSCREEN II and ACUMEN proprietary software products. Utilized ACUMEN detailed corporate simulation system, PROSCREEN II strategic planning system and other custom developed software to support utility rate case filings including test year revenue requirements, rate base, operating income and pro-forma adjustments. Also utilized these software products for revenue simulation, budget preparation and cost-of-service analyses.

1976 to 1983:

The Toledo Edison Company: Planning Supervisor.
Responsible for financial planning activities including generation expansion planning, capital and expense budgeting, evaluation of tax law changes, rate case strategy and support and computerized financial modeling using proprietary and nonproprietary software products. Directed the modeling and evaluation of planning alternatives including:

Rate phase-ins.
Construction project cancellations and write-offs.
Construction project delays.
Capacity swaps.
Financing alternatives.
Competitive pricing for off-system sales.
Sale/leasebacks.

CLIENTS SERVED

Industrial Companies and Groups

Air Products and Chemicals, Inc.
Airco Industrial Gases
Alcan Aluminum
Armco Advanced Materials Co.
Armco Steel
Bethlehem Steel
CF&I Steel, L.P.
Climax Molybdenum Company
Connecticut Industrial Energy Consumers
ELCON
Enron Gas Pipeline Company
Florida Industrial Power Users Group
Gallatin Steel
General Electric Company
GPU Industrial Intervenors
Indiana Industrial Group
Industrial Consumers for
Fair Utility Rates - Indiana
Industrial Energy Consumers - Ohio
Kentucky Industrial Utility Customers, Inc.
Kimberly-Clark Company

Lehigh Valley Power Committee
Maryland Industrial Group
Multiple Intervenors (New York)
National Southwire
North Carolina Industrial
Energy Consumers
Occidental Chemical Corporation
Ohio Energy Group
Ohio Industrial Energy Consumers
Ohio Manufacturers Association
Philadelphia Area Industrial Energy
Users Group
PSI Industrial Group
Smith Cogeneration
Taconite Intervenors (Minnesota)
West Penn Power Industrial Intervenors
West Virginia Energy Users Group
Westvaco Corporation

Regulatory Commissions and Government Agencies

Cities in Texas-New Mexico Power Company's Service Territory
Cities in AEP Texas Central Company's Service Territory
Cities in AEP Texas North Company's Service Territory
Georgia Public Service Commission Staff
Kentucky Attorney General's Office, Division of Consumer Protection
Louisiana Public Service Commission Staff
Maine Office of Public Advocate
New York State Energy Office
Office of Public Utility Counsel (Texas)

Utilities

Allegheny Power System
Atlantic City Electric Company
Carolina Power & Light Company
Cleveland Electric Illuminating Company
Delmarva Power & Light Company
Duquesne Light Company
General Public Utilities
Georgia Power Company
Middle South Services
Nevada Power Company
Niagara Mohawk Power Corporation
Otter Tail Power Company
Pacific Gas & Electric Company
Public Service Electric & Gas
Public Service of Oklahoma
Rochester Gas and Electric
Savannah Electric & Power Company
Seminole Electric Cooperative
Southern California Edison
Talquin Electric Cooperative
Tampa Electric
Texas Utilities
Toledo Edison Company

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Date	Case	Jurisdict.	Party	Utility	Subject
10/86	U-17282 Interim	LA	Louisiana Public Service Commission Staff	Gulf States Utilities	Cash revenue requirements financial solvency.
11/86	U-17282 Interim Rebuttal	LA	Louisiana Public Service Commission Staff	Gulf States Utilities	Cash revenue requirements financial solvency.
12/86	9613	KY	Attorney General Div. of Consumer Protection	Big Rivers Electric Corp.	Revenue requirements accounting adjustments financial workout plan.
1/87	U-17282 Interim	LA 19th Judicial District Ct.	Louisiana Public Service Commission Staff	Gulf States Utilities	Cash revenue requirements, financial solvency.
3/87	General Order 236	WV	West Virginia Energy Users' Group	Monongahela Power Co.	Tax Reform Act of 1986.
4/87	U-17282 Prudence	LA	Louisiana Public Service Commission Staff	Gulf States Utilities	Prudence of River Bend 1, economic analyses, cancellation studies.
4/87	M-100 Sub 113	NC	North Carolina Industrial Energy Consumers	Duke Power Co.	Tax Reform Act of 1986.
5/87	86-524-E-SC	WV	West Virginia Energy Users' Group	Monongahela Power Co.	Revenue requirements, Tax Reform Act of 1986.
5/87	U-17282 Case In Chief	LA	Louisiana Public Service Commission Staff	Gulf States Utilities	Revenue requirements, River Bend 1 phase-in plan, financial solvency.
7/87	U-17282 Case In Chief Surrebuttal	LA	Louisiana Public Service Commission Staff	Gulf States Utilities	Revenue requirements, River Bend 1 phase-in plan, financial solvency.
7/87	U-17282 Prudence Surrebuttal	LA	Louisiana Public Service Commission Staff	Gulf States Utilities	Prudence of River Bend 1, economic analyses, cancellation studies.
7/87	86-524 E-SC Rebuttal	WV	West Virginia Energy Users' Group	Monongahela Power Co.	Revenue requirements, Tax Reform Act of 1986.
8/87	9885	KY	Attorney General Div. of Consumer Protection	Big Rivers Electric Corp.	Financial workout plan.
8/87	E-015/GR-87-223	MN	Taconite Intervenors	Minnesota Power & Light Co.	Revenue requirements, O&M expense, Tax Reform Act of 1986.
10/87	870220-EI	FL	Occidental Chemical Corp.	Florida Power Corp.	Revenue requirements, O&M expense, Tax Reform Act of 1986.
11/87	87-07-01	CT	Connecticut Industrial Energy Consumers	Connecticut Light & Power Co.	Tax Reform Act of 1986.
1/88	U-17282	LA 19th Judicial District Ct.	Louisiana Public Service Commission	Gulf States Utilities	Revenue requirements, River Bend 1 phase-in plan, rate of return.
2/88	9934	KY	Kentucky Industrial Utility Customers	Louisville Gas & Electric Co.	Economics of Trimble County, completion.

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Date	Case	Jurisdict.	Party	Utility	Subject
2/88	10064	KY	Kentucky Industrial Utility Customers	Louisville Gas & Electric Co.	Revenue requirements, O&M expense, capital structure, excess deferred income taxes.
5/88	10217	KY	Alcan Aluminum National Southwire	Big Rivers Electric Corp.	Financial workout plan.
5/88	M-87017-1C001	PA	GPU Industrial Intervenors	Metropolitan Edison Co.	Nonutility generator deferred cost recovery.
5/88	M-87017-2C005	PA	GPU Industrial Intervenors	Pennsylvania Electric Co.	Nonutility generator deferred cost recovery.
6/88	U-17282	LA 19th Judicial District Ct.	Louisiana Public Service Commission	Gulf States Utilities	Prudence of River Bend 1 economic analyses, cancellation studies, financial modeling.
7/88	M-87017-1C001 Rebuttal	PA	GPU Industrial Intervenors	Metropolitan Edison Co.	Nonutility generator deferred cost recovery, SFAS No. 92.
7/88	M-87017-2C005 Rebuttal	PA	GPU Industrial Intervenors	Pennsylvania Electric Co.	Nonutility generator deferred cost recovery, SFAS No. 92.
9/88	88-05-25	CT	Connecticut Industrial Energy Consumers	Connecticut Light & Power Co.	Excess deferred taxes, O&M expenses.
9/88	10064 Rehearing	KY	Kentucky Industrial Utility Customers	Louisville Gas & Electric Co.	Premature retirements, interest expense.
10/88	88-170-EL-AIR	OH	Ohio Industrial Energy Consumers	Cleveland Electric Illuminating Co.	Revenue requirements, phase-in, excess deferred taxes, O&M expenses, financial considerations, working capital.
10/88	88-171-EL-AIR	OH	Ohio Industrial Energy Consumers	Toledo Edison Co.	Revenue requirements, phase-in, excess deferred taxes, O&M expenses, financial considerations, working capital.
10/88	8800-355-EI	FL	Florida Industrial Power Users' Group	Florida Power & Light Co.	Tax Reform Act of 1986, tax expenses, O&M expenses, pension expense (SFAS No. 87).
10/88	3780-U	GA	Georgia Public Service Commission Staff	Atlanta Gas Light Co.	Pension expense (SFAS No. 87).
11/88	U-17282 Remand	LA	Louisiana Public Service Commission Staff	Gulf States Utilities	Rate base exclusion plan (SFAS No. 71).
12/88	U-17970	LA	Louisiana Public Service Commission Staff	AT&T Communications of South Central States	Pension expense (SFAS No. 87).
12/88	U-17949 Rebuttal	LA	Louisiana Public Service Commission Staff	South Central Bell	Compensated absences (SFAS No. 43), pension expense (SFAS No. 87), Part 32, income tax normalization.
2/89	U-17282 Phase II	LA	Louisiana Public Service Commission Staff	Gulf States Utilities	Revenue requirements, phase-in of River Bend 1, recovery of canceled plant.

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Date	Case	Jurisdict.	Party	Utility	Subject
6/89	881602-EU 890326-EU	FL	Talquin Electric Cooperative	Talquin/City of Tallahassee	Economic analyses, incremental cost-of-service, average customer rates.
7/89	U-17970	LA	Louisiana Public Service Commission Staff	AT&T Communications of South Central States	Pension expense (SFAS No. 87), compensated absences (SFAS No. 43), Part 32.
8/89	8555	TX	Occidental Chemical Corp.	Houston Lighting & Power Co.	Cancellation cost recovery, tax expense, revenue requirements.
8/89	3840-U	GA	Georgia Public Service Commission Staff	Georgia Power Co.	Promotional practices, advertising, economic development.
9/89	U-17282 Phase II Detailed	LA	Louisiana Public Service Commission Staff	Gulf States Utilities	Revenue requirements, detailed investigation.
10/89	8880	TX	Enron Gas Pipeline	Texas-New Mexico Power Co.	Deferred accounting treatment, sale/leaseback.
10/89	8928	TX	Enron Gas Pipeline	Texas-New Mexico Power Co.	Revenue requirements, imputed capital structure, cash working capital.
10/89	R-891364	PA	Philadelphia Area Industrial Energy Users Group	Philadelphia Electric Co.	Revenue requirements.
11/89 12/89	R-891364 Surrebuttal (2 Filings)	PA	Philadelphia Area Industrial Energy Users Group	Philadelphia Electric Co.	Revenue requirements, sale/leaseback.
1/90	U-17282 Phase II Detailed Rebuttal	LA	Louisiana Public Service Commission Staff	Gulf States Utilities	Revenue requirements, detailed investigation.
1/90	U-17282 Phase III	LA	Louisiana Public Service Commission Staff	Gulf States Utilities	Phase-in of River Bend 1, deregulated asset plan.
3/90	890319-EI	FL	Florida Industrial Power Users Group	Florida Power & Light Co.	O&M expenses, Tax Reform Act of 1986.
4/90	890319-EI Rebuttal	FL	Florida Industrial Power Users Group	Florida Power & Light Co.	O&M expenses, Tax Reform Act of 1986.
4/90	U-17282	LA 19th Judicial District Ct.	Louisiana Public Service Commission	Gulf States Utilities	Fuel clause, gain on sale of utility assets.
9/90	90-158	KY	Kentucky Industrial Utility Customers	Louisville Gas & Electric Co.	Revenue requirements, post-test year additions, forecasted test year.
12/90	U-17282 Phase IV	LA	Louisiana Public Service Commission Staff	Gulf States Utilities	Revenue requirements.
3/91	29327, et. al.	NY	Multiple Intervenors	Niagara Mohawk Power Corp.	Incentive regulation.

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Date	Case	Jurisdict.	Party	Utility	Subject
5/91	9945	TX	Office of Public Utility Counsel of Texas	El Paso Electric Co.	Financial modeling, economic analyses, prudence of Palo Verde 3.
9/91	P-910511 P-910512	PA	Allegheny Ludlum Corp., Armco Advanced Materials Co., The West Penn Power Industrial Users' Group	West Penn Power Co.	Recovery of CAAA costs, least cost financing.
9/91	91-231-E-NC	WV	West Virginia Energy Users Group	Monongahela Power Co.	Recovery of CAAA costs, least cost financing.
11/91	U-17282	LA	Louisiana Public Service Commission Staff	Gulf States Utilities	Asset impairment, deregulated asset plan, revenue requirements.
12/91	91-410-EL-AIR	OH	Air Products and Chemicals, Inc., Armco Steel Co., General Electric Co., Industrial Energy Consumers	Cincinnati Gas & Electric Co.	Revenue requirements, phase-in plan.
12/91	PUC Docket 10200	TX	Office of Public Utility Counsel of Texas	Texas-New Mexico Power Co.	Financial integrity, strategic planning, declined business affiliations.
5/92	910890-EI	FL	Occidental Chemical Corp.	Florida Power Corp.	Revenue requirements, O&M expense, pension expense, OPEB expense, fossil dismantling, nuclear decommissioning.
8/92	R-00922314	PA	GPU Industrial Intervenors	Metropolitan Edison Co.	Incentive regulation, performance rewards, purchased power risk, OPEB expense.
9/92	92-043	KY	Kentucky Industrial Utility Consumers	Generic Proceeding	OPEB expense.
9/92	920324-EI	FL	Florida Industrial Power Users' Group	Tampa Electric Co.	OPEB expense.
9/92	39348	IN	Indiana Industrial Group	Generic Proceeding	OPEB expense.
9/92	910840-PU	FL	Florida Industrial Power Users' Group	Generic Proceeding	OPEB expense.
9/92	39314	IN	Industrial Consumers for Fair Utility Rates	Indiana Michigan Power Co.	OPEB expense.
11/92	U-19904	LA	Louisiana Public Service Commission Staff	Gulf States Utilities /Entergy Corp.	Merger.
11/92	8469	MD	Westvaco Corp., Eastalco Aluminum Co.	Potomac Edison Co.	OPEB expense.
11/92	92-1715-AU-COI	OH	Ohio Manufacturers Association	Generic Proceeding	OPEB expense.
12/92	R-00922378	PA	Armco Advanced Materials Co., The WPP Industrial Intervenors	West Penn Power Co.	Incentive regulation, performance rewards, purchased power risk, OPEB expense.

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Date	Case	Jurisdict.	Party	Utility	Subject
12/92	U-19949	LA	Louisiana Public Service Commission Staff	South Central Bell	Affiliate transactions, cost allocations, merger.
12/92	R-00922479	PA	Philadelphia Area Industrial Energy Users' Group	Philadelphia Electric Co.	OPEB expense.
1/93	8487	MD	Maryland Industrial Group	Baltimore Gas & Electric Co., Bethlehem Steel Corp.	OPEB expense, deferred fuel, CWIP in rate base.
1/93	39498	IN	PSI Industrial Group	PSI Energy, Inc.	Refunds due to over-collection of taxes on Marble Hill cancellation.
3/93	92-11-11	CT	Connecticut Industrial Energy Consumers	Connecticut Light & Power Co	OPEB expense.
3/93	U-19904 (Surrebuttal)	LA	Louisiana Public Service Commission Staff	Gulf States Utilities /Entergy Corp.	Merger.
3/93	93-01-EL-EFC	OH	Ohio Industrial Energy Consumers	Ohio Power Co.	Affiliate transactions, fuel.
3/93	EC92-21000 ER92-806-000	FERC	Louisiana Public Service Commission Staff	Gulf States Utilities /Entergy Corp.	Merger.
4/93	92-1464-EL-AIR	OH	Air Products Armco Steel Industrial Energy Consumers	Cincinnati Gas & Electric Co.	Revenue requirements, phase-in plan.
4/93	EC92-21000 ER92-806-000 (Rebuttal)	FERC	Louisiana Public Service Commission	Gulf States Utilities /Entergy Corp.	Merger.
9/93	93-113	KY	Kentucky Industrial Utility Customers	Kentucky Utilities	Fuel clause and coal contract refund.
9/93	92-490, 92-490A, 90-360-C	KY	Kentucky Industrial Utility Customers and Kentucky Attorney General	Big Rivers Electric Corp.	Disallowances and restitution for excessive fuel costs, illegal and improper payments, recovery of mine closure costs.
10/93	U-17735	LA	Louisiana Public Service Commission Staff	Cajun Electric Power Cooperative	Revenue requirements, debt restructuring agreement, River Bend cost recovery.
1/94	U-20647	LA	Louisiana Public Service Commission Staff	Gulf States Utilities Co.	Audit and investigation into fuel clause costs.
4/94	U-20647 (Surrebuttal)	LA	Louisiana Public Service Commission Staff	Gulf States Utilities Co.	Nuclear and fossil unit performance, fuel costs, fuel clause principles and guidelines.
4/94	U-20647 (Supplemental Surrebuttal)	LA	Louisiana Public Service Commission Staff	Gulf States Utilities Co.	Audit and investigation into fuel clause costs.
5/94	U-20178	LA	Louisiana Public Service Commission Staff	Louisiana Power & Light Co.	Planning and quantification issues of least cost integrated resource plan.

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Date	Case	Jurisdict.	Party	Utility	Subject
9/94	U-19904 Initial Post-Merger Earnings Review	LA	Louisiana Public Service Commission Staff	Gulf States Utilities Co.	River Bend phase-in plan, deregulated asset plan, capital structure, other revenue requirement issues.
9/94	U-17735	LA	Louisiana Public Service Commission Staff	Cajun Electric Power Cooperative	G&T cooperative ratemaking policies, exclusion of River Bend, other revenue requirement issues.
10/94	3905-U	GA	Georgia Public Service Commission Staff	Southern Bell Telephone Co.	Incentive rate plan, earnings review.
10/94	5258-U	GA	Georgia Public Service Commission Staff	Southern Bell Telephone Co.	Alternative regulation, cost allocation.
11/94	U-19904 Initial Post-Merger Earnings Review (Surrebuttal)	LA	Louisiana Public Service Commission Staff	Gulf States Utilities Co.	River Bend phase-in plan, deregulated asset plan, capital structure, other revenue requirement issues.
11/94	U-17735 (Rebuttal)	LA	Louisiana Public Service Commission Staff	Cajun Electric Power Cooperative	G&T cooperative ratemaking policy, exclusion of River Bend, other revenue requirement issues.
4/95	R-00943271	PA	PP&L Industrial Customer Alliance	Pennsylvania Power & Light Co.	Revenue requirements. Fossil dismantling, nuclear decommissioning.
6/95	3905-U Rebuttal	GA	Georgia Public Service Commission	Southern Bell Telephone Co.	Incentive regulation, affiliate transactions, revenue requirements, rate refund.
6/95	U-19904 (Direct)	LA	Louisiana Public Service Commission Staff	Gulf States Utilities Co.	Gas, coal, nuclear fuel costs, contract prudence, base/fuel realignment.
10/95	95-02614	TN	Tennessee Office of the Attorney General Consumer Advocate	BellSouth Telecommunications, Inc.	Affiliate transactions.
10/95	U-21485 (Direct)	LA	Louisiana Public Service Commission Staff	Gulf States Utilities Co.	Nuclear O&M, River Bend phase-in plan, base/fuel realignment, NOL and AltMin asset deferred taxes, other revenue requirement issues.
11/95	U-19904 (Surrebuttal)	LA	Louisiana Public Service Commission Staff	Gulf States Utilities Co. Division	Gas, coal, nuclear fuel costs, contract prudence, base/fuel realignment.
11/95 12/95	U-21485 (Supplemental Direct) U-21485 (Surrebuttal)	LA	Louisiana Public Service Commission Staff	Gulf States Utilities Co.	Nuclear O&M, River Bend phase-in plan, base/fuel realignment, NOL and AltMin asset deferred taxes, other revenue requirement issues.
1/96	95-299-EL-AIR 95-300-EL-AIR	OH	Industrial Energy Consumers	The Toledo Edison Co., The Cleveland Electric Illuminating Co.	Competition, asset write-offs and revaluation, O&M expense, other revenue requirement issues.
2/96	PUC Docket 14965	TX	Office of Public Utility Counsel	Central Power & Light	Nuclear decommissioning.
5/96	95-485-LCS	NM	City of Las Cruces	El Paso Electric Co.	Stranded cost recovery, municipalization.

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Date	Case	Jurisdict.	Party	Utility	Subject
7/96	8725	MD	The Maryland Industrial Group and Redland Genstar, Inc.	Baltimore Gas & Electric Co., Potomac Electric Power Co., and Constellation Energy Corp.	Merger savings, tracking mechanism, earnings sharing plan, revenue requirement issues.
9/96 11/96	U-22092 U-22092 (Surrebuttal)	LA	Louisiana Public Service Commission Staff	Entergy Gulf States, Inc.	River Bend phase-in plan, base/fuel realignment, NOL and AltMin asset deferred taxes, other revenue requirement issues, allocation of regulated/nonregulated costs.
10/96	96-327	KY	Kentucky Industrial Utility Customers, Inc.	Big Rivers Electric Corp.	Environmental surcharge recoverable costs.
2/97	R-00973877	PA	Philadelphia Area Industrial Energy Users Group	PECO Energy Co.	Stranded cost recovery, regulatory assets and liabilities, intangible transition charge, revenue requirements.
3/97	96-489	KY	Kentucky Industrial Utility Customers, Inc.	Kentucky Power Co.	Environmental surcharge recoverable costs, system agreements, allowance inventory, jurisdictional allocation.
6/97	TO-97-397	MO	MCI Telecommunications Corp., Inc., MCImetro Access Transmission Services, Inc.	Southwestern Bell Telephone Co.	Price cap regulation, revenue requirements, rate of return.
6/97	R-00973953	PA	Philadelphia Area Industrial Energy Users Group	PECO Energy Co.	Restructuring, deregulation, stranded costs, regulatory assets, liabilities, nuclear and fossil decommissioning.
7/97	R-00973954	PA	PP&L Industrial Customer Alliance	Pennsylvania Power & Light Co.	Restructuring, deregulation, stranded costs, regulatory assets, liabilities, nuclear and fossil decommissioning.
7/97	U-22092	LA	Louisiana Public Service Commission Staff	Entergy Gulf States, Inc.	Depreciation rates and methodologies, River Bend phase-in plan.
8/97	97-300	KY	Kentucky Industrial Utility Customers, Inc.	Louisville Gas & Electric Co., Kentucky Utilities Co.	Merger policy, cost savings, surcredit sharing mechanism, revenue requirements, rate of return.
8/97	R-00973954 (Surrebuttal)	PA	PP&L Industrial Customer Alliance	Pennsylvania Power & Light Co.	Restructuring, deregulation, stranded costs, regulatory assets, liabilities, nuclear and fossil decommissioning.
10/97	97-204	KY	Alcan Aluminum Corp. Southwire Co.	Big Rivers Electric Corp.	Restructuring, revenue requirements, reasonableness.
10/97	R-974008	PA	Metropolitan Edison Industrial Users Group	Metropolitan Edison Co.	Restructuring, deregulation, stranded costs, regulatory assets, liabilities, nuclear and fossil decommissioning, revenue requirements.
10/97	R-974009	PA	Penelec Industrial Customer Alliance	Pennsylvania Electric Co.	Restructuring, deregulation, stranded costs, regulatory assets, liabilities, nuclear and fossil decommissioning, revenue requirements.

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Date	Case	Jurisdict.	Party	Utility	Subject
11/97	97-204 (Rebuttal)	KY	Alcan Aluminum Corp. Southwire Co.	Big Rivers Electric Corp.	Restructuring, revenue requirements, reasonableness of rates, cost allocation.
11/97	U-22491	LA	Louisiana Public Service Commission Staff	Entergy Gulf States, Inc.	Allocation of regulated and nonregulated costs, other revenue requirement issues.
11/97	R-00973953 (Surrebuttal)	PA	Philadelphia Area Industrial Energy Users Group	PECO Energy Co.	Restructuring, deregulation, stranded costs, regulatory assets, liabilities, nuclear and fossil decommissioning.
11/97	R-973981	PA	West Penn Power Industrial Intervenors	West Penn Power Co.	Restructuring, deregulation, stranded costs, regulatory assets, liabilities, fossil decommissioning, revenue requirements, securitization.
11/97	R-974104	PA	Duquesne Industrial Intervenors	Duquesne Light Co.	Restructuring, deregulation, stranded costs, regulatory assets, liabilities, nuclear and fossil decommissioning, revenue requirements, securitization.
12/97	R-973981 (Surrebuttal)	PA	West Penn Power Industrial Intervenors	West Penn Power Co.	Restructuring, deregulation, stranded costs, regulatory assets, liabilities, fossil decommissioning, revenue requirements.
12/97	R-974104 (Surrebuttal)	PA	Duquesne Industrial Intervenors	Duquesne Light Co.	Restructuring, deregulation, stranded costs, regulatory assets, liabilities, nuclear and fossil decommissioning, revenue requirements, securitization.
1/98	U-22491 (Surrebuttal)	LA	Louisiana Public Service Commission Staff	Entergy Gulf States, Inc.	Allocation of regulated and nonregulated costs, other revenue requirement issues.
2/98	8774	MD	Westvaco	Potomac Edison Co.	Merger of Duquesne, AE, customer safeguards, savings sharing.
3/98	U-22092 (Allocated Stranded Cost Issues)	LA	Louisiana Public Service Commission Staff	Entergy Gulf States, Inc.	Restructuring, stranded costs, regulatory assets, securitization, regulatory mitigation.
3/98	8390-U	GA	Georgia Natural Gas Group, Georgia Textile Manufacturers Assoc.	Atlanta Gas Light Co.	Restructuring, unbundling, stranded costs, incentive regulation, revenue requirements.
3/98	U-22092 (Allocated Stranded Cost Issues) (Surrebuttal)	LA	Louisiana Public Service Commission Staff	Entergy Gulf States, Inc.	Restructuring, stranded costs, regulatory assets, securitization, regulatory mitigation.
3/98	U-22491 (Supplemental Surrebuttal)	LA	Louisiana Public Service Commission Staff	Entergy Gulf States, Inc.	Allocation of regulated and nonregulated costs, other revenue requirement issues.
10/98	97-596	ME	Maine Office of the Public Advocate	Bangor Hydro-Electric Co.	Restructuring, unbundling, stranded costs, T&D revenue requirements.

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10/98	9355-U	GA	Georgia Public Service Commission Adversary Staff	Georgia Power Co.	Affiliate transactions.
10/98	U-17735 Rebuttal	LA	Louisiana Public Service Commission Staff	Cajun Electric Power Cooperative	G&T cooperative ratemaking policy, other revenue requirement issues.
11/98	U-23327	LA	Louisiana Public Service Commission Staff	SWEPCO, CSW and AEP	Merger policy, savings sharing mechanism, affiliate transaction conditions.
12/98	U-23358 (Direct)	LA	Louisiana Public Service Commission Staff	Entergy Gulf States, Inc.	Allocation of regulated and nonregulated costs, tax issues, and other revenue requirement issues.
12/98	98-577	ME	Maine Office of Public Advocate	Maine Public Service Co.	Restructuring, unbundling, stranded cost, T&D revenue requirements.
1/99	98-10-07	CT	Connecticut Industrial Energy Consumers	United Illuminating Co.	Stranded costs, investment tax credits, accumulated deferred income taxes, excess deferred income taxes.
3/99	U-23358 (Surrebuttal)	LA	Louisiana Public Service Commission Staff	Entergy Gulf States, Inc.	Allocation of regulated and nonregulated costs, tax issues, and other revenue requirement issues.
3/99	98-474	KY	Kentucky Industrial Utility Customers, Inc.	Louisville Gas and Electric Co.	Revenue requirements, alternative forms of regulation.
3/99	98-426	KY	Kentucky Industrial Utility Customers, Inc.	Kentucky Utilities Co.	Revenue requirements, alternative forms of regulation.
3/99	99-082	KY	Kentucky Industrial Utility Customers, Inc.	Louisville Gas and Electric Co.	Revenue requirements.
3/99	99-083	KY	Kentucky Industrial Utility Customers, Inc.	Kentucky Utilities Co.	Revenue requirements.
4/99	U-23358 (Supplemental Surrebuttal)	LA	Louisiana Public Service Commission Staff	Entergy Gulf States, Inc.	Allocation of regulated and nonregulated costs, tax issues, and other revenue requirement issues.
4/99	99-03-04	CT	Connecticut Industrial Energy Consumers	United Illuminating Co.	Regulatory assets and liabilities, stranded costs, recovery mechanisms.
4/99	99-02-05	CT	Connecticut Industrial Utility Customers	Connecticut Light and Power Co.	Regulatory assets and liabilities, stranded costs, recovery mechanisms.
5/99	98-426 99-082 (Additional Direct)	KY	Kentucky Industrial Utility Customers, Inc.	Louisville Gas and Electric Co.	Revenue requirements.
5/99	98-474 99-083 (Additional Direct)	KY	Kentucky Industrial Utility Customers, Inc.	Kentucky Utilities Co.	Revenue requirements.

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Date	Case	Jurisdict.	Party	Utility	Subject
5/99	98-426 98-474 (Response to Amended Applications)	KY	Kentucky Industrial Utility Customers, Inc.	Louisville Gas and Electric Co., Kentucky Utilities Co.	Alternative regulation.
6/99	97-596	ME	Maine Office of Public Advocate	Bangor Hydro-Electric Co.	Request for accounting order regarding electric industry restructuring costs.
7/99	U-23358	LA	Louisiana Public Service Commission Staff	Entergy Gulf States, Inc.	Affiliate transactions, cost allocations.
7/99	99-03-35	CT	Connecticut Industrial Energy Consumers	United Illuminating Co.	Stranded costs, regulatory assets, tax effects of asset divestiture.
7/99	U-23327	LA	Louisiana Public Service Commission Staff	Southwestern Electric Power Co., Central and South West Corp, American Electric Power Co.	Merger Settlement and Stipulation.
7/99	97-596 Surrebuttal	ME	Maine Office of Public Advocate	Bangor Hydro-Electric Co.	Restructuring, unbundling, stranded cost, T&D revenue requirements.
7/99	98-0452-E-GI	WV	West Virginia Energy Users Group	Monongahela Power, Potomac Edison, Appalachian Power, Wheeling Power	Regulatory assets and liabilities.
8/99	98-577 Surrebuttal	ME	Maine Office of Public Advocate	Maine Public Service Co.	Restructuring, unbundling, stranded costs, T&D revenue requirements.
8/99	98-426 99-082 Rebuttal	KY	Kentucky Industrial Utility Customers, Inc.	Louisville Gas and Electric Co.	Revenue requirements.
8/99	98-474 98-083 Rebuttal	KY	Kentucky Industrial Utility Customers, Inc.	Kentucky Utilities Co.	Revenue requirements.
8/99	98-0452-E-GI Rebuttal	WV	West Virginia Energy Users Group	Monongahela Power, Potomac Edison, Appalachian Power, Wheeling Power	Regulatory assets and liabilities.
10/99	U-24182 Direct	LA	Louisiana Public Service Commission Staff	Entergy Gulf States, Inc.	Allocation of regulated and nonregulated costs, affiliate transactions, tax issues, and other revenue requirement issues.
11/99	PUC Docket 21527	TX	The Dallas-Fort Worth Hospital Council and Coalition of Independent Colleges and Universities	TXU Electric	Restructuring, stranded costs, taxes, securitization.

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11/99	U-23358 Surrebuttal Affiliate Transactions Review	LA	Louisiana Public Service Commission Staff	Entergy Gulf States, Inc.	Service company affiliate transaction costs.
01/00	U-24182 Surrebuttal	LA	Louisiana Public Service Commission Staff	Entergy Gulf States, Inc.	Allocation of regulated and nonregulated costs, affiliate transactions, tax issues, and other revenue requirement issues.
04/00	99-1212-EL-ETP 99-1213-EL-ATA 99-1214-EL-AAM	OH	Greater Cleveland Growth Association	First Energy (Cleveland Electric Illuminating, Toledo Edison)	Historical review, stranded costs, regulatory assets, liabilities.
05/00	2000-107	KY	Kentucky Industrial Utility Customers, Inc.	Kentucky Power Co.	ECR surcharge roll-in to base rates.
05/00	U-24182 Supplemental Direct	LA	Louisiana Public Service Commission Staff	Entergy Gulf States, Inc.	Affiliate expense proforma adjustments.
05/00	A-110550F0147	PA	Philadelphia Area Industrial Energy Users Group	PECO Energy	Merger between PECO and Unicom.
05/00	99-1658-EL-ETP	OH	AK Steel Corp.	Cincinnati Gas & Electric Co.	Regulatory transition costs, including regulatory assets and liabilities, SFAS 109, ADIT, EDIT, ITC.
07/00	PUC Docket 22344	TX	The Dallas-Fort Worth Hospital Council and The Coalition of Independent Colleges and Universities	Statewide Generic Proceeding	Escalation of O&M expenses for unbundled T&D revenue requirements in projected test year.
07/00	U-21453	LA	Louisiana Public Service Commission	SWEPCO	Stranded costs, regulatory assets and liabilities.
08/00	U-24064	LA	Louisiana Public Service Commission Staff	CLECO	Affiliate transaction pricing ratemaking principles, subsidization of nonregulated affiliates, ratemaking adjustments.
10/00	SOAH Docket 473-00-1015 PUC Docket 22350	TX	The Dallas-Fort Worth Hospital Council and The Coalition of Independent Colleges and Universities	TXU Electric Co.	Restructuring, T&D revenue requirements, mitigation, regulatory assets and liabilities.
10/00	R-00974104 Affidavit	PA	Duquesne Industrial Intervenors	Duquesne Light Co.	Final accounting for stranded costs, including treatment of auction proceeds, taxes, capital costs, switchback costs, and excess pension funding.
11/00	P-00001837 R-00974008 P-00001838 R-00974009	PA	Metropolitan Edison Industrial Users Group Penelec Industrial Customer Alliance	Metropolitan Edison Co., Pennsylvania Electric Co.	Final accounting for stranded costs, including treatment of auction proceeds, taxes, regulatory assets and liabilities, transaction costs.

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12/00	U-21453, U-20925, U-22092 (Subdocket C) Surrebuttal	LA	Louisiana Public Service Commission Staff	SWEPCO	Stranded costs, regulatory assets.
01/01	U-24993 Direct	LA	Louisiana Public Service Commission Staff	Entergy Gulf States, Inc.	Allocation of regulated and nonregulated costs, tax issues, and other revenue requirement issues.
01/01	U-21453, U-20925, U-22092 (Subdocket B) Surrebuttal	LA	Louisiana Public Service Commission Staff	Entergy Gulf States, Inc.	Industry restructuring, business separation plan, organization structure, hold harmless conditions, financing.
01/01	Case No. 2000-386	KY	Kentucky Industrial Utility Customers, Inc.	Louisville Gas & Electric Co.	Recovery of environmental costs, surcharge mechanism.
01/01	Case No. 2000-439	KY	Kentucky Industrial Utility Customers, Inc.	Kentucky Utilities Co.	Recovery of environmental costs, surcharge mechanism.
02/01	A-110300F0095 A-110400F0040	PA	Met-Ed Industrial Users Group, Penelec Industrial Customer Alliance	GPU, Inc. FirstEnergy Corp.	Merger, savings, reliability.
03/01	P-00001860 P-00001861	PA	Met-Ed Industrial Users Group, Penelec Industrial Customer Alliance	Metropolitan Edison Co., Pennsylvania Electric Co.	Recovery of costs due to provider of last resort obligation.
04/01	U-21453, U-20925, U-22092 (Subdocket B) Settlement Term Sheet	LA	Louisiana Public Service Commission Staff	Entergy Gulf States, Inc.	Business separation plan: settlement agreement on overall plan structure.
04/01	U-21453, U-20925, U-22092 (Subdocket B) Contested Issues	LA	Louisiana Public Service Commission Staff	Entergy Gulf States, Inc.	Business separation plan: agreements, hold harmless conditions, separations methodology.
05/01	U-21453, U-20925, U-22092 (Subdocket B) Contested Issues Transmission and Distribution Rebuttal	LA	Louisiana Public Service Commission Staff	Entergy Gulf States, Inc.	Business separation plan: agreements, hold harmless conditions, separations methodology.

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07/01	U-21453, U-20925, U-22092 (Subdocket B) Transmission and Distribution Term Sheet	LA	Louisiana Public Service Commission Staff	Entergy Gulf States, Inc.	Business separation plan: settlement agreement on T&D issues, agreements necessary to implement T&D separations, hold harmless conditions, separations methodology.
10/01	14000-U	GA	Georgia Public Service Commission Adversary Staff	Georgia Power Company	Revenue requirements, Rate Plan, fuel clause recovery.
11/01	14311-U Direct Panel with Bolin Killings	GA	Georgia Public Service Commission Adversary Staff	Atlanta Gas Light Co	Revenue requirements, revenue forecast, O&M expense, depreciation, plant additions, cash working capital.
11/01	U-25687 Direct	LA	Louisiana Public Service Commission Staff	Entergy Gulf States, Inc.	Revenue requirements, capital structure, allocation of regulated and nonregulated costs, River Bend uprate.
02/02	PUC Docket 25230	TX	The Dallas-Fort Worth Hospital Council and the Coalition of Independent Colleges and Universities	TXU Electric	Stipulation. Regulatory assets, securitization financing.
02/02	U-25687 Surrebuttal	LA	Louisiana Public Service Commission Staff	Entergy Gulf States, Inc.	Revenue requirements, corporate franchise tax, conversion to LLC, River Bend uprate.
03/02	14311-U Rebuttal Panel with Bolin Killings	GA	Georgia Public Service Commission Adversary Staff	Atlanta Gas Light Co.	Revenue requirements, earnings sharing plan, service quality standards.
03/02	14311-U Rebuttal Panel with Michelle L. Thebert	GA	Georgia Public Service Commission Adversary Staff	Atlanta Gas Light Co.	Revenue requirements, revenue forecast, O&M expense, depreciation, plant additions, cash working capital.
03/02	001148-EI	FL	South Florida Hospital and Healthcare Assoc.	Florida Power & Light Co.	Revenue requirements. Nuclear life extension, storm damage accruals and reserve, capital structure, O&M expense.
04/02	U-25687 (Suppl. Surrebuttal)	LA	Louisiana Public Service Commission	Entergy Gulf States, Inc.	Revenue requirements, corporate franchise tax, conversion to LLC, River Bend uprate.
04/02	U-21453, U-20925 U-22092 (Subdocket C)	LA	Louisiana Public Service Commission	SWEPCO	Business separation plan, T&D Term Sheet, separations methodologies, hold harmless conditions.
08/02	EL01-88-000	FERC	Louisiana Public Service Commission	Entergy Services, Inc. and the Entergy Operating Companies	System Agreement, production cost equalization, tariffs.
08/02	U-25888	LA	Louisiana Public Service Commission Staff	Entergy Gulf States, Inc. and Entergy Louisiana, Inc.	System Agreement, production cost disparities, prudence.

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09/02	2002-00224 2002-00225	KY	Kentucky Industrial Utilities Customers, Inc.	Kentucky Utilities Co., Louisville Gas & Electric Co.	Line losses and fuel clause recovery associated with off-system sales.
11/02	2002-00146 2002-00147	KY	Kentucky Industrial Utilities Customers, Inc.	Kentucky Utilities Co., Louisville Gas & Electric Co.	Environmental compliance costs and surcharge recovery.
01/03	2002-00169	KY	Kentucky Industrial Utilities Customers, Inc.	Kentucky Power Co.	Environmental compliance costs and surcharge recovery.
04/03	2002-00429 2002-00430	KY	Kentucky Industrial Utilities Customers, Inc.	Kentucky Utilities Co., Louisville Gas & Electric Co.	Extension of merger surcredit, flaws in Companies' studies.
04/03	U-26527	LA	Louisiana Public Service Commission Staff	Entergy Gulf States, Inc.	Revenue requirements, corporate franchise tax, conversion to LLC, capital structure, post-test year adjustments.
06/03	EL01-88-000 Rebuttal	FERC	Louisiana Public Service Commission	Entergy Services, Inc. and the Entergy Operating Companies	System Agreement, production cost equalization, tariffs.
06/03	2003-00068	KY	Kentucky Industrial Utility Customers	Kentucky Utilities Co.	Environmental cost recovery, correction of base rate error.
11/03	ER03-753-000	FERC	Louisiana Public Service Commission	Entergy Services, Inc. and the Entergy Operating Companies	Unit power purchases and sale cost-based tariff pursuant to System Agreement.
11/03	ER03-583-000, ER03-583-001, ER03-583-002 ER03-681-000, ER03-681-001 ER03-682-000, ER03-682-001, ER03-682-002 ER03-744-000, ER03-744-001 (Consolidated)	FERC	Louisiana Public Service Commission	Entergy Services, Inc., the Entergy Operating Companies, EWO Marketing, L.P, and Entergy Power, Inc.	Unit power purchases and sale agreements, contractual provisions, projected costs, levelized rates, and formula rates.
12/03	U-26527 Surrebuttal	LA	Louisiana Public Service Commission Staff	Entergy Gulf States, Inc.	Revenue requirements, corporate franchise tax, conversion to LLC, capital structure, post-test year adjustments.
12/03	2003-0334 2003-0335	KY	Kentucky Industrial Utility Customers, Inc.	Kentucky Utilities Co., Louisville Gas & Electric Co.	Earnings Sharing Mechanism.
12/03	U-27136	LA	Louisiana Public Service Commission Staff	Entergy Louisiana, Inc.	Purchased power contracts between affiliates, terms and conditions.

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03/04	U-26527 Supplemental Surrebuttal	LA	Louisiana Public Service Commission Staff	Entergy Gulf States, Inc.	Revenue requirements, corporate franchise tax, conversion to LLC, capital structure, post-test year adjustments.
03/04	2003-00433	KY	Kentucky Industrial Utility Customers, Inc.	Louisville Gas & Electric Co.	Revenue requirements, depreciation rates, O&M expense, deferrals and amortization, earnings sharing mechanism, merger surcredit, VDT surcredit.
03/04	2003-00434	KY	Kentucky Industrial Utility Customers, Inc.	Kentucky Utilities Co.	Revenue requirements, depreciation rates, O&M expense, deferrals and amortization, earnings sharing mechanism, merger surcredit, VDT surcredit.
03/04	SOAH Docket 473-04-2459 PUC Docket 29206	TX	Cities Served by Texas-New Mexico Power Co.	Texas-New Mexico Power Co.	Stranded costs true-up, including valuation issues, ITC, ADIT, excess earnings.
05/04	04-169-EL-UNC	OH	Ohio Energy Group, Inc.	Columbus Southern Power Co. & Ohio Power Co.	Rate stabilization plan, deferrals, T&D rate increases, earnings.
06/04	SOAH Docket 473-04-4555 PUC Docket 29526	TX	Houston Council for Health and Education	CenterPoint Energy Houston Electric	Stranded costs true-up, including valuation issues, ITC, EDIT, excess mitigation credits, capacity auction true-up revenues, interest.
08/04	SOAH Docket 473-04-4555 PUC Docket 29526 (Suppl Direct)	TX	Houston Council for Health and Education	CenterPoint Energy Houston Electric	Interest on stranded cost pursuant to Texas Supreme Court remand.
09/04	U-23327 Subdocket B	LA	Louisiana Public Service Commission Staff	SWEPCO	Fuel and purchased power expenses recoverable through fuel adjustment clause, trading activities, compliance with terms of various LPSC Orders.
10/04	U-23327 Subdocket A	LA	Louisiana Public Service Commission Staff	SWEPCO	Revenue requirements.
12/04	Case Nos. 2004-00321, 2004-00372	KY	Gallatin Steel Co.	East Kentucky Power Cooperative, Inc., Big Sandy Recc, et al.	Environmental cost recovery, qualified costs, TIER requirements, cost allocation.
01/05	30485	TX	Houston Council for Health and Education	CenterPoint Energy Houston Electric, LLC	Stranded cost true-up including regulatory Central Co. assets and liabilities, ITC, EDIT, capacity auction, proceeds, excess mitigation credits, retrospective and prospective ADIT.
02/05	18638-U	GA	Georgia Public Service Commission Adversary Staff	Atlanta Gas Light Co.	Revenue requirements.
02/05	18638-U Panel with Tony Wackerly	GA	Georgia Public Service Commission Adversary Staff	Atlanta Gas Light Co.	Comprehensive rate plan, pipeline replacement program surcharge, performance based rate plan.

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02/05	18638-U Panel with Michelle Thebert	GA	Georgia Public Service Commission Adversary Staff	Atlanta Gas Light Co.	Energy conservation, economic development, and tariff issues.
03/05	Case Nos. 2004-00426, 2004-00421	KY	Kentucky Industrial Utility Customers, Inc.	Kentucky Utilities Co., Louisville Gas & Electric	Environmental cost recovery, Jobs Creation Act of 2004 and §199 deduction, excess common equity ratio, deferral and amortization of nonrecurring O&M expense.
06/05	2005-00068	KY	Kentucky Industrial Utility Customers, Inc.	Kentucky Power Co.	Environmental cost recovery, Jobs Creation Act of 2004 and §199 deduction, margins on allowances used for AEP system sales.
06/05	050045-EI	FL	South Florida Hospital and Heallthcare Assoc.	Florida Power & Light Co.	Storm damage expense and reserve, RTO costs, O&M expense projections, return on equity performance incentive, capital structure, selective second phase post-test year rate increase.
08/05	31056	TX	Alliance for Valley Healthcare	AEP Texas Central Co.	Stranded cost true-up including regulatory assets and liabilities, ITC, EDIT, capacity auction, proceeds, excess mitigation credits, retrospective and prospective ADIT.
09/05	20298-U	GA	Georgia Public Service Commission Adversary Staff	Atmos Energy Corp.	Revenue requirements, roll-in of surcharges, cost recovery through surcharge, reporting requirements.
09/05	20298-U Panel with Victoria Taylor	GA	Georgia Public Service Commission Adversary Staff	Atmos Energy Corp.	Affiliate transactions, cost allocations, capitalization, cost of debt.
10/05	04-42	DE	Delaware Public Service Commission Staff	Artesian Water Co.	Allocation of tax net operating losses between regulated and unregulated.
11/05	2005-00351 2005-00352	KY	Kentucky Industrial Utility Customers, Inc.	Kentucky Utilities Co., Louisville Gas & Electric	Workforce Separation Program cost recovery and shared savings through VDT surcredit.
01/06	2005-00341	KY	Kentucky Industrial Utility Customers, Inc.	Kentucky Power Co.	System Sales Clause Rider, Environmental Cost Recovery Rider. Net Congestion Rider, Storm damage, vegetation management program, depreciation, off-system sales, maintenance normalization, pension and OPEB.
03/06	PUC Docket 31994	TX	Cities	Texas-New Mexico Power Co.	Stranded cost recovery through competition transition or change.
05/06	31994 Supplemental	TX	Cities	Texas-New Mexico Power Co.	Retrospective ADFIT, prospective ADFIT.
03/06	U-21453, U-20925, U-22092 (Subdocket B)	LA	Louisiana Public Service Commission Staff	Entergy Gulf States, Inc.	Jurisdictional separation plan.

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03/06	NOPR Reg 104385-OR	IRS	Alliance for Valley Health Care and Houston Council for Health Education	AEP Texas Central Company and CenterPoint Energy Houston Electric	Proposed Regulations affecting flow- through to ratepayers of excess deferred income taxes and investment tax credits on generation plant that is sold or deregulated.
04/06	U-25116	LA	Louisiana Public Service Commission Staff	Entergy Louisiana, Inc.	2002-2004 Audit of Fuel Adjustment Clause Filings. Affiliate transactions.
07/06	R-00061366, Et. al.	PA	Met-Ed Ind. Users Group Pennsylvania Ind. Customer Alliance	Metropolitan Edison Co., Pennsylvania Electric Co.	Recovery of NUG-related stranded costs, government mandated program costs, storm damage costs.
07/06	U-23327	LA	Louisiana Public Service Commission Staff	Southwestern Electric Power Co.	Revenue requirements, formula rate plan, banking proposal.
08/06	U-21453, U-20925, U-22092 (Subdocket J)	LA	Louisiana Public Service Commission Staff	Entergy Gulf States, Inc.	Jurisdictional separation plan.
11/06	05CVH03-3375 Franklin County Court Affidavit	OH	Various Taxing Authorities (Non-Utility Proceeding)	State of Ohio Department of Revenue	Accounting for nuclear fuel assemblies as manufactured equipment and capitalized plant.
12/06	U-23327 Subdocket A Reply Testimony	LA	Louisiana Public Service Commission Staff	Southwestern Electric Power Co.	Revenue requirements, formula rate plan, banking proposal.
03/07	U-29764	LA	Louisiana Public Service Commission Staff	Entergy Gulf States, Inc., Entergy Louisiana, LLC	Jurisdictional allocation of Entergy System Agreement equalization remedy receipts.
03/07	PUC Docket 33309	TX	Cities	AEP Texas Central Co.	Revenue requirements, including functionalization of transmission and distribution costs.
03/07	PUC Docket 33310	TX	Cities	AEP Texas North Co.	Revenue requirements, including functionalization of transmission and distribution costs.
03/07	2006-00472	KY	Kentucky Industrial Utility Customers, Inc.	East Kentucky Power Cooperative	Interim rate increase, RUS loan covenants, credit facility requirements, financial condition.
03/07	U-29157	LA	Louisiana Public Service Commission Staff	Cleco Power, LLC	Permanent (Phase II) storm damage cost recovery.
04/07	U-29764 Supplemental and Rebuttal	LA	Louisiana Public Service Commission Staff	Entergy Gulf States, Inc., Entergy Louisiana, LLC	Jurisdictional allocation of Entergy System Agreement equalization remedy receipts.
04/07	ER07-682-000 Affidavit	FERC	Louisiana Public Service Commission	Entergy Services, Inc. and the Entergy Operating Companies	Allocation of intangible and general plant and A&G expenses to production and state income tax effects on equalization remedy receipts.
04/07	ER07-684-000 Affidavit	FERC	Louisiana Public Service Commission	Entergy Services, Inc. and the Entergy Operating Companies	Fuel hedging costs and compliance with FERC USOA.

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05/07	ER07-682-000 Supplemental Affidavit	FERC	Louisiana Public Service Commission	Entergy Services, Inc. and the Entergy Operating Companies	Allocation of intangible and general plant and A&G expenses to production and account 924 effects on MSS-3 equalization remedy payments and receipts.
06/07	U-29764	LA	Louisiana Public Service Commission Staff	Entergy Louisiana, LLC, Entergy Gulf States, Inc.	Show cause for violating LPSC Order on fuel hedging costs.
07/07	2006-00472	KY	Kentucky Industrial Utility Customers, Inc.	East Kentucky Power Cooperative	Revenue requirements, post-test year adjustments, TIER, surcharge revenues and costs, financial need.
07/07	ER07-956-000 Affidavit	FERC	Louisiana Public Service Commission	Entergy Services, Inc.	Storm damage costs related to Hurricanes Katrina and Rita and effects of MSS-3 equalization payments and receipts.
10/07	05-UR-103 Direct	WI	Wisconsin Industrial Energy Group	Wisconsin Electric Power Company, Wisconsin Gas, LLC	Revenue requirements, carrying charges on CWIP, amortization and return on regulatory assets, working capital, incentive compensation, use of rate base in lieu of capitalization, quantification and use of Point Beach sale proceeds.
10/07	05-UR-103 Surrebuttal	WI	Wisconsin Industrial Energy Group	Wisconsin Electric Power Company, Wisconsin Gas, LLC	Revenue requirements, carrying charges on CWIP, amortization and return on regulatory assets, working capital, incentive compensation, use of rate base in lieu of capitalization, quantification and use of Point Beach sale proceeds.
10/07	25060-U Direct	GA	Georgia Public Service Commission Public Interest Adversary Staff	Georgia Power Company	Affiliate costs, incentive compensation, consolidated income taxes, §199 deduction.
11/07	06-0033-E-CN Direct	WV	West Virginia Energy Users Group	Appalachian Power Company	IGCC surcharge during construction period and post-in-service date.
11/07	ER07-682-000 Direct	FERC	Louisiana Public Service Commission	Entergy Services, Inc. and the Entergy Operating Companies	Functionalization and allocation of intangible and general plant and A&G expenses.
01/08	ER07-682-000 Cross-Answering	FERC	Louisiana Public Service Commission	Entergy Services, Inc. and the Entergy Operating Companies	Functionalization and allocation of intangible and general plant and A&G expenses.
01/08	07-551-EL-AIR Direct	OH	Ohio Energy Group, Inc.	Ohio Edison Company, Cleveland Electric Illuminating Company, Toledo Edison Company	Revenue requirements.
02/08	ER07-956-000 Direct	FERC	Louisiana Public Service Commission	Entergy Services, Inc. and the Entergy Operating Companies	Functionalization of expenses, storm damage expense and reserves, tax NOL carrybacks in accounts, ADIT, nuclear service lives and effects on depreciation and decommissioning.

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03/08	ER07-956-000 Cross-Answering	FERC	Louisiana Public Service Commission	Entergy Services, Inc. and the Entergy Operating Companies	Functionalization of expenses, storm damage expense and reserves, tax NOL carrybacks in accounts, ADIT, nuclear service lives and effects on depreciation and decommissioning.
04/08	2007-00562, 2007-00563	KY	Kentucky Industrial Utility Customers, Inc.	Kentucky Utilities Co., Louisville Gas and Electric Co.	Merger surcredit.
04/08	26837 Direct Bond, Johnson, Thebert, Kollen Panel	GA	Georgia Public Service Commission Staff	SCANA Energy Marketing, Inc.	Rule Nisi complaint.
05/08	26837 Rebuttal Bond, Johnson, Thebert, Kollen Panel	GA	Georgia Public Service Commission Staff	SCANA Energy Marketing, Inc.	Rule Nisi complaint.
05/08	26837 Suppl Rebuttal Bond, Johnson, Thebert, Kollen Panel	GA	Georgia Public Service Commission Staff	SCANA Energy Marketing, Inc.	Rule Nisi complaint.
06/08	2008-00115	KY	Kentucky Industrial Utility Customers, Inc.	East Kentucky Power Cooperative, Inc.	Environmental surcharge recoveries, including costs recovered in existing rates, TIER.
07/08	27163 Direct	GA	Georgia Public Service Commission Public Interest Advocacy Staff	Atmos Energy Corp.	Revenue requirements, including projected test year rate base and expenses.
07/08	27163 Taylor, Kollen Panel	GA	Georgia Public Service Commission Public Interest Advocacy Staff	Atmos Energy Corp.	Affiliate transactions and division cost allocations, capital structure, cost of debt.
08/08	6680-CE-170 Direct	WI	Wisconsin Industrial Energy Group, Inc.	Wisconsin Power and Light Company	Nelson Dewey 3 or Colombia 3 fixed financial parameters.
08/08	6680-UR-116 Direct	WI	Wisconsin Industrial Energy Group, Inc.	Wisconsin Power and Light Company	CWIP in rate base, labor expenses, pension expense, financing, capital structure, decoupling.
08/08	6680-UR-116 Rebuttal	WI	Wisconsin Industrial Energy Group, Inc.	Wisconsin Power and Light Company	Capital structure.
08/08	6690-UR-119 Direct	WI	Wisconsin Industrial Energy Group, Inc.	Wisconsin Public Service Corp.	Prudence of Weston 3 outage, incentive compensation, Crane Creek Wind Farm incremental revenue requirement, capital structure.
09/08	6690-UR-119 Surrebuttal	WI	Wisconsin Industrial Energy Group, Inc.	Wisconsin Public Service Corp.	Prudence of Weston 3 outage, Section 199 deduction.

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09/08	08-935-EL-SSO, 08-918-EL-SSO	OH	Ohio Energy Group, Inc.	First Energy	Standard service offer rates pursuant to electric security plan, significantly excessive earnings test.
10/08	08-917-EL-SSO	OH	Ohio Energy Group, Inc.	AEP	Standard service offer rates pursuant to electric security plan, significantly excessive earnings test.
10/08	2007-00564, 2007-00565, 2008-00251 2008-00252	KY	Kentucky Industrial Utility Customers, Inc.	Louisville Gas and Electric Co., Kentucky Utilities Company	Revenue forecast, affiliate costs, ELG v ASL depreciation procedures, depreciation expenses, federal and state income tax expense, capitalization, cost of debt.
11/08	EL08-51	FERC	Louisiana Public Service Commission	Entergy Services, Inc.	Spindletop gas storage facilities, regulatory asset and bandwidth remedy.
11/08	35717	TX	Cities Served by Oncor Delivery Company	Oncor Delivery Company	Recovery of old meter costs, asset ADFIT, cash working capital, recovery of prior year restructuring costs, levelized recovery of storm damage costs, prospective storm damage accrual, consolidated tax savings adjustment.
12/08	27800	GA	Georgia Public Service Commission	Georgia Power Company	AFUDC versus CWIP in rate base, mirror CWIP, certification cost, use of short term debt and trust preferred financing, CWIP recovery, regulatory incentive.
01/09	ER08-1056	FERC	Louisiana Public Service Commission	Entergy Services, Inc.	Entergy System Agreement bandwidth remedy calculations, including depreciation expense, ADIT, capital structure.
01/09	ER08-1056 Supplemental Direct	FERC	Louisiana Public Service Commission	Entergy Services, Inc.	Blytheville leased turbines; accumulated depreciation.
02/09	EL08-51 Rebuttal	FERC	Louisiana Public Service Commission	Entergy Services, Inc.	Spindletop gas storage facilities regulatory asset and bandwidth remedy.
02/09	2008-00409 Direct	KY	Kentucky Industrial Utility Customers, Inc.	East Kentucky Power Cooperative, Inc.	Revenue requirements.
03/09	ER08-1056 Answering	FERC	Louisiana Public Service Commission	Entergy Services, Inc.	Entergy System Agreement bandwidth remedy calculations, including depreciation expense, ADIT, capital structure.
03/09 04/09	U-21453, U-20925 U-22092 (Sub J) Direct Rebuttal	LA	Louisiana Public Service Commission Staff	Entergy Gulf States Louisiana, LLC	Violation of EGSI separation order, ETI and EGSL separation accounting, Spindletop regulatory asset.
04/09	2009-00040 Direct-Interim (Oral)	KY	Kentucky Industrial Utility Customers, Inc.	Big Rivers Electric Corp.	Emergency interim rate increase; cash requirements.

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04/09	PUC Docket 36530	TX	State Office of Administrative Hearings	Oncor Electric Delivery Company, LLC	Rate case expenses.
05/09	ER08-1056 Rebuttal	FERC	Louisiana Public Service Commission	Entergy Services, Inc.	Entergy System Agreement bandwidth remedy calculations, including depreciation expense, ADIT, capital structure.
06/09	2009-00040 Direct-Permanent	KY	Kentucky Industrial Utility Customers, Inc.	Big Rivers Electric Corp.	Revenue requirements, TIER, cash flow.
07/09	080677-EI	FL	South Florida Hospital and Healthcare Association	Florida Power & Light Company	Multiple test years, GBRA rider, forecast assumptions, revenue requirement, O&M expense, depreciation expense, Economic Stimulus Bill, capital structure.
08/09	U-21453, U-20925, U-22092 (Subdocket J) Supplemental Rebuttal	LA	Louisiana Public Service Commission	Entergy Gulf States Louisiana, LLC	Violation of EGSI separation order, ETI and EGSL separation accounting, Spindletop regulatory asset.
08/09	8516 and 29950	GA	Georgia Public Service Commission Staff	Atlanta Gas Light Company	Modification of PRP surcharge to include infrastructure costs.
09/09	05-UR-104 Direct and Surrebuttal	WI	Wisconsin Industrial Energy Group	Wisconsin Electric Power Company	Revenue requirements, incentive compensation, depreciation, deferral mitigation, capital structure, cost of debt.
09/09	09AL-299E Answer	CO	CF&I Steel, Rocky Mountain Steel Mills LP, Climax Molybdenum Company	Public Service Company of Colorado	Forecasted test year, historic test year, proforma adjustments for major plant additions, tax depreciation.
09/09	6680-UR-117 Direct and Surrebuttal	WI	Wisconsin Industrial Energy Group	Wisconsin Power and Light Company	Revenue requirements, CWIP in rate base, deferral mitigation, payroll, capacity shutdowns, regulatory assets, rate of return.
10/09	09A-415E Answer	CO	Cripple Creek & Victor Gold Mining Company, et al.	Black Hills/CO Electric Utility Company	Cost prudence, cost sharing mechanism.
10/09	EL09-50 Direct	FERC	Louisiana Public Service Commission	Entergy Services, Inc.	Waterford 3 sale/leaseback accumulated deferred income taxes, Entergy System Agreement bandwidth remedy calculations.
10/09	2009-00329	KY	Kentucky Industrial Utility Customers, Inc.	Louisville Gas and Electric Company, Kentucky Utilities Company	Trimble County 2 depreciation rates.
12/09	PUE-2009-00030	VA	Old Dominion Committee for Fair Utility Rates	Appalachian Power Company	Return on equity incentive.

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12/09	ER09-1224 Direct	FERC	Louisiana Public Service Commission	Entergy Services, Inc.	Hypothetical versus actual costs, out of period costs, Spindletop deferred capital costs, Waterford 3 sale/leaseback ADIT.
01/10	ER09-1224 Cross-Answering	FERC	Louisiana Public Service Commission	Entergy Services, Inc.	Hypothetical versus actual costs, out of period costs, Spindletop deferred capital costs, Waterford 3 sale/leaseback ADIT.
01/10	EL09-50 Rebuttal Supplemental Rebuttal	FERC	Louisiana Public Service Commission	Entergy Services, Inc.	Waterford 3 sale/leaseback accumulated deferred income taxes, Entergy System Agreement bandwidth remedy calculations.
02/10	ER09-1224 Final	FERC	Louisiana Public Service Commission	Entergy Services, Inc.	Hypothetical versus actual costs, out of period costs, Spindletop deferred capital costs, Waterford 3 sale/leaseback ADIT.
02/10	30442 Wackerly-Kollen Panel	GA	Georgia Public Service Commission Staff	Atmos Energy Corporation	Revenue requirement issues.
02/10	30442 McBride-Kollen Panel	GA	Georgia Public Service Commission Staff	Atmos Energy Corporation	Affiliate/division transactions, cost allocation, capital structure.
02/10	2009-00353	KY	Kentucky Industrial Utility Customers, Inc., Attorney General	Louisville Gas and Electric Company, Kentucky Utilities Company	Ratemaking recovery of wind power purchased power agreements.
03/10	2009-00545	KY	Kentucky Industrial Utility Customers, Inc.	Kentucky Power Company	Ratemaking recovery of wind power purchased power agreement.
03/10	E015/GR-09-1151	MN	Large Power Interveners	Minnesota Power	Revenue requirement issues, cost overruns on environmental retrofit project.
04/10	2009-00459	KY	Kentucky Industrial Utility Customers, Inc.	Kentucky Power Company	Revenue requirement issues.
04/10	2009-00548, 2009-00549	KY	Kentucky Industrial Utility Customers, Inc.	Kentucky Utilities Company, Louisville Gas and Electric Company	Revenue requirement issues.
08/10	31647	GA	Georgia Public Service Commission Staff	Atlanta Gas Light Company	Revenue requirement and synergy savings issues.
08/10	31647 Wackerly-Kollen Panel	GA	Georgia Public Service Commission Staff	Atlanta Gas Light Company	Affiliate transaction and Customer First program issues.
08/10	2010-00204	KY	Kentucky Industrial Utility Customers, Inc.	Louisville Gas and Electric Company, Kentucky Utilities Company	PPL acquisition of E.ON U.S. (LG&E and KU) conditions, acquisition savings, sharing deferral mechanism.

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09/10	38339 Direct and Cross-Rebuttal	TX	Gulf Coast Coalition of Cities	CenterPoint Energy Houston Electric	Revenue requirement issues, including consolidated tax savings adjustment, incentive compensation FIN 48; AMS surcharge including roll-in to base rates; rate case expenses.
09/10	EL10-55	FERC	Louisiana Public Service Commission	Entergy Services, Inc., Entergy Operating Cos	Depreciation rates and expense input effects on System Agreement tariffs.
09/10	2010-00167	KY	Gallatin Steel	East Kentucky Power Cooperative, Inc.	Revenue requirements.
09/10	U-23327 Subdocket E Direct	LA	Louisiana Public Service Commission	SWEPCO	Fuel audit: S02 allowance expense, variable O&M expense, off-system sales margin sharing.
11/10	U-23327 Rebuttal	LA	Louisiana Public Service Commission	SWEPCO	Fuel audit: S02 allowance expense, variable O&M expense, off-system sales margin sharing.
09/10	U-31351	LA	Louisiana Public Service Commission Staff	SWEPCO and Valley Electric Membership Cooperative	Sale of Valley assets to SWEPCO and dissolution of Valley.
10/10	10-1261-EL-UNC	OH	Ohio OCC, Ohio Manufacturers Association, Ohio Energy Group, Ohio Hospital Association, Appalachian Peace and Justice Network	Columbus Southern Power Company	Significantly excessive earnings test.
10/10	10-0713-E-PC	WV	West Virginia Energy Users Group	Monongahela Power Company, Potomac Edison Power Company	Merger of First Energy and Allegheny Energy.
10/10	U-23327 Subdocket F Direct	LA	Louisiana Public Service Commission Staff	SWEPCO	AFUDC adjustments in Formula Rate Plan.
11/10	EL10-55 Rebuttal	FERC	Louisiana Public Service Commission	Entergy Services, Inc., Entergy Operating Cos	Depreciation rates and expense input effects on System Agreement tariffs.
12/10	ER10-1350 Direct	FERC	Louisiana Public Service Commission	Entergy Services, Inc. Entergy Operating Cos	Waterford 3 lease amortization, ADIT, and fuel inventory effects on System Agreement tariffs.
01/11	ER10-1350 Cross-Answering	FERC	Louisiana Public Service Commission	Entergy Services, Inc., Entergy Operating Cos	Waterford 3 lease amortization, ADIT, and fuel inventory effects on System Agreement tariffs.
03/11 04/11	ER10-2001 Direct Cross-Answering	FERC	Louisiana Public Service Commission	Entergy Services, Inc., Entergy Arkansas, Inc.	EAI depreciation rates.

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Date	Case	Jurisdict.	Party	Utility	Subject
04/11	U-23327 Subdocket E	LA	Louisiana Public Service Commission Staff	SWEPCO	Settlement, incl resolution of S02 allowance expense, var O&M expense, sharing of OSS margins.
04/11 05/11	38306 Direct Suppl Direct	TX	Cities Served by Texas-New Mexico Power Company	Texas-New Mexico Power Company	AMS deployment plan, AMS Surcharge, rate case expenses.
05/11	11-0274-E-GI	WV	West Virginia Energy Users Group	Appalachian Power Company, Wheeling Power Company	Deferral recovery phase-in, construction surcharge.
05/11	2011-00036	KY	Kentucky Industrial Utility Customers, Inc.	Big Rivers Electric Corp.	Revenue requirements.
06/11	29849	GA	Georgia Public Service Commission Staff	Georgia Power Company	Accounting issues related to Vogtle risk-sharing mechanism.
07/11	ER11-2161 Direct and Answering	FERC	Louisiana Public Service Commission	Entergy Services, Inc. and Entergy Texas, Inc.	ETI depreciation rates; accounting issues.
07/11	PUE-2011-00027	VA	Virginia Committee for Fair Utility Rates	Virginia Electric and Power Company	Return on equity performance incentive.
07/11	11-346-EL-SSO 11-348-EL-SSO 11-349-EL-AAM 11-350-EL-AAM	OH	Ohio Energy Group	AEP-OH	Equity Stabilization Incentive Plan; actual earned returns; ADIT offsets in riders.
08/11	U-23327 Subdocket F Rebuttal	LA	Louisiana Public Service Commission Staff	SWEPCO	Depreciation rates and service lives; AFUDC adjustments.
08/11	05-UR-105	WI	Wisconsin Industrial Energy Group	WE Energies, Inc.	Suspended amortization expenses; revenue requirements.
08/11	ER11-2161 Cross-Answering	FERC	Louisiana Public Service Commission	Entergy Services, Inc. and Entergy Texas, Inc.	ETI depreciation rates; accounting issues.
09/11	PUC Docket 39504	TX	Gulf Coast Coalition of Cities	CenterPoint Energy Houston Electric	Investment tax credit, excess deferred income taxes; normalization.
09/11	2011-00161 2011-00162	KY	Kentucky Industrial Utility Consumers, Inc.	Louisville Gas & Electric Company, Kentucky Utilities Company	Environmental requirements and financing.
10/11	11-4571-EL-UNC 11-4572-EL-UNC	OH	Ohio Energy Group	Columbus Southern Power Company, Ohio Power Company	Significantly excessive earnings.
10/11	4220-UR-117 Direct	WI	Wisconsin Industrial Energy Group	Northern States Power-Wisconsin	Nuclear O&M, depreciation.

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Date	Case	Jurisdict.	Party	Utility	Subject
11/11	4220-UR-117 Surrebuttal	WI	Wisconsin Industrial Energy Group	Northern States Power-Wisconsin	Nuclear O&M, depreciation.
11/11	PUC Docket 39722	TX	Cities Served by AEP Texas Central Company	AEP Texas Central Company	Investment tax credit, excess deferred income taxes; normalization.
02/12	PUC Docket 40020	TX	Cities Served by Oncor	Lone Star Transmission, LLC	Temporary rates.
03/12	11AL-947E Answer	CO	Climax Molybdenum Company and CF&I Steel, L.P. d/b/a Evraz Rocky Mountain Steel	Public Service Company of Colorado	Revenue requirements, including historic test year, future test year, CACJA CWIP, contra-AFUDC.
03/12	2011-00401	KY	Kentucky Industrial Utility Customers, Inc.	Kentucky Power Company	Big Sandy 2 environmental retrofits and environmental surcharge recovery.
4/12	2011-00036 Direct Rehearing Supplemental Rebuttal Rehearing	KY	Kentucky Industrial Utility Customers, Inc.	Big Rivers Electric Corp.	Rate case expenses, depreciation rates and expense.
04/12	10-2929-EL-UNC	OH	Ohio Energy Group	AEP Ohio Power	State compensation mechanism, CRES capacity charges, Equity Stabilization Mechanism
05/12	11-346-EL-SSO 11-348-EL-SSO	OH	Ohio Energy Group	AEP Ohio Power	State compensation mechanism, Equity Stabilization Mechanism, Retail Stability Rider.
05/12	11-4393-EL-RDR	OH	Ohio Energy Group	Duke Energy Ohio, Inc.	Incentives for over-compliance on EE/PDR mandates.
06/12	40020	TX	Cities Served by Oncor	Lone Star Transmission, LLC	Revenue requirements, including ADIT, bonus depreciation and NOL, working capital, self insurance, depreciation rates, federal income tax expense.
07/12	120015-EI	FL	South Florida Hospital and Healthcare Association	Florida Power & Light Company	Revenue requirements, including vegetation management, nuclear outage expense, cash working capital, CWIP in rate base.
07/12	2012-00063	KY	Kentucky Industrial Utility Customers, Inc.	Big Rivers Electric Corp.	Environmental retrofits, including environmental surcharge recovery.
09/12	05-UR-106	WI	Wisconsin Industrial Energy Group, Inc.	Wisconsin Electric Power Company	Section 1603 grants, new solar facility, payroll expenses, cost of debt.
10/12	2012-00221 2012-00222	KY	Kentucky Industrial Utility Customers, Inc.	Louisville Gas and Electric Company, Kentucky Utilities Company	Revenue requirements, including off-system sales, outage maintenance, storm damage, injuries and damages, depreciation rates and expense.
10/12	120015-EI Direct	FL	South Florida Hospital and Healthcare Association	Florida Power & Light Company	Settlement issues.

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Date	Case	Jurisdict.	Party	Utility	Subject
11/12	120015-EI Rebuttal	FL	South Florida Hospital and Healthcare Association	Florida Power & Light Company	Settlement issues.
10/12	40604	TX	Steering Committee of Cities Served by Oncor	Cross Texas Transmission, LLC	Policy and procedural issues, revenue requirements, including AFUDC, ADIT – bonus depreciation & NOL, incentive compensation, staffing, self-insurance, net salvage, depreciation rates and expense, income tax expense.
11/12	40627 Direct	TX	City of Austin d/b/a Austin Energy	City of Austin d/b/a Austin Energy	Rate case expenses.
12/12	40443	TX	Cities Served by SWEPCO	Southwestern Electric Power Company	Revenue requirements, including depreciation rates and service lives, O&M expenses, consolidated tax savings, CWIP in rate base, Turk plant costs.
12/12	U-29764	LA	Louisiana Public Service Commission Staff	Entergy Gulf States Louisiana, LLC and Entergy Louisiana, LLC	Termination of purchased power contracts between EGSL and ETI, Spindletop regulatory asset.
01/13	ER12-1384 Rebuttal	FERC	Louisiana Public Service Commission	Entergy Gulf States Louisiana, LLC and Entergy Louisiana, LLC	Little Gypsy 3 cancellation costs.
02/13	40627 Rebuttal	TX	City of Austin d/b/a Austin Energy	City of Austin d/b/a Austin Energy	Rate case expenses.
03/13	12-426-EL-SSO	OH	The Ohio Energy Group	The Dayton Power and Light Company	Capacity charges under state compensation mechanism, Service Stability Rider, Switching Tracker.
04/13	12-2400-EL-UNC	OH	The Ohio Energy Group	Duke Energy Ohio, Inc.	Capacity charges under state compensation mechanism, deferrals, rider to recover deferrals.
04/13	2012-00578	KY	Kentucky Industrial Utility Customers, Inc.	Kentucky Power Company	Resource plan, including acquisition of interest in Mitchell plant.
05/13	2012-00535	KY	Kentucky Industrial Utility Customers, Inc.	Big Rivers Electric Corporation	Revenue requirements, excess capacity, restructuring.
06/13	12-3254-EL-UNC	OH	The Ohio Energy Group, Inc., Office of the Ohio Consumers' Counsel	Ohio Power Company	Energy auctions under CBP, including reserve prices.
07/13	2013-00144	KY	Kentucky Industrial Utility Customers, Inc.	Kentucky Power Company	Biomass renewable energy purchase agreement.
07/13	2013-00221	KY	Kentucky Industrial Utility Customers, Inc.	Big Rivers Electric Corporation	Agreements to provide Century Hawesville Smelter market access.
10/13	2013-00199	KY	Kentucky Industrial Utility Customers, Inc.	Big Rivers Electric Corporation	Revenue requirements, excess capacity, restructuring.

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Date	Case	Jurisdict.	Party	Utility	Subject
12/13	2013-00413	KY	Kentucky Industrial Utility Customers, Inc.	Big Rivers Electric Corporation	Agreements to provide Century Sebree Smelter market access.
01/14	ER10-1350 Direct and Answering	FERC	Louisiana Public Service Commission	Entergy Services, Inc.	Waterford 3 lease accounting and treatment in annual bandwidth filings.
02/14	U-32981	LA	Louisiana Public Service Commission	Entergy Louisiana, LLC	Montauk renewable energy PPA.
04/14	ER13-432 Direct	FERC	Louisiana Public Service Commission	Entergy Gulf States Louisiana, LLC and Entergy Louisiana, LLC	UP Settlement benefits and damages.
05/14	PUE-2013-00132	VA	HP Hood LLC	Shenandoah Valley Electric Cooperative	Market based rate; load control tariffs.
07/14	PUE-2014-00033	VA	Virginia Committee for Fair Utility Rates	Virginia Electric and Power Company	Fuel and purchased power hedge accounting, change in FAC Definitional Framework.
08/14	ER13-432 Rebuttal	FERC	Louisiana Public Service Commission	Entergy Gulf States Louisiana, LLC and Entergy Louisiana, LLC	UP Settlement benefits and damages.
08/14	2014-00134	KY	Kentucky Industrial Utility Customers, Inc.	Big Rivers Electric Corporation	Requirements power sales agreements with Nebraska entities.
09/14	E-015/CN-12-1163 Direct	MN	Large Power Intervenors	Minnesota Power	Great Northern Transmission Line; cost cap; AFUDC v. current recovery; rider v. base recovery; class cost allocation.
10/14	2014-00225	KY	Kentucky Industrial Utility Customers, Inc.	Kentucky Power Company	Allocation of fuel costs to off-system sales.
10/14	ER13-1508	FERC	Louisiana Public Service Commission	Entergy Services, Inc.	Entergy service agreements and tariffs for affiliate power purchases and sales; return on equity.
10/14	14-0702-E-42T 14-0701-E-D	WV	West Virginia Energy Users Group	First Energy-Monongahela Power, Potomac Edison	Consolidated tax savings; payroll; pension, OPEB, amortization; depreciation; environmental surcharge.
11/14	E-015/CN-12-1163 Surrebuttal	MN	Large Power Intervenors	Minnesota Power	Great Northern Transmission Line; cost cap; AFUDC v. current recovery; rider v. base recovery; class allocation.
11/14	05-376-EL-UNC	OH	Ohio Energy Group	Ohio Power Company	Refund of IGCC CWIP financing cost recoveries.
11/14	14AL-0660E	CO	Climax, CF&I Steel	Public Service Company of Colorado	Historic test year v. future test year; AFUDC v. current return; CACJA rider, transmission rider; equivalent availability rider; ADIT; depreciation; royalty income; amortization.
12/14	EL14-026	SD	Black Hills Industrial Intervenors	Black Hills Power Company	Revenue requirement issues, including depreciation expense and affiliate charges.

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Date	Case	Jurisdict.	Party	Utility	Subject
12/14	14-1152-E-42T	WV	West Virginia Energy Users Group	AEP-Appalachian Power Company	Income taxes, payroll, pension, OPEB, deferred costs and write offs, depreciation rates, environmental projects surcharge.
01/15	9400-YO-100 Direct	WI	Wisconsin Industrial Energy Group	Wisconsin Energy Corporation	WEC acquisition of Integrys Energy Group, Inc.
01/15	14F-0336EG 14F-0404EG	CO	Development Recovery Company LLC	Public Service Company of Colorado	Line extension policies and refunds.
02/15	9400-YO-100 Rebuttal	WI	Wisconsin Industrial Energy Group	Wisconsin Energy Corporation	WEC acquisition of Integrys Energy Group, Inc.
03/15	2014-00396	KY	Kentucky Industrial Utility Customers, Inc.	AEP-Kentucky Power Company	Base, Big Sandy 2 retirement rider, environmental surcharge, and Big Sandy 1 operation rider revenue requirements, depreciation rates, financing, deferrals.
03/15	2014-00371 2014-00372	KY	Kentucky Industrial Utility Customers, Inc.	Kentucky Utilities Company and Louisville Gas and Electric Company	Revenue requirements, staffing and payroll, depreciation rates.
04/15	2014-00450	KY	Kentucky Industrial Utility Customers, Inc. and the Attorney General of the Commonwealth of Kentucky	AEP-Kentucky Power Company	Allocation of fuel costs between native load and off-system sales.
04/15	2014-00455	KY	Kentucky Industrial Utility Customers, Inc. and the Attorney General of the Commonwealth of Kentucky	Big Rivers Electric Corporation	Allocation of fuel costs between native load and off-system sales.
04/15	ER2014-0370	MO	Midwest Energy Consumers' Group	Kansas City Power & Light Company	Affiliate transactions, operation and maintenance expense, management audit.
05/15	PUE-2015-00022	VA	Virginia Committee for Fair Utility Rates	Virginia Electric and Power Company	Fuel and purchased power hedge accounting; change in FAC Definitional Framework.
05/15 09/15	EL10-65 Direct, Rebuttal Complaint	FERC	Louisiana Public Service Commission	Entergy Services, Inc.	Accounting for AFUDC Debt, related ADIT.
07/15	EL10-65 Direct and Answering Consolidated Bandwidth Dockets	FERC	Louisiana Public Service Commission	Entergy Services, Inc.	Waterford 3 sale/leaseback ADIT, Bandwidth Formula.
09/15	14-1693-EL-RDR	OH	Public Utilities Commission of Ohio	Ohio Energy Group	PPA rider for charges or credits for physical hedges against market.

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Date	Case	Jurisdict.	Party	Utility	Subject
12/15	45188	TX	Cities Served by Oncor Electric Delivery Company	Oncor Electric Delivery Company	Hunt family acquisition of Oncor; transaction structure; income tax savings from real estate investment trust (REIT) structure; conditions.
12/15 01/16	6680-CE-176 Direct, Surrebuttal, Supplemental Rebuttal	WI	Wisconsin Industrial Energy Group, Inc.	Wisconsin Power and Light Company	Need for capacity and economics of proposed Riverside Energy Center Expansion project; ratemaking conditions.
03/16 03/16 04/16 05/16 06/16	EL01-88 Remand Direct Answering Cross-Answering Rebuttal	FERC	Louisiana Public Service Commission	Entergy Services, Inc.	Bandwidth Formula: Capital structure, fuel inventory, Waterford 3 sale/leaseback, Vidalia purchased power, ADIT, Blythesville, Spindletop, River Bend AFUDC, property insurance reserve, nuclear depreciation expense.
03/16	15-1673-E-T	WV	West Virginia Energy Users Group	Appalachian Power Company	Terms and conditions of utility service for commercial and industrial customers, including security deposits.
04/16	39971 Panel Direct	GA	Georgia Public Service Commission Staff	Southern Company, AGL Resources, Georgia Power Company, Atlanta Gas Light Company	Southern Company acquisition of AGL Resources, risks, opportunities, quantification of savings, ratemaking implications, conditions, settlement.
04/16	2015-00343	KY	Office of the Attorney General	Atmos Energy Corporation	Revenue requirements, including NOL ADIT, affiliate transactions.
04/16	2016-00070	KY	Office of the Attorney General	Atmos Energy Corporation	R & D Rider.
05/16	2016-00026 2016-00027	KY	Kentucky Industrial Utility Customers, Inc.	Kentucky Utilities Co., Louisville Gas & Electric Co.	Need for environmental projects, calculation of environmental surcharge rider.
05/16	16-G-0058 16-G-0059	NY	New York City	Keyspan Gas East Corp., Brooklyn Union Gas Company	Depreciation, including excess reserves, leak prone pipe.
06/16	160088-EI	FL	South Florida Hospital and Healthcare Association	Florida Power and Light Company	Fuel Adjustment Clause Incentive Mechanism re: economy sales and purchases, asset optimization.
07/16	160021-EI	FL	South Florida Hospital and Healthcare Association	Florida Power and Light Company	Revenue requirements, including capital recovery, depreciation, ADIT.
07/16	16-057-01	UT	Office of Consumer Services	Dominion Resources, Inc. / Questar Corporation	Merger, risks, harms, benefits, accounting.
08/16	15-1022-EL-UNC 16-1105-EL-UNC	OH	Ohio Energy Group	AEP Ohio Power Company	SEET earnings, effects of other pending proceedings.

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Date	Case	Jurisdict.	Party	Utility	Subject
9/16	2016-00162	KY	Office of the Attorney General	Columbia Gas Kentucky	Revenue requirements, O&M expense, depreciation, affiliate transactions.
09/16	E-22 Sub 519, 532, 533	NC	Nucor Steel	Dominion North Carolina Power Company	Revenue requirements, deferrals and amortizations.
09/16	15-1256-G-390P (Reopened) 16-0922-G-390P	WV	West Virginia Energy Users Group	Mountaineer Gas Company	Infrastructure rider, including NOL ADIT and other income tax normalization and calculation issues.
10/16	10-2929-EL-UNC 11-346-EL-SSO 11-348-EL-SSO 11-349-EL-SSO 11-350-EL-SSO 14-1186-EL-RDR	OH	Ohio Energy Group	AEP Ohio Power Company	State compensation mechanism, capacity cost, Retail Stability Rider deferrals, refunds, SEET.
11/16	16-0395-EL-SSO Direct	OH	Ohio Energy Group	Dayton Power & Light Company	Credit support and other riders; financial stability of Utility, holding company.
12/16	Formal Case 1139	DC	Healthcare Council of the National Capital Area	Potomac Electric Power Company	Post test year adjust, merger costs, NOL ADIT, incentive compensation, rent.
01/17	46238	TX	Steering Committee of Cities Served by Oncor	Oncor Electric Delivery Company	Next Era acquisition of Oncor; goodwill, transaction costs, transition costs, cost deferrals, ratemaking issues.
02/17	16-0395-EL-SSO Direct (Stipulation)	OH	Ohio Energy Group	Dayton Power & Light Company	Non-unanimous stipulation re: credit support and other riders; financial stability of utility, holding company.
02/17	45414	TX	Cities of Midland, McAllen, and Colorado City	Sharyland Utilities, LP, Sharyland Distribution & Transmission Services, LLC	Income taxes, depreciation, deferred costs, affiliate expenses.
03/17	2016-00370 2016-00371	KY	Kentucky Industrial Utility Customers, Inc.	Kentucky Utilities Company, Louisville Gas and Electric Company	AMS, capital expenditures, maintenance expense, amortization expense, depreciation rates and expense.
06/17	29849 (Panel with Philip Hayet)	GA	Georgia Public Service Commission Staff	Georgia Power Company	Vogtle 3 and 4 economics.
08/17	17-0296-E-PC	WV	Public Service Commission of West Virginia Charleston	Monongahela Power Company, The Potomac Edison Power Company	ADIT, OPEB.
10/17	2017-00179	KY	Kentucky Industrial Utility Customers, Inc.	Kentucky Power Company	Weather normalization, Rockport lease, O&M, incentive compensation, depreciation, income taxes.

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Date	Case	Jurisdict.	Party	Utility	Subject
10/17	2017-00287	KY	Kentucky Industrial Utility Customers, Inc.	Big Rivers Electric Corporation	Fuel cost allocation to native load customers.
12/17	2017-00321	KY	Attorney General	Duke Energy Kentucky (Electric)	Revenues, depreciation, income taxes, O&M, regulatory assets, environmental surcharge rider, FERC transmission cost reconciliation rider.
12/17	29849 (Panel with Philip Hayet, Tom Newsome)	GA	Georgia Public Service Commission Staff	Georgia Power Company	Vogtle 3 and 4 economics, tax abandonment loss.
01/18	2017-00349	KY	Kentucky Attorney General	Atmos Energy Kentucky	O&M expense, depreciation, regulatory assets and amortization, Annual Review Mechanism, Pipeline Replacement Program and Rider, affiliate expenses.
06/18	18-0047	OH	Ohio Energy Group	Ohio Electric Utilities	Tax Cuts and Jobs Act. Reduction in income tax expense; amortization of excess ADIT.
07/18	T-34695	LA	LPSC Staff	Crimson Gulf, LLC	Revenues, depreciation, income taxes, O&M, ADIT.
08/18	48325	TX	Cities Served by Oncor	Oncor Electric Delivery Company	Tax Cuts and Jobs Act; amortization of excess ADIT.
08/18	48401	TX	Cities Served by TNMP	Texas-New Mexico Power Company	Revenues, payroll, income taxes, amortization of excess ADIT, capital structure.
08/18	2018-00146	KY	KIUC	Big Rivers Electric Corporation	Station Two contracts termination, regulatory asset, regulatory liability for savings
09/18 10/18	20170235-EI 20170236-EU Direct Supplemental Direct	FL	Office of Public Counsel	Florida Power & Light Company	FP&L acquisition of City of Vero Beach municipal electric utility systems.
09/18 10/18	2017-370-E Direct 2017-207, 305, 370-E Surrebuttal Supplemental Surrebuttal	SC	Office of Regulatory Staff	South Carolina Electric & Gas Company and Dominion Energy, Inc.	Recovery of Summer 2 and 3 new nuclear development costs, related regulatory liabilities, securitization, NOL carryforward and ADIT, TCJA savings, merger conditions and savings.
12/18	2018-00261	KY	Attorney General	Duke Energy Kentucky (Gas)	Revenues, O&M, regulatory assets, payroll, integrity management, incentive compensation, cash working capital.
01/19	2018-00294 2018-00295	KY	Kentucky Industrial Utility Customers, Inc.	Kentucky Utilities Company, Louisville Gas & Electric Company	AFUDC v. CWIP in rate base, transmission and distribution plant additions, capitalization, revenues generation outage expense, depreciation rates and expenses, cost of debt.

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Date	Case	Jurisdict.	Party	Utility	Subject
01/19	2018-00281	KY	Attorney General	Atmos Energy Group	AFUDC v. CWIP in rate base, ALG v. ELG depreciation rates, cash working capital, PRP Rider, forecast plant additions, forecast expenses, cost of debt, corporate cost allocation.
02/19 04/19	UD-18-17 Direct Surrebuttal and Cross-Answering	New Orleans	Crescent City Power Users Group	Entergy New Orleans, LLC	Post-test year adjustments, storm reserve fund, NOL ADIT, FIN48 ADIT, cash working capital, depreciation, amortization, capital structure, formula rate plans, purchased power rider.
03/19	2018-0358	KY	Attorney General	Kentucky American Water Company	Capital expenditures, cash working capital, payroll expense, incentive compensation, chemicals expense, electricity expense, water losses, rate case expense, excess deferred income taxes.
03/19	48929	TX	Steering Committee of Cities Served by Oncor	Oncor Electric Delivery Company LLC, Sempra Energy, Sharyland Distribution & Transmission Services, L.L.C.., Sharyland Utilities, L.P.	Sale, transfer, merger transactions, hold harmless and other regulatory conditions.
06/19	49421	TX	Gulf Coast Coalition of Cities	CenterPoint Energy Houston Electric	Prepaid pension asset, accrued OPEB liability, regulatory assets and liabilities, merger savings, storm damage expense, excess deferred income taxes.
07/19	49494	TX	Cities Served by AEP Texas	AEP Texas, Inc.	Plant in service, prepaid pension asset, O&M, ROW costs, incentive compensation, self-insurance expense, excess deferred income taxes.
08/19	19-G-0309 19-G-0310	NY	New York City	National Grid	Depreciation rates, net negative salvage.
10/19	42315	GA	Atlanta Gas Light Company	Public Interest Advocacy Staff	Capital expenditures, O&M expense, prepaid pension asset, incentive compensation, merger savings, affiliate expenses, excess deferred income taxes.
10/19	45253	IN	Duke Energy Indiana	Office of Utility Consumer Counselor	Prepaid pension asset, inventories, regulatory assets and labilities, unbilled revenues, incentive compensation, income tax expense, affiliate charges, ADIT, riders.
12/19	2019-00271	KY	Attorney General	Duke Energy Kentucky	ADIT, EDIT, CWC, payroll expense, incentive compensation expense, depreciation rates, pilot programs
05/20	202000067-EI	FL	Office of Public Counsel	Tampa Electric Company	Storm Protection Plan

EXHIBIT___(LK-2)

DATA REQUEST

AG_KIUC_2_010 Confirm that the Company considers rate base an accurate and appropriate basis for calculating the "return on" component of the base revenue requirement.

RESPONSE

Confirmed, rate base when properly calculated is an appropriate basis for computing the Company's return on component of a base rate revenue requirement. The Company also considers capitalization an accurate and appropriate basis for calculating the "return on" component of the base revenue requirement and as such has proposed the use of capitalization in this proceeding.

Witness: Alex E. Vaughan

EXHIBIT___(LK-3)

Kentucky Power Company
KPSC Case No. 2020-00174
Commission Staff's Second Set of Data Requests
Order Dated June 30, 2020

DATA REQUEST

KPSC 2_11 Provide a reconciliation and detailed explanation of each difference, if any, in the utility's capitalization and net investment rate base for historical test year.

RESPONSE

Please see KPCO_R_KPSC_2_11_Attachment1 for the requested information.

Witness: Jaclyn N. Cost

KENTUCKY POWER COMPANY

Line No.	Description		
1	Total KPSC Jurisdiction Capitalization	(Section V, Schedule 1, line 18)	$ 1,399,886,232
2	Total KPSC Jurisdiction Rate Base	(Section V, Schedule 1, line 16)	$ 1,407,374,968
3	Difference (Capitalization less Rate Base)		**$ (7,488,735)**
	Summary of Differences		
	Assets		
4	Net Plant		3,138,249
5	Other Property and Investments		40,720,741
6	Cash and Cash Equivalents		1,010,864
7	Accounts Receivable Net		30,608,876
8	Accrued Utility Revenues		11,542,670
9	Energy Trading Contracts		3,457,221
10	Prepayments and Other Current Assets		(69,622,585)
11	Regulatory Assets		579,555,868
12	Unamortized Debt		2,809,644
13	Other Deferred Debits		17,558,243
14	Accumulated Deferred Income Taxes		97,611,406
15	Subtotal (4 through 14)		718,391,197
	Capital and Liabilities		
16	Long Term Debt		0
17	Obligations Under Capital Leases - Noncurrent		(11,607,823)
18	Accumulated Provisions - Misc. - NonCurrent		(45,994,638)
19	Accounts Payable		(65,603,847)
20	Trading Deposits		0
21	Taxes Accrued		(17,552,923)
22	Interest Accrued		(6,608,655)
23	Obligations Under Capital Leases - Current		(2,944,250)
24	Energy Contracts		(1,930,878)
25	Other Current and Accrued Liabilities		(20,926,638)
26	Deferred Income Taxes		17,264,863
27	Regulatory Liabilities		(260,654,514)
28	Other Deferred Credits		(6,327,329)
29	Subtotal (16 through 29)		(422,886,631)
30	Total (14 + 29)		**295,504,566**
31	Capitalization - A/R Financing	(Section V, Schedule 3, column 3, line 16)	42,892,316
32	Less: Cash Working Capital	(Section V, Schedule 4, column 2, line 43)	20,349,994
33	Subtotal (31 + 32)		22,542,322
34	**Difference (pre-adjustments) (30 + 33)**		**318,046,888**
	Effect of Adjustments		
35	Adjustments to Capitalization		(8,461,031)
36	Jurisdictional Adjustment		16,619,953
37	Adjustments to Cash Working Capital		(682,666)
38	Adjustments to Rate Base		(333,011,880)
39	Subtotal (35 through 38)		(325,535,624)
40	**Overall Difference (34 + 39)**		**(7,488,736)**

Rate Base Adj #		Section V Exhibit 1 Schedule 3 Capitalization	Section V Exhibit 1 Schedule 4 Rate Base	Difference in Capitalization & Rate Base
	Totals from Balance Sheet Detail:	1,849,615,357	1,531,568,469	318,046,888
	Adjustments			
	Proforma Debt Adjustment	-		-
	FRECO A/C 124 Property	(1,790,333)		(1,790,333)
	Non-Utility	(6,670,698)		(6,670,698)
	Subtotal	1,841,154,326	1,531,568,469	309,585,857
	Jurisdictional Allocation Adjustment	(24,839,013)	(41,458,966)	16,619,953
	Subtotal	1,816,315,313	1,490,109,503	326,205,810
	Going-Level Adjustments to Cash Working Capital & Other Ratebase Items			
3	Env Surcharge - Remove Mitchel FGD expenses		(480,401)	480,401
6	Fuel over/under		352,863	(352,863)
8	Remove PPA Rider Revenue, Expenses		262,327	(262,327)
9	Remove DSM Rider		62,235	(62,235)
10	Remove HEAP Surcharge		(60,310)	60,310
11	Remove Economic Dev. Surcharge		(46,278)	46,278
12	Specific Customer Adj		(801,552)	801,552
13	Customer Annualization		(1,226,783)	1,226,783
14	Weather Normalization		358,802	(358,802)
16	Normalize major storms		63,966	(63,966)
17	Amort Big Sandy Operation Rider		45,143	(45,143)
18	Rate case expense		65,974	(65,974)
19	Eliminate advertising expense		(13,998)	13,998
20	Annulaize lease costs		(13,707)	13,707
21	Pension and OPEB expense		(1,105)	1,105
22	Employee Related Group Benefit Expense		(47,956)	47,956
23	PJM LSE OATT Expense		1,530,108	(1,530,108)
24	Annualize PJM Admin Fees		26,055	(26,055)
26	Severance Related Payroll Expenses		(192,652)	192,652
27-33	Incentive comp & payroll		(186,775)	186,775
34	Remove Non-Recoverable Business Expenses		(3,445)	3,445
45	Veg Management Tree Trimming		(32,919)	32,919
46	Eliminate Tariff Insert Expenses		(1,187)	1,187
47	Rockport UPA Demand Expense		211,939	(211,939)
48	PJM Capacity Performance Insurance Premium Cost		6,441	(6,441)
49	Def and Amortize Greenhate Default Charges		(4,145)	4,145
50	Removal of Pole Rental Revenue and Expenses to prior periods		28,317	(28,317)
51	Removal Non-Ongoing Expense related to COVID-19		(17,873)	17,873
52	Removal Prior Period Insurance Proceeds		5,213	(5,213)
53	Removal Prior Period Rockport Bill		114,916	(114,916)
54	Amort. Def. Plant Maintenance Costs		29,008	(29,008)
63	Anualize EOP Rates		707,736	(707,736)
64	Removal Regulatory Asset Amort		(57,292)	57,292
4	FGD Movement from Base to Environmental (Mitchell)	(170,687,321)	(168,127,011)	(2,560,310)
4	Removal of Mitchell FGD Consumables	(1,723,249)	(1,699,124)	(24,125)
41	Mitchell Coal Stock	(13,084,362)	(12,888,097)	(196,265)
42	Big Sandy/Decommissioning Rider Removal	(203,926,657)	91,862,902	(295,789,559)
60	Def. Plant Maint. Reg Asset to Cap.	408,999	146,201	262,798
61	Removal NERC Compliance Asset from Cap.	(1,417,564)	376,821	(1,794,385)
62	Removal Rockport Def. Asset of Def Tax from Cap.	(25,998,927)	6,911,107	(32,910,034)
	Adjustment Subtotals	(416,429,081)	(82,734,535)	(333,694,546)
	Total	**1,399,886,232**	**1,407,374,968**	**(7,488,736)**

	ASSETS	Section IV Page 3 & 4 Per Books 3/31/2020		Section V Exhibit 1 Schedule 3 Capitalization	All Balance Sheet Items Not in Capitalization	Section V Exhibit 1 Schedule 4 Rate Base	Difference in Capitalization & Rate Base
1010001	Plant in Service	2,776,251,411	A		2,776,251,411	2,776,251,411	0
1010008	Cloud Implement - PIS	101,691	A		101,691	101,691	0
1011001	Capital Leases	5,124,115			5,124,115	5,124,115	0
1011012	Accrued Capital Leases	366,066			366,066	366,066	0
1011031	Operating Lease	12,489,108			12,489,108	12,489,108	0
1011032	Accrued Operating Leases	611,516			611,516	611,516	0
1011036	Prov - Operating Lease Assets	(2,255,262)			(2,255,262)	(2,255,262)	0
1060001	Const Not Classifd	127,412,237	B		127,412,237	127,412,237	0
1060007	Cloud Implement - CCNC	40,670	B		40,670	40,670	0
1823022	HRJ 765kV Post Service AFUDC	423,432			423,432	423,432	0
1823054	HRJ 765kV Depreciation Expense	65,971			65,971	65,971	0
	Plant In Service	2,920,630,956			2,920,630,956	2,920,630,956	0
1011006	Prov-Leased Assets	(1,808,165)			(1,808,165)	(1,808,165)	0
	ELECTRIC UTILITY PLANT	**2,918,822,791**			**2,918,822,791**	**2,918,822,791**	**0**
1080001	A/P for Deprec of Plt	1,001,549,787			1,001,549,787	1,001,549,787	0
1080005	RWIP - Project Detail	(5,979,066)			(5,979,066)	(5,979,066)	0
1080011	Cost of Removal Reserve	30,043,114			30,043,114	30,043,114	0
1080013	ARO Removal Deprec - Accretion	(3,138,249)			(3,138,249)	0	(3,138,249)
	less Accum Provision - Depre, Depl	1,022,475,585	C		**1,022,475,585**	**1,025,613,835**	(3,138,249)
1110001	A/P for Amort of Plt	19,969,092	D		19,969,092	19,969,092	0
1110007	Cloud Implement - A/P Amrt Plt	2,724	D		2,724	2,724	0
	less Accum Provision - Amort.	19,971,817			**19,971,817**	**19,971,817**	0
	NET ELECTRIC UTILITY PLANT	**1,876,375,389**			**1,876,375,389**	**1,873,237,139**	**3,138,249**
1050001	Held For Fut Use	556,145			556,145	556,145	0
1070001	CWIP - Project	91,925,130			91,925,130	91,925,130	0
		92,481,275			**92,481,275**	**92,481,275**	**0**
	Subtotal as Shown in Application						
	Original Cost - Electric Plant in Service	2,903,806,009	A + B				
	Accum Prov for Depr, Depl & Amort	1,042,447,402	C + D				
	Net Original Cost	3,946,253,411					
1210001	Nonutility Property - Owned	6,670,698			6,670,698		6,670,698
	Gross NonUtility Property	6,670,698			**6,670,698**	0	6,670,698
1220001	Depr&Amrt of Nonutl Prop-Ownd	256,642			256,642		256,642
1220003	Depr&Amrt of Nonutl Prop-WIP	(96,666)			(96,666)		(96,666)

	ASSETS	Section IV Page 3 & 4 Per Books 3/31/2020	Section V Exhibit 1 Schedule 3 Capitalization	All Balance Sheet Items Not in Capitalization	Section V Exhibit 1 Schedule 4 Rate Base	Difference in Capitalization & Rate Base
	Less Depr & Amort NonUtility Property	159,975		**159,975**	0	159,975
1240002	Oth Investments-Nonassociated	806		806		806
1240005	Spec Allowance Inv NOx	8,299		8,299		8,299
1240007	Deferred Compensation Benefits	28,848		28,848		28,848
1240027	Other Property - RWIP	(42,635)		(42,635)		(42,635)
1240028	Other Property - RETIRE	(19)		(19)	0	(19)
1240029	Other Property - CPR	1,790,333		1,790,333		1,790,333
1240092	Fbr Opt Lns-In Kind Sv-Invest	98,716		98,716		98,716
	Other Investments	1,884,348		**1,884,348**	0	1,884,348
1290001	Non-UMWA PRW Funded Position	22,868,171		22,868,171		22,868,171
1290002	SFAS 106 - Non-UMWA PRW	1,031,682		1,031,682		1,031,682
	Other Special Funds	23,899,853		**23,899,853**	0	23,899,853
1581000	SO2 Allowance Inventory	8,404,073		8,404,073	0	8,404,073
	Allowance - NonCurrent	8,404,073		**8,404,073**	0	8,404,073
1750002	Long-Term Unreal Gns - Non Aff	21,744		21,744		21,744
1750022	L/T Asset MTM Collateral	0		0		0
	Long Term Energy Trading Contracts	21,744		**21,744**		21,744
	OTHER PROPERTY AND INVESTMENTS	40,720,741		40,720,741	0	40,720,741
1310000	Cash	629,015		629,015		629,015
1340018	Spec Deposits - Elect Trading	24		24		24
1340043	Spec Deposit UBS Securities	0		0		0
1340048	Spec Deposits-Trading Contra	(1,016,028)		(1,016,028)		(1,016,028)
1340050	Spec Deposit Mizuho Securities	77,997		77,997		77,997
1340051	Spec Depost RBC	499,801		499,801		499,801
1340053	Deposits Flexible Spending	17,597		17,597		17,597
1340057	Wells Fargo Securities, LLC	802,458		802,458		802,458
	Cash and Cash Equivalents	1,010,864		**1,010,864**	0	1,010,864
1450000	Corp Borrow Prg (NR-Assoc)	0		0		0
	Advances to Affiliates	0		**0**	0	0
1420001	Customer A/R - Electric	38,660,101		38,660,101		38,660,101
1420014	Customer A/R-System Sales	551,894		551,894		551,894
1420019	Transmission Sales Receivable	9,167		9,167		9,167

ASSETS	Section IV Page 3 & 4 Per Books 3/31/2020	Section V Exhibit 1 Schedule 3 Capitalization	All Balance Sheet Items Not in Capitalization	Section V Exhibit 1 Schedule 4 Rate Base	Difference in Capitalization & Rate Base
1420022 Cust A/R - Factored	(35,533,299)		(35,533,299)		(35,533,299)
1420023 Cust A/R-System Sales - MLR	888,024		888,024		888,024
1420024 Cust A/R-Options & Swaps - MLR	27,262		27,262		27,262
1420027 Low Inc Energy Asst Pr (LIEAP)	1,364		1,364		1,364
1420028 Emergency LIEAP	360,184		360,184		360,184
1420042 Cust A/R - Special Contracts	(22,954)		(22,954)		(22,954)
1420044 Customer A/R - Estimated	80,119		80,119		80,119
1420054 Accrued Power Brokers	0		0		0
1420058 Cust A/R-Contra-Home Warranty	(102,395)		(102,395)		(102,395)
1420059 AR PS Bill-Cust Home Warranty	18,431		18,431		18,431
1420060 PJM Trans Enhancement Refund	643,945		643,945		643,945
1420102 AR Peoplesoft Billing - Cust	1,395,356		1,395,356		1,395,356
1420103 AR Long-Term-Customer	3,132,665		3,132,665		3,132,665
Acct Rec - Customers	10,109,865		**10,109,865**	0	10,109,865
1430002 Allowances	0		0		0
1430022 2001 Employee Biweekly Pay Cnv	36,198		36,198		36,198
1430081 Damage Recovery - Third Party	2,041		2,041		2,041
1430083 Damage Recovery Offset Demand	(2,041)		(2,041)		(2,041)
1430101 Other Accounts Rec - Misc	0		0		0
1430102 AR Peoplesoft Billing - Misc	51,433		51,433		51,433
Acct Rec - Miscellaneous	87,631		**87,631**	0	87,631
1440002 Uncoll Accts-Other Receivables	531,063		531,063		531,063
Acct Rec - AP for Uncollectible Accounts	531,063		**531,063**	0	531,063
1460001 A/R Assoc Co - InterUnit G/L	18,930,719		18,930,719		18,930,719
1460006 A/R Assoc Co - Intercompany	164,192		164,192		164,192
1460009 A/R Assoc Co - InterUnit A/P	0		0		0
1460011 A/R Assoc Co - Multi Pmts	1,672,657		1,672,657		1,672,657
1460025 Fleet - M4 - A/R	174,875		174,875		174,875
Acct Rec - Associated Companies	20,942,444		**20,942,444**	0	20,942,444
Accts Receivable	30,608,876		30,608,876		30,608,876
1510001 Fuel Stock - Coal	21,443,206		21,443,206	21,443,206	0
1510002 Fuel Stock - Oil	810,544		810,544	810,544	0
1510003 Fuel Stock - Gas	43,785		43,785	43,785	0
1510020 Fuel Stock Coal - Intransit	86,310		86,310	86,310	0
1520000 Fuel Stock Exp Undistributed	1,168,046		1,168,046	1,168,046	0

ASSETS	Section IV Page 3 & 4 Per Books 3/31/2020	Section V Exhibit 1 Schedule 3 Capitalization	All Balance Sheet Items Not in Capitalization	Section V Exhibit 1 Schedule 4 Rate Base	Difference in Capitalization & Rate Base
Fuel Stock	23,551,890		**23,551,890**	**23,551,890**	0
1581000 SO2 Allowance Inventory	8,404,073		8,404,073	8,404,073	
1581003 SO2 Allowance Inventory - Curr	257,144		257,144	257,144	0
1581009 CSAPR Current SO2 Inv	24,973		24,973	24,973	0
Allowance Inventory	**8,686,190**		**8,686,190**	**8,686,190**	0
1581000 SO2 Allowance Inventory	8,404,073		8,404,073	0	8,404,073
Less SO2 Allowance Inventory	**8,404,073**		**8,404,073**	0	**8,404,073**
1540001 M&S - Regular	14,437,792		14,437,792	14,437,792	0
1540003 Material in Transit	91,230		91,230	91,230	
1540004 M&S - Exempt Material	85,681		85,681	85,681	0
1540006 M&S - Lime and Limestone	1,723,249		1,723,249	1,723,249	0
1540012 Materials & Supplies - Urea	157,320		157,320	157,320	0
1540013 Transportation Inventory	336,711		336,711	336,711	0
1540022 M&S-Lime & Limestone Intransit	0		0	0	0
1540023 M&S Inv - Urea In-Transit	508,732		508,732	508,732	0
Plant Materials and Supplies	17,340,715		**17,340,715**	**17,340,715**	0
1730000 Accrued Utility Revenues	18,005,291		18,005,291		18,005,291
1730002 Acrd Utility Rev-Factored-Assc	(6,462,621)		(6,462,621)		(6,462,621)
Accrued Utility Revenues	11,542,670		**11,542,670**	0	11,542,670
1750001 Curr. Unreal Gains - NonAffil	3,457,221		3,457,221		3,457,221
1750002 Acrd Utility Rev-Factored-Assc	21,744		21,744		21,744
Energy Trading	3,457,221		**3,457,221**	0	**3,457,221**
1650001 Prepaid Insurance	262,995		262,995	262,995	0
165000218 Prepaid Taxes	0		0	0	0
165000219 Prepaid Taxes	299,229		299,229	299,229	0
1650006 Other Prepayments	217,346		217,346	217,346	0
1650009 Prepaid Carry Cost-Factored AR	32,905		32,905	32,905	0
1650010 Prepaid Pension Benefits	44,879,334		44,879,334	44,879,334	0
165001119 Prepaid Sales Taxes	0		0	0	0
165001120 Prepaid Sales Taxes	327,363		327,363	327,363	0
165001219 Prepaid Use Taxes	0		0	0	0
165001220 Prepaid Use Taxes	37,418		37,418	37,418	0
1650014 FAS 158 Qual Contra Asset	(44,879,334)		(44,879,334)		(44,879,334)

ASSETS	Section IV Page 3 & 4 Per Books 3/31/2020	Section V Exhibit 1 Schedule 3 Capitalization	All Balance Sheet Items Not in Capitalization	Section V Exhibit 1 Schedule 4 Rate Base	Difference in Capitalization & Rate Base
1650021 Prepaid Insurance - EIS	621,133		621,133	621,133	0
1650023 Prepaid Lease	36,000		36,000	36,000	0
1650035 PRW Without MED-D Benefits	20,174,958		20,174,958	20,174,958	0
1650036 PRW for Med-D Benefits	0		0	0	0
1650037 FAS158 Contra-PRW Exclud Med-D	(20,174,958)		(20,174,958)		(20,174,958)
1720000 Rents Receivable	3,835,780		3,835,780		3,835,780
Prepayments & Other Current Assets	(2,733,904)		(2,733,904)	66,888,681	(69,622,585)
CURRENT ASSETS	93,464,522		93,464,522	116,467,476	(23,002,954)
1823000 Other Regulatory Assets	(97,851)		(97,851)		(97,851)
1823007 SFAS 112 Postemployment Benef	3,437,459		3,437,459		3,437,459
1823009 DSM Incentives	4,514,069		4,514,069		4,514,069
1823010 Energy Efficiency Recovery	(63,426,642)		(63,426,642)		(63,426,642)
1823011 DSM Lost Revenues	16,012,247		16,012,247		16,012,247
1823012 DSM Program Costs	42,900,327		42,900,327		42,900,327
1823063 Unrecovered Fuel Cost	0		0		0
1823077 Unreal Loss on Fwd Commitments	1,830,980		1,830,980		1,830,980
1823078 Deferred Storm Expense	5,783,031		5,783,031		5,783,031
1823108 Reg Asset - Rate Case Expenses	366,628		366,628		366,628
1823115 Defd Equity Carry Chg-Non Fuel	0		0		0
1823118 BridgeCo TO Funding	0		0		0
1823120 Other PJM Integration	0		0		0
1823121 Carry Chgs-RTO Startup Costs	0		0		0
1823122 Alliance RTO Deferred Expense	0		0		0
1823165 REG ASSET FAS 158 QUAL PLAN	45,132,948		45,132,948		45,132,948
1823166 REG ASSET FAS 158 OPEB PLAN	(1,602,940)		(1,602,940)		(1,602,940)
1823167 REG Asset FAS 158 SERP Plan	(101,706)		(101,706)		(101,706)
1823188 Deferred Carbon Mgmt Research	0		0		0
1823299 SFAS 106 Medicare Subsidy	1,028,944		1,028,944		1,028,944
1823301 SFAS 109 Flow Thru Defd FIT	37,455,598		37,455,598		37,455,598
1823302 SFAS 109 Flow Thru Defrd SIT	111,887,420		111,887,420		111,887,420
1823306 Net CCS FEED Study Costs	707,015		707,015		707,015
1823376 Cost of Removal-Big Sandy Coal	(28,606,039)		(28,606,039)		(28,606,039)
1823377 NBV - AROs Retired Plants	25,711,513		25,711,513		25,711,513
1823378 M&S - Retiring Plants	3,015,785		3,015,785		3,015,785
1823379 Unrecovered Plant - Big Sandy	256,509,062		256,509,062		256,509,062
1823380 Spent AROs - Big Sandy Coal	90,683,934		90,683,934		90,683,934
1823410 BS1OR Unrecognized Equity CC	(1,749,280)		(1,749,280)		(1,749,280)

ASSETS	Section IV Page 3 & 4 Per Books 3/31/2020	Section V Exhibit 1 Schedule 3 Capitalization	All Balance Sheet Items Not in Capitalization	Section V Exhibit 1 Schedule 4 Rate Base	Difference in Capitalization & Rate Base
1823411 BS1OR Under Recovery CC	3,541,731		3,541,731		3,541,731
1823414 Capacity Charge Tariff Rev	36,929		36,929		36,929
1823429 Rockport Capacity Def-Eqty CC	(1,036,591)		(1,036,591)		(1,036,591)
1823430 Rockport Capacity CC Deferral	2,172,431		2,172,431		2,172,431
1823431 Rockport Capacity Deferral	31,774,194		31,774,194		31,774,194
1823515 IGCC Pre-Construction Costs	1,078,316		1,078,316		1,078,316
1823516 BS1OR Under Recovery	(2,107,047)		(2,107,047)		(2,107,047)
1823517 Big Sandy Recov O/U Balancing	(22,137,542)		(22,137,542)		(22,137,542)
1823518 BSRR Unit 2 O&M	1,165,889		1,165,889		1,165,889
1823519 Unrecovered Purch Power-PPA	0		0		0
1823520 Deferred Dep - Environmental	5,559,029		5,559,029		5,559,029
1823536 CC-NERC Compl/Cyber Unrec Eqty	(55,897)		(55,897)		(55,897)
1823537 CC-NERC Compliance/Cyber Sec	116,097		116,097		116,097
1823538 Def Depr-NERC Compli/Cybersec	368,189		368,189		368,189
1823547 Def Depr-Big Sandy Unit 1 Gas	1,038,596		1,038,596		1,038,596
1823550 Def Prop Tax-Big Sandy U1 Gas	359,438		359,438		359,438
1823557 CC-NERC Compl/Cyber Unrec Eqty	5,956,226		5,956,226		5,956,226
1823571 CC-NERC Compliance/Cyber Sec	333,380		333,380		333,380
1823587 Def Depr-NERC Compli/Cybersec	20,377		20,377		20,377
1823588 Def Depr-Big Sandy Unit 1 Gas	(20,377)		(20,377)		(20,377)
Regulatory Assets	579,555,868		579,555,868	0	579,555,868
1890004 Loss Rec Debt-Debentures	426,243		426,243		426,243
Unamortized Loss on Reacquired Debt	426,243		426,243	0	426,243
1810002 Unamort Debt Exp - Inst Pur Cn	9,287		9,287		9,287
1810003 Unamort Debt Exp Notes Payable	357,038		357,038		357,038
1810006 Unamort Debt Exp - Sr Unsec Nt	2,017,076		2,017,076		2,017,076
Unamortized Debt Expense	2,383,401		2,383,401	0	2,383,401
1840029 Transp-Assigned Vehicles	0		0		0
Clearing Accounts	0		0	0	0
1830000 Prelimin Surv&Investgtn Chrgs	1,104,860		1,104,860		1,104,860
1830004 Prelim Survey & Invstgtn Resrv	0		0		0
1860000 MDD-Internal Billing Only	0		0		0
1860001 Allowances	196		196		196
1860002 Deferred Expenses	5,636		5,636		5,636

	ASSETS	Section IV Page 3 & 4 Per Books 3/31/2020	Section V Exhibit 1 Schedule 3 Capitalization	All Balance Sheet Items Not in Capitalization	Section V Exhibit 1 Schedule 4 Rate Base		Difference in Capitalization & Rate Base
1860005	Unidentified Cash Receipts	0		0			0
1860007	Billings and Deferred Projects	363,016		363,016			363,016
186000318	Deferred Property Taxes	737,541		737,541			737,541
186000319	Deferred Property Taxes	14,017,670		14,017,670			14,017,670
1860077	Agency Fees - Factored A/R	839,918		839,918			839,918
186008119	Defd Property Tax - Cap Leases	0		0			0
186008120	Defd Property Tax - Cap Leases	294,077		294,077			294,077
1860087	Estimated Barging Bills	0		0			0
1860153	Unamortized Credit Line Fees	174,176		174,176			174,176
1860166	Def Lease Assets - Non Taxable	28,133		28,133			28,133
1860332	Prov Opr Lease Assets-Gen&Misc	(6,978)		(6,978)			(6,978)
	Other Deferred Debits	17,558,243		17,558,243	0		17,558,243
1900010	ADIT Federal - Pension OCI	242,766		242,766			242,766
1900011	ADIT Federal Non-UMWA PRW OCI	(445,610)		(445,610)			(445,610)
1900015	ADIT-Fed-Hdg-CF-Int Rate	0		0			0
1901001	Accum Deferred FIT - Other*	8,141,008		8,141,008	6,655,296	*	1,485,712
1901002	Accum Deferred SIT - Other	6,856,608		6,856,608	0		6,856,608
1902001	Accum Defd FIT - Oth Inc & Ded	1,019,359		1,019,359			1,019,359
1903001	Acc Dfd FIT - FAS109 Flow Thru	23,492,675		23,492,675			23,492,675
1904001	Accum Dfd FIT - FAS 109 Excess	64,959,896		64,959,896			64,959,896
	Accumulated Deferred Income Taxes	104,266,702		104,266,702	**6,655,296**		97,611,406
	TOTAL DEFERRED CHARGES	124,634,588		124,634,588	6,655,296		117,979,293
	TOTAL ASSETS	**2,807,232,384**		**2,807,232,384**	**2,088,841,187**		**718,391,197**
	CAPITALIZATION and LIABILITIES						
	COMMON STOCK						
2010001	Common Stock Issued-Affiliated	50,450,000	50,450,000	0			0
	Common Stock	50,450,000	50,450,000	0	0		0
2080000	Donations Recvd from Stckhldrs	523,324,094	523,324,094	0			0
2110018	DSIT Apportionment Adj.	2,811,185	2,811,185	0			0
2190006	OCI-Min Pen Liab FAS 158-Qual	(913,262)	(913,262)	0			0
2190007	OCI-Min Pen Liab FAS 158-OPEB	1,676,344	1,676,344	0			0
2190015	Accum OCI-Hdg-CF-Int Rate	0	0	0			0
	Paid-In-Capital	526,898,361	526,898,361	0	0		0
	Retained Earnings	223,689,389	223,689,389	0	0		0

	ASSETS	Section IV Page 3 & 4 Per Books 3/31/2020	Section V Exhibit 1 Schedule 3 Capitalization	All Balance Sheet Items Not in Capitalization	Section V Exhibit 1 Schedule 4 Rate Base	Difference in Capitalization & Rate Base
	COMMON SHAREHOLDERS' EQUITY	801,037,750	801,037,750	0	0	0
2240005	Other Long Term Debt - Other	75,000,000	75,000,000	0		0
2240006	Senior Unsecured Notes	730,000,000	730,000,000	0		0
2240021	Other LTD - Term Loan	125,000,000	125,000,000	0		0
2240502	Instl Purchase Contracts-Curr	65,000,000	65,000,000	0		0
	Senior Unsecured Notes	995,000,000	995,000,000	0		0
2260006	Unam Disc LTD-Dr-Sr Unsec Note	0		0	0	0
	Long-Term Debt	995,000,000	995,000,000	0	0	0
	CAPITALIZATION	1,796,037,750	1,796,037,750	0	0	0
2270001	Obligatns Undr Cap Lse-Noncurr	2,577,015		(2,577,015)		(2,577,015)
2270003	Accrued Noncur Lease Oblig	292,853		(292,853)		(292,853)
2270031	Oblig undr Oper Lease-Non Curr	8,310,437		(8,310,437)		(8,310,437)
2270033	Acrued Noncur Oper Lease Oblig	427,518		(427,518)		(427,518)
	Obligations Under Capital Lease-NonCurrent	11,607,823		(11,607,823)	0	(11,607,823)
2282003	Accm Prv I/D - Worker's Com	230,089		(230,089)		(230,089)
2283000	Accm Prv for Pensions&Benefits	169,918		(169,918)		(169,918)
2283002	Supplemental Savings Plan	36,866		(36,866)		(36,866)
2283005	SFAS 112 Postemployment Benef	3,564,966		(3,564,966)		(3,564,966)
2283006	SFAS 87 - Pensions	620,772		(620,772)		(620,772)
2283007	Perf Share Incentive Plan	0		0		0
2283013	Incentive Comp Deferral Plan	41,114		(41,114)		(41,114)
2283015	FAS 158 SERP Payable Long Term	(102,632)		102,632		102,632
2283016	FAS 158 Qual Payable Long Term	788,871		(788,871)		(788,871)
2284027	Econ. Development Fund NonCurr	0		0		0
2290002	Accumulated Provision Rate Relief	0		0		0
2300001	Asset Retirement Obligations	25,143,814		(25,143,814)		(25,143,814)
2300002	ARO - Current	15,480,168		(15,480,168)		(15,480,168)
2440002	LT Unreal Losses - Non Affil	21,093		(21,093)		(21,093)
2440022	L/T Liability MTM Collateral	(400)		400		400
	Accumlated Provision - Miscellanous	45,994,638		(45,994,638)	0	(45,994,638)
	Other NonCurrent Liabilities	57,602,461	0	(57,602,461)	0	(57,602,461)

	ASSETS	Section IV Page 3 & 4 Per Books 3/31/2020	Section V Exhibit 1 Schedule 3 Capitalization	All Balance Sheet Items Not in Capitalization	Section V Exhibit 1 Schedule 4 Rate Base	Difference in Capitalization & Rate Base
2330000	Corp Borrow Program (NP-Assoc)	10,685,291	10,685,291	0		0
2320001	Accounts Payable - Regular	11,755,389		(11,755,389)		(11,755,389)
2320002	Unvouchered Invoices	19,380,277		(19,380,277)		(19,380,277)
2320003	Retention	3,778,399		(3,778,399)		(3,778,399)
2320011	Uninvoiced Fuel	832,458		(832,458)		(832,458)
2320052	Accounts Payable - Purch Power	4,457		(4,457)		(4,457)
2320053	Elect Trad-Options&Swaps	11,641		(11,641)		(11,641)
2320054	Emission Allowance Trading	0		0		0
2320056	Gas Physicals	0		0		0
2320062	Broker Fees Payable	7,325		(7,325)		(7,325)
2320073	A/P Misc Dedic. Power	7,629		(7,629)		(7,629)
2320076	Corporate Credit Card Liab	51,747		(51,747)		(51,747)
2320077	INDUS Unvouchered Liabilities	2,837,053		(2,837,053)		(2,837,053)
2320079	Broker Commisn Spark/Merch Gen	0		0		0
2320083	PJM Net AP Accrual	2,224,328		(2,224,328)		(2,224,328)
2320086	Accrued Broker - Power	299,511		(299,511)		(299,511)
2320095	Home Warranty Payables	101,144		(101,144)		(101,144)
2320100	PJM Greenhat Default Payable	31,781		(31,781)		(31,781)
2320101	RTO AP Accrual for Cong Deriv	2,342,346		(2,342,346)		(2,342,346)
	A/P General	43,665,486		(43,665,486)	0	(43,665,486)
2340001	A/P Assoc Co - InterUnit G/L	15,644,239		(15,644,239)		(15,644,239)
2340011	A/P-Assc Co-AEPSC-Agent	0		0		0
2340025	A/P Assoc Co - CM Bills	77,291		(77,291)		(77,291)
2340027	A/P Assoc Co - Intercompany	351,983		(351,983)		(351,983)
2340029	A/P Assoc Co - AEPSC Bills	5,815,298		(5,815,298)		(5,815,298)
2340030	A/P Assoc Co - InterUnit A/P	40,950		(40,950)		(40,950)
2340032	A/P Assoc Co - Multi Pmts	2,851		(2,851)		(2,851)
2340035	Fleet - M4 - A/P	5,750		(5,750)		(5,750)
	A/P Associated Companies	21,938,361		(21,938,361)	0	(21,938,361)
2350001	Customer Deposits-Active	30,556,723		(30,556,723)	(30,556,723)	0
2350003	Deposits - Trading Activity	704,025		(704,025)	(704,025)	0
	Customer Deposits	31,260,748		(31,260,748)	**(31,260,748)**	0
2360001	Federal Income Tax	(3,550,114)		3,550,114		3,550,114
236000215	State Income Taxes	0		(0)		(0)

ASSETS	Section IV Page 3 & 4 Per Books 3/31/2020	Section V Exhibit 1 Schedule 3 Capitalization	All Balance Sheet Items Not in Capitalization	Section V Exhibit 1 Schedule 4 Rate Base	Difference in Capitalization & Rate Base
236000216 State Income Taxes	(1)		1		1
236000217 State Income Taxes	(917,884)		917,884		917,884
236000218 State Income Taxes	(363,468)		363,468		363,468
236000219 State Income Taxes	937,579		(937,579)		(937,579)
236000319 Local Income Tax	(49,346)		49,346		49,346
2360004 FICA	91,825		(91,825)		(91,825)
2360005 Federal Unemployment Tax	21,929		(21,929)		(21,929)
2360006 State Unemployment Tax	47,487		(47,487)		(47,487)
236000700 State Sales and Use Taxes	414,000		(414,000)		(414,000)
236000719 State Sales and Use Taxes	0		0		0
236000720 State Sales and Use Taxes	109,078		(109,078)		(109,078)
236000817 Real Personal Property Taxes	0		0		0
236000818 Real Personal Property Taxes	130,940		(130,940)		(130,940)
236000819 Real Personal Property Taxes	18,993,406		(18,993,406)		(18,993,406)
236001217 State Franchise Taxes	(225,823)		225,823		225,823
236001218 State Franchise Taxes	225,823		(225,823)		(225,823)
236001219 State Franchise Taxes	268,496		(268,496)		(268,496)
236001220 State Franchise Taxes	190,900		(190,900)		(190,900)
236001319 State Business Occupatn Taxes	0		0		0
236001320 State Business Occupatn Taxes	523,372		(523,372)		(523,372)
236001600 State Gross Receipts Tax	0		0		0
236001620 State Gross Receipts Tax	5,735		(5,735)		(5,735)
236001719 Municipal License Fees Accrd	(145)		145		145
236001720 Municipal License Fees Accrd	(100)		100		100
236002219 State License Registration Tax	(26)		26		26
236003319 Pers Prop Tax-Cap Leases	271,455		(271,455)		(271,455)
236003320 Pers Prop Tax-Cap Leases	399,900		(399,900)		(399,900)
236003519 Real Prop Tax-Cap Leases	0		0		0
236003520 Real Prop Tax-Cap Leases	3,249		(3,249)		(3,249)
2360037 FICA - Incentive accrual	24,657		(24,657)		(24,657)
2360038 Reorg Payroll Tax Accrual	0		0		0
2360502 State Inc Tax-Short Term FIN48	0		0		0
2360601 Fed Inc Tax-Long Term FIN48	0		0		0
2360602 State Inc Tax-Long Term FIN48	0		0		0
2360702 SEC Accum Defd SIT - FIN 48	0		0		0
2360801 Federal Income Tax - IRS Audit	0		0		0
2360901 Accum Defd FIT- IRS Audit	0		0		0
Taxes Accrued	17,552,923		(17,552,923)	0	(17,552,923)

ASSETS	Section IV Page 3 & 4 Per Books 3/31/2020	Section V Exhibit 1 Schedule 3 Capitalization	All Balance Sheet Items Not in Capitalization	Section V Exhibit 1 Schedule 4 Rate Base	Difference in Capitalization & Rate Base
2370002 Interest Accrued-Inst Pur Con	541,667		(541,667)		(541,667)
2370005 Interest Accrd-Other LT Debt	155,691		(155,691)		(155,691)
2370006 Interest Accrd-Sen Unsec Notes	5,794,617		(5,794,617)		(5,794,617)
2370007 Interest Accrd-Customer Depsts	116,680		(116,680)		(116,680)
2370018 Accrued Margin Interest	0		(0)		(0)
2370048 Acrd Int.- FIT Reserve - LT	0		0		0
2370348 Acrd Int. - SIT Reserve - LT	0		0		0
2370448 Acrd Int. - SIT Reserve - ST	0		0		0
Interest Accrued	6,608,655		(6,608,655)	0	(6,608,655)
2430001 Oblig Under Cap Leases - Curr	738,936		(738,936)		(738,936)
2430003 Accrued Cur Lease Oblig	73,213		(73,213)		(73,213)
2430031 Oblig undr Oper Lease -Current	1,948,103		(1,948,103)		(1,948,103)
2430033 Acrued Curent Oper Lease Oblig	183,998		(183,998)		(183,998)
Obligation Under Capital Leases	2,944,250		(2,944,250)	0	(2,944,250)
2440001 Curr. Unreal Losses - NonAffil	2,946,506		(2,946,506)		(2,946,506)
2440021 S/T Liability MTM Collateral	(1,015,629)		1,015,629		1,015,629
Energy Contracts Current	1,930,878		(1,930,878)	0	(1,930,878)
2410001 Federal Income Tax Withheld	0		0		0
2410002 State Income Tax Withheld	262,424		(262,424)		(262,424)
2410003 Local Income Tax Withheld	63,746		(63,746)		(63,746)
2410004 State Sales Tax Collected	605,822		(605,822)		(605,822)
2410006 School District Tax Withheld	103		(103)		(103)
2410008 Franchise Fee Collected	472,485		(472,485)		(472,485)
2410009 KY Utility Gr Receipts Lic Tax	939,649		(939,649)		(939,649)
Tax Collections Payable	2,344,229		(2,344,229)	0	(2,344,229)
2420514 Revenue Refunds Accrued	181,913		(181,913)		(181,913)
Revenue Refunds Accured	181,913		(181,913)	0	(181,913)
2420504 Accrued Lease Expense	28,754		(28,754)		(28,754)
Accrued Rents - NonAffiliated	28,754		(28,754)	0	(28,754)
Accrued Rents	28,754		(28,754)	0	(28,754)
2420020 Vacation Pay - This Year	3,822,713		(3,822,713)		(3,822,713)
2420021 Vacation Pay - Next Year	894,499		(894,499)		(894,499)
Accrued Vacations	4,717,213		(4,717,213)	0	(4,717,213)
2420051 Non-Productive Payroll	400,925		(400,925)		(400,925)
2420053 Perf Share Incentive Plan	0		0		0
Miscellaneous Employee Benefits	400,925		(400,925)	0	(400,925)

	ASSETS	Section IV Page 3 & 4 Per Books 3/31/2020	Section V Exhibit 1 Schedule 3 Capitalization	All Balance Sheet Items Not in Capitalization	Section V Exhibit 1 Schedule 4 Rate Base		Difference in Capitalization & Rate Base
	Employee Benefits	5,118,138		(5,118,138)	0		(5,118,138)
2420000	Misc Current & Accrued Liab	89,287		(89,287)			(89,287)
2420002	P/R Ded - Medical Insurance	136,612		(136,612)			(136,612)
2420003	P/R Ded - Dental Insurance	14,078		(14,078)			(14,078)
2420013	P/R Ded - LTD Ins Premiums	1,672		(1,672)			(1,672)
	Payroll Deductions	241,649		(241,649)	0		(241,649)
2420532	Adm Liab-Cur-S/Ins-W/C	202,568		(202,568)			(202,568)
	Accrued Workers' Compensation	202,568		(202,568)	0		(202,568)
2420027	FAS 112 CURRENT LIAB	1,534,322		(1,534,322)			(1,534,322)
2420046	FAS 158 SERP Payable - Current	926		(926)			(926)
2420071	P/R Ded - Vision Plan	5,627		(5,627)			(5,627)
2420072	P/R - Payroll Adjustment	5,544		(5,544)			(5,544)
2420076	P/R Savings Plan - Incentive	12,031		(12,031)			(12,031)
2420083	Active Med and Dental IBNR	238,453		(238,453)			(238,453)
2420088	Econ. Development Fund Curr	330,279		(330,279)			(330,279)
2420511	Control Cash Disburse Account	6,347,404		(6,347,404)			(6,347,404)
2420515	Severance Accrual	0		0			0
2420512	Unclaimed Funds	12,882		(12,882)			(12,882)
2420542	Acc Cash Franchise Req	85,692		(85,692)			(85,692)
2420558	Admitted Liab NC-Self/Ins-W/C	2,110,162		(2,110,162)			(2,110,162)
242059219	Sales Use Tax - Lease Equip	0		0			0
242059220	Sales Use Tax - Lease Equip	10,282		(10,282)			(10,282)
2420618	Accrued Payroll	1,129,554		(1,129,554)			(1,129,554)
2420623	Distr, Cust Ops & Reg Svcs ICP	160,431		(160,431)			(160,431)
2420624	Corp & Shrd Srv Incentive Plan	21,721		(21,721)			(21,721)
2420635	Generation Incentive Plan	138,339		(138,339)			(138,339)
2420643	Accrued Audit Fees	122,044		(122,044)			(122,044)
2420651	Reorg Severance Accrual	0		0			0
2420656	Federal Mitigation Accru (NSR)	312,328		(312,328)			(312,328)
2420691	Asbestos Accrual - Current	230,682		(230,682)			(230,682)
2420715	KY RPO Rider Liabilty	684		(684)			(684)
	Miscellaneous Current and Accrued Liab	12,809,387		(12,809,387)	0		(12,809,387)
	Other Current and Accrued Liabilities	20,926,638		(20,926,638)	0		(20,926,638)
	Current Liabilities	157,513,229	10,685,291	(146,827,939)	(31,260,748)		(115,567,191)
2811001	Acc Dfd FIT - Accel Amort Prop*	51,008,074		(51,008,074)	(50,828,494)	*	(179,580)
2814001	Acc Dfd FIT - FAS 109 Excess	(19,531,273)		19,531,273			19,531,273
2821001	Accum Defd FIT - Utility Prop*	372,932,407		(372,932,407)	(372,627,166)	*	(305,241)
2823001	Acc Dfrd FIT FAS 109 Flow Thru	31,466,578		(31,466,578)			(31,466,578)

ASSETS	Section IV Page 3 & 4 Per Books 3/31/2020	Section V Exhibit 1 Schedule 3 Capitalization	All Balance Sheet Items Not in Capitalization	Section V Exhibit 1 Schedule 4 Rate Base	Difference in Capitalization & Rate Base
2824001 Acc Dfrd FIT - SFAS 109 Excess	(137,465,301)		137,465,301		137,465,301
2831001 Accum Deferred FIT - Other*	117,152,536		(117,152,536)	(119,365,611) *	2,213,075
2831102 Acc Dfd SIT-WV Pollution Cntrl*	3,492,682		(3,492,682)	(3,379,526) *	(113,156)
2832001 Accum Dfrd FIT - Oth Inc & Ded	95,720		(95,720)		(95,720)
2833001 Acc Dfd FIT FAS 109 Flow Thru	31,861,872		(31,861,872)		(31,861,872)
2833002 Acc Dfrd SIT FAS 109 Flow Thru	111,887,420		(111,887,420)		(111,887,420)
2834001 Acc Defd FIT - SFAS 109 Excess	(33,964,782)		33,964,782		33,964,782
Deferred Income Taxes	528,935,933		(528,935,933)	**(546,200,796)**	17,264,863
***Differences in accumulated deferred federal income tax account balances are due to tax accounting preparation for filing purposes**					
2550001 Accum Deferred ITC - Federal	(0)	(0)	0		0
Deferred Investment Tax Credits	(0)	(0)	0	0	0
2540011 Over Recovered Fuel Cost	3,546,453		(3,546,453)		(3,546,453)
Over Recover of Fuel Cost	3,546,453		(3,546,453)		(3,546,453)
2540000 Other Regulatory Liabilities	0		0		0
2540047 Unreal Gain on Fwd Commitments	0		0		0
2540071 KY Enhanced Reliability Liab	0		0		0
2540105 Home Energy Assist Prgm - KPCO	133,205		(133,205)		(133,205)
2540125 OSS Margin Sharing	385,050		(385,050)		(385,050)
2540230 PJM trans enhancement reg liab	3,021,220		(3,021,220)		(3,021,220)
2543247 KY - DSM Over Recovery	27,514		(27,514)		(27,514)
Other Regulatory Liability	3,566,989		(3,566,989)		(3,566,989)
2543001 SFAS109 Flow Thru Def FIT Liab	(11)		11		11
2544001 SFAS 109 Exces Deferred FIT	253,541,083		(253,541,083)		(253,541,083)
FAS109 DFIT Reclass (Acct 254)	253,541,072		(253,541,072)	0	(253,541,072)
Regulatory Liabilities	260,654,514		(260,654,514)	0	(260,654,514)
2520000 Customer Adv for Construction	161,168		(161,168)	(161,168)	0
Customer Advances for Construction	161,168		(161,168)	**(161,168)**	0
2530000 Other Deferred Credits	128,649		(128,649)		(128,649)
2530004 Allowances	0		0		0
2530022 Customer Advance Receipts	1,789,965		(1,789,965)		(1,789,965)
2530050 Deferred Rev -Pole Attachments	613,812		(613,812)		(613,812)
2530067 IPP - System Upgrade Credits	344,726		(344,726)		(344,726)
2530092 Fbr Opt Lns-In Kind Sv-Dfd Gns	98,716		(98,716)		(98,716)

ASSETS	Section IV Page 3 & 4 Per Books 3/31/2020	Section V Exhibit 1 Schedule 3 Capitalization	All Balance Sheet Items Not in Capitalization	Section V Exhibit 1 Schedule 4 Rate Base	Difference in Capitalization & Rate Base
2530101 MACSS Unidentified EDI Cash	77		(77)		(77)
2530112 Other Deferred Credits-Curr	163,132		(163,132)		(163,132)
2530114 Federl Mitigation Deferal(NSR)	324,493		(324,493)		(324,493)
2530124 Contr In Aid of Constr Advance	185,111		(185,111)		(185,111)
2530137 Fbr Opt Lns-Sold-Defd Rev	18,450		(18,450)		(18,450)
2530177 Deferred Rev-Bonus Lease Curr	22,767		(22,767)		(22,767)
2530178 Deferred Rev-Bonus Lease NC	68,302		(68,302)		(68,302)
2530185 O\U Accounting of ExpensesT	27,015		(27,015)		(27,015)
2530190 QUAL OF SVC PENALTIES - LT	264,458		(264,458)		(264,458)
2530191 Asbestos Accrual - Non-Current	2,277,656		(2,277,656)		(2,277,656)
Other Deferred Credits	6,327,329		(6,327,329)		(6,327,329)
Deferred Credits	6,488,497	0	(6,488,497)	(161,168)	(6,327,329)
DEFERRED CREDITS & REGULATED LIABILITIES	796,078,943	(0)	(796,078,944)	(546,361,965)	(249,716,979)
CAPITAL & LIABILITIES	**2,807,232,384**	**1,806,723,040**	**(1,000,509,344)**	**(577,622,712)**	**(422,886,631)**
Accounts Receivable / Cash Working Capital		42,892,316	42,892,316	20,349,994.37	22,542,322
	2,807,232,384	1,849,615,357	(957,617,027)	(557,272,718)	(400,344,309)
Assets	2,807,232,384	0	2,807,232,384	2,088,841,187	718,391,197
Liabilities	2,807,232,384	1,849,615,357	(957,617,027)	(557,272,718)	(400,344,309)
		1,849,615,357	1,849,615,357	1,531,568,469	318,046,888

EXHIBIT___(LK-4)

DATA REQUEST

AG_KIUC_2_001 Provide a copy of all cash working capital ("CWC") studies using the lead/lag approach performed by or on behalf of the Company since 2017, including all supporting calculations of lead/lag days for each revenue and expense line item in the study.

RESPONSE

The Company has no documents responsive to this request.

Witness: Brian K. West

EXHIBIT___(LK-5)

DATA REQUEST

AG_KIUC_2_002 Confirm that the Company has the expertise to calculate CWC using the lead/lag approach and has the data to calculate the revenue and expense lead/lag days necessary for that purpose. If denied, then explain how the other AEP operating utilities have such expertise and the necessary data to calculate CWC using the lead/lag approach in other jurisdictions.

RESPONSE

The Company objects to this request as compound. Further, the Company is unclear on what is meant by the "lead/lag approach" as there are different methodologies for performing a lead/lag study. Subject to and without waiving the foregoing objection, the Company states as follows: Kentucky Power cannot provide the requested confirmation. AEP operating companies in other jurisdictions typically contract with an outside consultant to perform a lead/lag study for those jurisdictions that require one be performed. The Company confirms that it does have the data needed to perform a lead/lag study. Moreover, a typical lead/lag study can take approximately 3 to 4 months to prepare. No such study has been completed for Kentucky Power in a base rate case since at least 2005.

Witness: Brian K. West

Kentucky Power Company
KPSC Case No. 2020-00174
AG-KIUC Second Set of Data Requests
Dated September 16, 2020

DATA REQUEST

AG_KIUC_2_007 Identify all other AEP operating utilities that calculate CWC using the lead/lag approach in their respective jurisdictions.

RESPONSE

The Company objects to this request as not relevant to this case as a lead/lag study is not required and was not performed. Further, the Company is unclear on what is meant by the "lead/lag approach" as there could be different methodologies for performing a lead/lag study. Subject to and without waiving the foregoing objection, the Company states as follows: AEP operating companies do not perform lead/lag studies as a standard business practice. Lead/lag studies have been included in general rate cases filed by AEP Ohio, AEP Texas, Appalachian Power Company, Southwestern Electric Power Company, Public Service Company of Oklahoma and Electric Transmission Texas. An outside expert is hired to perform the study.

Witness: Brian K. West

EXHIBIT___(LK-6)

Kentucky Power Company
KPSC Case No. 2020-00174
AG-KIUC Second Set of Data Requests
Dated September 16, 2020

DATA REQUEST

AG_KIUC_2_003 Confirm that the Company is the only party in this proceeding that has the data necessary to calculate CWC using the lead/lag approach and that the AG, KIUC, and Staff do not have any source for such data, except from the Company.

RESPONSE

Confirmed.

Witness: Brian K. West

EXHIBIT___(LK-7)

Kentucky Power Company
KPSC Case No. 2020-00174
AG-KIUC Second Set of Data Requests
Dated September 16, 2020

DATA REQUEST

AG_KIUC_2_006 Confirm that the Company sells its receivables to an AEP affiliate, which reduces the revenue lag days compared to the revenue lag days if it did not sell its receivables.

RESPONSE

Kentucky Power confirms that it sells certain of its customer accounts receivables to AEP Credit, which reduces the revenue lag days compared to the revenue lag days if it did not sell its receivables.

Witness: Franz D. Messner

EXHIBIT___(LK-8)

Kentucky Power Company
KPSC Case No. 2020-00174
AG-KIUC Second Set of Data Requests
Dated September 16, 2020

DATA REQUEST

AG_KIUC_2_009 Provide all empirical support for the relative accuracy of the CWC using the one-eight formula approach compared to the lead/lag approach. If none, then so state.

RESPONSE

The Company objects to this request as overly broad and because it is vague and ambiguous as to the meaning of the term "empirical support." Subject to and without waiving the foregoing objections, the Company states: There are various reasonable ways to determine the amount of cash working capital to include in the return on calculation when rate base is being used, the 1/8th O&M approach is one of those. Lead/Lag studies are another, as is the balance sheet approach used in Michigan.

Witness: Alex E. Vaughan

EXHIBIT___(LK-9)

DATA REQUEST

AG_KIUC_2_017 Refer to the prepaid pension asset and prepaid OPEB asset table that Appalachian Power Company provided in the rebuttal testimony of A. Wayne Allen at 20 in Virginia SCC Case No. PUR-2020-00015.

a. Provide a table in similar format and level of detail for the Company at December 31, 2019.

b. Provide a table in similar format and level of detail for the Company at March 31, 2019.

c. Confirm that the Company did not include the amounts in accounts/subaccounts 1290000, 1290001, 2283016, 1823165, 1823166, 1900010, 1900011, 2190006, and 219007 in its calculation of rate base in this proceeding. If confirmed, provide a detailed explanation as to why each account should not be included in rate base. If denied, then provide a schedule that demonstrates the amounts in the referenced accounts/subaccounts were included in the calculation of rate base in this proceeding.

d. Confirm that the Company agrees that any amounts in account 1823165 and 1823166 should not be included in rate base because these regulatory assets were not financed; the amounts simply balance the pension/OPEB funding position and the pension/OPEB amounts in accumulated other comprehensive income. If this is not correct, then provide a corrected statement and provide all authoritative support for your corrected statement, including all support for the proposition that the amounts in these accounts were financed specifically with equity and debt, not some other combination of assets and liabilities, such as those shown on the tables provided in response to parts (a) and (b) of this question.

RESPONSE

a. and b. Please refer to KPCO_R_KIUC_AG_2_17_Attachment1 for the requested information.

c. and d. The Company is unable to provide the confirmation as requested for these subparts. The prepaid assets related to pension and OPEB are recorded on the Company's books under FASB ASC 715, Compensation - Retirement Benefits. The Company has recorded the cash prepaid pension balance in Account 1650010 and cash prepaid OPEB balance in Account 1650035. The balances in Account 1650010 and 1650035 reflect the Companies' cumulative cash contributions in excess of cumulative pension and OPEB cost. There are also non-cash ASC 715 accrual adjustment balances recorded in Accounts 1290000, 1290001, 1290002, 1290003, 1650014, 1650037, 1823165, 1823166, 2190006, 2190007, 1900010, 1900011, 2283006 and 2283016 that result from entries required by ASC 715 to separate the calculated prepayment into two separate components. The first component is the funded status and second component is other comprehensive income (or a regulatory asset) for gains and losses that have not yet been recognized as components of net periodic benefit cost.

As can be seen in the tables within KPCo_R_KIUC_AG_2_17_Attachment1, the ASC 715 entries zero out leaving the cash prepayment that is the Company's cumulative contributions in excess of cumulative pension and OPEB cost, which is included in the Company's calculation of rate base in this proceeding. The non-cash ASC 715 accounting entries are made for financial reporting purposes and do not impact the cost of service.

Witness: Alex E. Vaughan

Witness: Heather M. Whitney

Kentucky Power Company
Case No. 2020-00174
KIUC_AG_2_17

Kentucky Power Company
Pension and OPEB Balances as of March 31, 2019

Account	Description	Pension	OPEB
1650010/ 1650035	Prepayment - Contributions	$46,431,012	$16,834,136
1650014/ 1650037	ASC 715 Prepayment Reclass	(46,431,012)	(16,834,136)
1290000/ 1290001/ 1290002/ 1290003	ASC 715 Trust Funded Positions (Assets)	518,398	15,875,823
2283016/ 2283006	ASC 715 Trust Funded Position (Liabilities)	-	-
1823165/ 1823166	ASC 715 - Regulatory Asset	44,597,425	1,993,551
1900010/ 1900011	ASC 715 - ADFIT Asset	276,190	(217,400)
2190006/ 2190007	ASC – 715 Other Comprehensive Income	1,038,999	(817,838)
	Total ASC 715 Entries	-	-
	Total Prepayment Contributions	46,431,012	16,834,136
	Total Excluding 165 Accounts	$ 46,431,012	$ 16,834,136

Kentucky Power Company
Pension and OPEB Balances as of December 31, 2019

Account	Description	Pension	OPEB
1650010/ 1650035	Prepayment - Contributions	$45,500,106	$19,143,276
1650014/ 1650037	ASC 715 Prepayment Reclass	(45,500,106)	(19,143,276)
1290000/ 1290001	ASC 715 Trust Funded Positions (Assets)	-	23,421,499
2283016/ 2283006	ASC 715 Trust Funded Position (Liabilities)	(1,611,500)	-
1823165/ 1823166	ASC 715 - Regulatory Asset	45,940,166	(2,107,133)
1900010/ 1900011	ASC 715 - ADFIT Asset	246,002	(455,929)
2190006/ 2190007	ASC – 715 Other Comprehensive Income	925,438	(1,715,161)
	Total ASC 715 Entries	-	-
	Total Prepayment Contributions	45,500,106	19,143,276
	Total Excluding 165 Accounts	$ 45,500,106	$ 19,143,276

EXHIBIT___(LK-10)

Kentucky Power Company
KPSC Case No. 2020-00174
AG-KIUC Second Set of Data Requests
Dated September 16, 2020

DATA REQUEST

AG_KIUC_2_016 Refer to the Company's response to Staff 2-11, which provides a detailed reconciliation between rate base and capitalization. Confirm that the Company excluded the prepaid pension contra-asset (account 1650014) and the prepaid OPEB contra-asset (account 1650037) from the rate base amounts shown in the column entitled "Section V Exhibit 1 Schedule 4 Rate Base." Confirm and provide all evidence that the Company also excluded the related asset ADIT amounts from the rate base amounts in that same column. If it did not exclude the related asset ADIT amounts from the rate base amounts in that same column, confirm that the Company agrees that if the Commission allows the two prepaid assets in rate base with no offset for the two related contra-assets, then the asset ADIT related to the two contra-assets also should be excluded from rate base. If denied, then explain why the Commission should exclude the two contra-assets from rate base, which would reduce rate base if included, but should include the related asset ADIT amounts, which increase rate base if not excluded.

RESPONSE

The Company has excluded the prepaid pension contract-asset (account 1650014) and the OPEB contra-asset (account 1650037) from the rate base amounts shown in the column "Section V Exhibit 1 Schedule 4 Rate Base." The ADIT related to the net prepaid pension and OPEB contra-assets of $1,686,711 is included in rate base; therefore, if the Commission allows the two prepaid assets to be included in rate base with no offset for the two related contra-assets, then the asset ADIT related to the two contra-assets also should be excluded from rate base.

Witness: Allyson L. Keaton

Witness: Jaclyn N. Cost

EXHIBIT___(LK-11)

Kentucky Power Company
KPSC Case No. 2020-00174
Commission Staff's Second Set of Data Requests
Order Dated June 30, 2020

DATA REQUEST

KPSC 2_10 Provide the following monthly account balances and a calculation of the average (13-month) account balances for the test year for the total company and Kentucky operations:
a. Plant in service (Account No. 101);
b. Plant purchased or sold (Account No. 102);
c. Property held for future use (Account No. 105);
d. Completed construction not classified (Account No. 106);
e. Construction work in progress (Account No. 107);
f. Depreciation reserve (Account No. 108);
g. Materials and supplies (include all accounts and subaccounts);
h. Computation and development of minimum cash requirements;
i. Balance in accounts payable applicable to amounts included in utility plant in service (if actual is indeterminable, give a reasonable estimate);
j. Balance in accounts payable applicable to amounts included in plant under construction (if actual is indeterminable, give a reasonable estimate); and
k. Balance in accounts payable applicable to prepayments by major category or subaccount.

RESPONSE

Please refer to KPCO_R_KPSC_ 2_10_Attachment1 for the requested information.

Witness: Heather M. Whitney

Description	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Total Company 13 Month Average	13 Month Kentucky Jurisdictional Amount
a. Plant in service (101)	2,702,375,322	2,707,292,973	2,714,341,545	2,718,809,949	2,727,719,001	2,739,180,038	2,742,748,718	2,746,747,839	2,747,394,582	2,753,058,813	2,761,127,268	2,774,670,780	2,790,880,481	2,740,489,024	2,699,381,686
b. Plant purchased or sold (102)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
c. Property held for future use (105)	556,145	556,145	556,145	556,145	556,145	556,145	556,145	556,145	556,145	556,145	556,145	556,145	556,145	556,145	555,589
d. Completed construction not classified (106)	54,338,237	53,980,986	50,884,560	56,463,604	55,356,205	56,967,802	56,464,708	82,135,452	108,528,210	126,603,498	125,365,201	130,260,903	127,452,907	83,446,329	82,611,865
e. Construction work in progress (107)	97,511,733	105,844,965	115,614,529	116,560,269	119,944,842	121,673,902	133,192,933	114,263,776	101,272,984	98,671,345	103,785,277	94,471,474	91,925,130	108,825,628	104,146,126
f. Depreciation reserve (108)	(965,488,882)	(969,936,878)	(973,835,722)	(977,443,807)	(981,679,757)	(986,915,459)	(993,159,631)	(998,449,394)	(1,001,299,961)	(1,006,542,436)	(1,011,919,290)	(1,017,272,321)	(1,022,475,585)	(992,801,471)	(977,909,449)
g. Materials and supplies															
M&S - Regular (1540001)	14,248,257	14,178,519	13,873,828	14,095,032	14,158,538	14,619,563	14,528,383	14,492,626	14,490,102	14,427,170	14,259,444	14,493,341	14,437,792	14,330,969	14,144,666
M&S - Material in Transit (1540003)	-	-	-	-	-	35,021	66,573	22,796	41,185	19,523	33,230	45,931	91,230	27,345	27,291
M&S - Exempt Materials (1540004)	85,466	86,379	88,066	88,404	88,308	87,345	85,024	90,753	86,985	86,878	84,686	85,681	85,681	87,052	85,746
M&S - Lime and Limestone (1540006)	1,508,448	1,560,943	1,315,474	1,209,368	1,196,689	1,505,994	1,517,364	1,955,674	1,946,040	2,085,134	2,105,176	1,824,321	1,723,249	1,650,298	1,627,194
M&S - Urea (1540012)	192,807	173,098	131,021	75,372	175,239	74,756	197,250	342,289	326,423	326,423	292,050	223,958	157,320	206,770	203,875
M&S - Transportation Inventory (1540013)	253,709	253,709	253,709	253,709	253,709	253,709	253,709	321,070	321,070	321,070	336,711	336,711	336,711	288,408	288,120
M&S - Lime and Limestone Intransit (1540022)	-	-	126,561	-	-	161,281	238,204	-	19,410	101,205	197,067	(54,906)	-	60,679	59,768
M&S - Urea Intransit (1540023)	187,032	372,792	556,665	556,665	552,301	552,301	368,429	182,669	347,638	347,638	508,732	508,732	508,732	426,948	420,971

h. Kentucky Power, as part of the AEP System, is a borrower under the corporate borrowing program, which is used to meet the short-term borrowing needs of its subsidiaries. As such, it relies on the liquidity available to the AEP System and does not have a minimum cash requirement.

Description	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Total Company 13 Month Average	13 Month Kentucky Jurisdictional Amount
i. Accounts Payable applicable to Utility Plant in Service (101) *	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
j. Accounts Payable applicable to Plant under Constuction (107) *	6,174,966	11,181,966	10,428,591	10,455,206	7,896,656	7,210,157	8,734,099	8,853,710	10,834,507	8,862,319	11,661,153	7,040,293	7,794,751	8,840,644	8,460,497
k. Accounts Payable applicable to Prepayments (165) *															
Insurance (1650001)	-	-	-	-	-	880	2,579	741	-	-	-	-	-	323	318
Taxes (1650002)	-	-	-	1,196,917	-	-	-	-	-	-	-	-	-	92,071	90,689
Sales Taxes (1650011)	(42,476)	(25,134)	(31,775)	10,554	24,170	21,048	6,578	(31,335)	(1,296)	(77,294)	105,333	21,020	(88,791)	(6,877)	(6,774)
Use Taxes (1650012)	(388)	42,820	(25,385)	10,616	(38,167)	19,116	(24,296)	18,980	(10,190)	3,115	27,093	80,339	(112,900)	(711)	(701)

*Note: Items i, j and k are based on vouchered invoices paid.

EXHIBIT___(LK-12)

Kentucky Power Company
KPCo Incentive Compensation Expense Adjustment
Test Year Ended March 31, 2020
W27

Line No.	FERC Account	Test Year ICP	Expected Cost at a Level 1.0 Target*	Net Change in ICP Cost (c-b)	Test Year LTIP	Expected Cost at a Level 1.0 Target*	Net Change in LTIP Cost (f-e)	Total Adjustment to Incentive Compensation Expense (d+g)	KY Jurisdictional Factor - OML 0.990
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
1	5000	43,524	23,146	(20,378)	1,001	911	(90)	(20,468)	(20,263)
2	5010	262,674	139,832	(122,842)	4,258	3,877	(382)	(123,224)	(121,992)
3	5020	91,359	48,634	(42,725)	1,531	1,394	(137)	(42,863)	(42,434)
4	5050	8	4	(4)	0	0	(0)	(4)	(4)
5	5060	93,830	(51,487)	(145,317)	4,431	4,034	(397)	(145,714)	(144,257)
6	5100	190,017	101,152	(88,865)	3,216	2,928	(288)	(89,154)	(88,262)
7	5110	14,466	7,699	(6,767)	225	205	(20)	(6,787)	(6,719)
8	5120	277,602	147,789	(129,813)	4,675	4,256	(419)	(130,233)	(128,930)
9	5130	148,368	79,000	(69,368)	2,466	2,245	(221)	(69,589)	(68,893)
10	5140	74,891	39,872	(35,019)	1,209	1,100	(108)	(35,128)	(34,777)
11	5370	289	154	(135)	2	2	(0)	(135)	(134)
12	5460	1,855	988	(867)	21	19	(2)	(869)	(860)
13	5600	6	3	(3)	-	-	-	(3)	(3)
14	5620	478	271	(206)	-	-	-	(206)	(204)
15	5660	(2)	(1)	1	-	-	-	1	1
16	5700	159	90	(69)	71	65	(6)	(75)	(74)
17	5800	38,913	32,068	(6,845)	2,299	2,093	(206)	(7,051)	(6,981)
18	5830	81,029	66,844	(14,186)	5,301	4,826	(475)	(14,661)	(14,514)
19	5840	113	93	(20)	8	8	(1)	(20)	(20)
20	5850	1,104	911	(192)	68	62	(6)	(198)	(196)
21	5860	118,464	97,703	(20,761)	7,117	6,479	(638)	(21,400)	(21,186)
22	5870	16,227	13,383	(2,844)	959	873	(86)	(2,930)	(2,901)
23	5880	(42,289)	(41,895)	394	14,600	13,291	(1,309)	(915)	(906)
24	5910	11	9	(2)	1	1	(0)	(2)	(2)
25	5920	1,133	936	(197)	72	65	(6)	(204)	(202)
26	5930	535,238	441,216	(94,022)	32,643	29,716	(2,927)	(96,949)	(95,979)
27	5940	1,755	1,445	(311)	131	119	(12)	(323)	(319)
28	5950	5,018	4,137	(882)	313	285	(28)	(910)	(900)
29	5960	2,842	2,344	(498)	168	153	(15)	(514)	(508)
30	5970	4,216	3,478	(738)	258	235	(23)	(761)	(754)
31	5980	1,295	1,069	(226)	90	82	(8)	(234)	(231)
32	9010	916	757	(159)	75	68	(7)	(166)	(164)
33	9020	35,807	29,529	(6,278)	2,111	1,922	(189)	(6,467)	(6,403)
34	9030	170,851	140,917	(29,933)	10,347	9,419	(928)	(30,861)	(30,552)
35	9070	633	522	(111)	37	34	(3)	(114)	(113)
36	9080	28,690	23,656	(5,034)	1,656	1,508	(149)	(5,183)	(5,131)
37	9100	177	146	(31)	11	10	(1)	(32)	(32)
38	9200	282,928	232,930	(49,997)	15,626	14,225	(1,401)	(51,399)	(50,885)
39	9260	2,461	1,310	(1,152)	34	31	(3)	(1,155)	(1,143)
40	9280	4,815	3,965	(849)	327	297	(29)	(878)	(870)
41	9302	4,415	2,630	(1,784)	23	21	(2)	(1,786)	(1,768)
42	9350	105,781	60,177	(45,604)	39	36	(4)	(45,608)	(45,152)
43	**Grand Total**	**2,602,067**	**1,657,426**	**(944,641)**	**117,423**	**106,893**	**(10,530)**	**(955,171)**	**(945,619)**

44 *Excludes 50% of Mitchell

Witness: H.M. Whitney

Kentucky Power Company
KPSC Case No. 2020-00174
AG-KIUC First Set of Data Requests
Dated August 12, 2020

DATA REQUEST

AG_KIUC_1_026 Refer to Adjustment W27 in Exhibit 2 that reduces incentive compensation expense to the level of 1.0 of the incentive target for the Incentive Compensation Plan ("ICP") and the Long-Term Incentive Plan ("LTIP"). Indicate whether these amounts are attributable only to the Company's employees or whether the amounts also include the amounts attributable to AEPSC employees that are charged to the Company. If just for Company employees, explain why the Company excluded the incentive compensation expense for AEPSC employees. In addition, provide the AEPSC incentive compensation expense charged to the Company in the same format as provided for the Company's employees.

RESPONSE

Adjustment W27 at Section V, Exhibit 2, page 28, is attributable only to Kentucky Power employees and includes ICP expense and expense related to the Performance Share Incentives (PSI) component of LTIP. Kentucky Power expense related to the Restricted Stock Units (RSU) component of LTIP was not adjusted because it has no performance measures whatsoever and is always accrued at its grant date target value.

AEPSC billings to Kentucky Power are considered to be billings for outside services. Those services vary from year to year depending upon the needs of Kentucky Power Company. This is consistent with most of our O&M expenses, such that they vary year to year depending upon the needs of the Company. Therefore, the Company did not make any test year cost of service adjustments related to incentive compensation expense for AEPSC employees. Please refer to the Company's response to AG_KIUC_1_034 for additional information regarding the Company's rationale not to propose ratemaking adjustments related to AEPSC billings.

Please refer to KPCO_R_KIUC_AG_1_026_Attachment1 for AEPSC ICP and LTIP (RSU and PSI) expense charged to the Company during the test year ended March 31, 2020. In addition to the PSI expense shown in adjustment W27 in Exhibit 2, KPCO_R_KIUC_AG_1_26_Attachment1 includes AEPSC RSU expense charged to the Company for completeness. Note that the share of AEPSC billings to KPCo are not reflective of any subsequent billing of charges to the Co-Owner of Mitchell Plant.

Witness: Heather M. Whitney

AEPSC Billings to Kentucky Power
Incentive Comp Plan (ICP) and Long-Term Incentive Plan (LTIP)
Test Year ended March 2020

Account Type	FERC	ICP Annual Incentive Plan	Long Term Incentive (LTIP) Performance Shares	Restricted Stock Units	Total
Cost of Servcie	5000	696,361	119,441	39,192	158,632
	5010	81,515	27,762	8,679	36,441
	5020	16,381	2,426	568	2,994
	5050	267	65	1	66
	5060	(311,612)	7,062	7,020	14,081
	5100	60,897	10,112	3,171	13,284
	5110	47,795	8,867	3,191	12,059
	5120	191,315	30,580	9,847	40,427
	5130	183,782	38,276	13,673	51,949
	5140	63,171	11,852	4,483	16,335
	5240	0			0
	5280	343	52	16	68
	5290	15	4	3	6
	5300	2	0	0	1
	5310	1,976	354	111	465
	5350	154	29	14	43
	5390	227	57	31	88
	5560	80,919	13,618	4,610	18,228
	5570	146,926	27,366	10,358	37,725
	5600	332,304	42,961	15,767	58,729
	5612	49,646	5,927	2,041	7,968
	5615	12,486	1,546	516	2,062
	5620	16,852	2,078	581	2,659
	5630	572	67	19	86
	5660	(202,937)	22,744	11,308	34,052
	5670	4	1	1	1
	5680	1,093	148	50	199
	5690	341	51	9	60
	5691	751	86	30	115
	5692	6,177	865	384	1,249
	5693	288	34	12	46
	5700	44,842	6,575	2,087	8,662
	5710	108,124	13,497	4,062	17,559
	5730	14,717	1,478	439	1,917
	5800	57,873	12,050	7,176	19,225
	5820	21,502	2,871	1,024	3,895
	5830	4	1	0	1
	5840	83	15	0	15
	5860	11,574	1,879	903	2,782
	5880	(129,281)	(20,790)	6,371	(14,419)
	5900	527	99	51	150
	5910	310	53	4	57
	5920	56,723	6,114	1,658	7,772
	5930	2,470	558	294	853
	5970	14	2	0	2
	5980	289	19	1	20
	9010	1,797	128	38	166
	9020	7,883	535	161	696
	9030	290,086	25,381	7,907	33,289
	9050	1,025	73	22	95
	9070	4,227	315	92	407
	9080	2,496	141	42	183
	9090	130	7	1	8
	9100	1,309	225	75	300
	9120	56	6	2	8
	9200	1,698,967	526,782	190,698	717,481
	9220	0	(0)		(0)
	9230	3,636	439	131	570
	9250	916	520	162	682
	9260	1,539	357	107	464
	9280	126,009	26,319	9,236	35,556
	9301	9	1	0	1
	9302	6,203	1,588	554	2,142
	9350	75,844	10,655	3,296	13,951
Cost of Service Total		**3,889,918**	**992,324**	**372,283**	**1,364,606**
Non-Cost of Service	1070	2,545,626	427,042	143,946	570,988
	1080	173,354	27,677	9,340	37,017
	1220	2,455	303	33	336
	1240	964	189	31	220
	1520	110,235	22,207	8,158	30,365
	1630	405,436	111,190	55,032	166,222
	1830	(8,406)	(8,182)	(1,360)	(9,543)
	1860	158,431	28,287	9,340	37,627
	1880	16,201	3,123	1,134	4,257
	4171	(30)	(0)	(0)	(1)
	4210	29	5	2	7
	4264	25,387	16,745	4,754	21,499
	4265	227	24	5	29
Non-Cost of Service Total		**3,429,906**	**628,609**	**230,415**	**859,023**
Grand Total		**7,319,824**	**1,620,932**	**602,697**	**2,223,630**

Kentucky Power Company
KPSC Case No. 2020-00174
AG-KIUC Second Set of Data Requests
Dated September 16, 2020

DATA REQUEST

AG_KIUC_2_018 Refer to the Company's response to AG-KIUC 1-26.

a. Provide the expense related to the Restricted Stock Units (RSU) for Kentucky Power employees included in the test year by FERC account.

b. Refer to Attachment 1. Add another column and provide the amounts in each account that were charged to the co-owner of Mitchell. Add yet another column and provide the net AEPSC amounts charged to the Company net of the amounts charged to the co-owner of Mitchell.

RESPONSE

a. See KPCO-R-KIUC_AG_2_18_Attachment 1 for requested information.

b. See KPCO-R-KIUC_AG_2_18_Attachment 2 for requested information.

Witness: Heather M. Whitney

Kentucky Power
Restricted Stock Units (RSU) Expense
Test Year ended March 2020

	(A)	(B)
Line No.	**FERC Account**	**RSU**
1	5000	293
2	5010	1,035
3	5020	395
4	5060	1,584
5	5100	825
6	5110	53
7	5120	1,125
8	5130	576
9	5140	291
10	5460	3
11	5700	24
12	5800	624
13	5830	1,126
14	5850	17
15	5860	1,777
16	5870	198
17	5880	6,270
18	5920	33
19	5930	9,522
20	5940	12
21	5950	9
22	5960	14
23	5970	57
24	5980	4
25	9010	34
26	9020	621
27	9030	2,989
28	9070	3
29	9080	467
30	9100	5
31	9200	4,533
32	9260	7
33	9280	81
34	9350	6
35	**Grand Total**	**34,614**

AEPSC Billings to Kentucky Power
Incentive Comp Plan (ICP) and Long-Term Incentive Plan (LTIP)
Total Billed, net of Share Billed to Mitchell Co-Owner
Test Year ended March 2020

		ICP			Long Term Incentive (LTIP)							
					Performance Shares			Restricted Stock Units			Total	
Account Type	FERC	Annual Incentive Plan	Less: Mitchell Amount Billed by KPCO to Co-Owner	Adjusted Amount Billed KPCO	Performance Shares	Less: Mitchell Amount Billed by KPCO to Co-Owner	Adjusted Amount Billed KPCO	Restricted Stock Units	Less: Mitchell Amount Billed by KPCO to Co-Owner	Adjusted Amount Billed KPCO	Total	Less: Mitchell Amount Billed by KPCO to Co-Owner
Cost of Servcie	5000	696,361	268,584	427,777	119,441	46,115	73,325	39,192	15,059	24,133	158,632	61,174
	5010	81,515	4,213	77,302	27,762	834	26,928	8,679	237	8,441	36,441	1,072
	5020	16,381	6,255	10,126	2,426	1,081	1,345	568	275	294	2,994	1,356
	5050	267	0	267	65	0	65	1	0	1	66	0
	5060	(311,612)	18,917	(330,529)	7,062	9,644	(2,583)	7,020	2,921	4,099	14,081	12,565
	5100	60,897	14,919	45,978	10,112	2,693	7,419	3,171	872	2,299	13,284	3,565
	5110	47,795	12,212	35,584	8,867	2,069	6,798	3,191	807	2,385	12,059	2,876
	5120	191,315	90,148	101,167	30,580	14,214	16,366	9,847	4,511	5,336	40,427	18,724
	5130	183,782	75,841	107,941	38,276	16,381	21,895	13,673	5,767	7,906	51,949	22,148
	5140	63,171	21,807	41,364	11,852	3,819	8,033	4,483	1,557	2,926	16,335	5,376
	5240	0	0	0		0	0		0	0	0	0
	5280	343	146	197	52	22	30	16	7	9	68	29
	5290	15	4	11	4	1	3	3	1	2	6	2
	5300	2	0	1	0	0	0	0	0	0	1	0
	5310	1,976	840	1,136	354	150	204	111	47	64	465	197
	5350	154	60	94	29	11	18	14	5	9	43	16
	5390	227	58	169	57	15	42	31	8	23	88	22
	5560	80,919	34,391	46,528	13,618	5,788	7,830	4,610	1,959	2,651	18,228	7,747
	5570	146,926	62,179	84,747	27,366	11,557	15,809	10,358	4,373	5,985	37,725	15,930
	5600	332,304	699	331,605	42,961	97	42,865	15,767	48	15,719	58,729	145
	5612	49,646	365	49,281	5,927	57	5,870	2,041	24	2,017	7,968	80
	5615	12,486	233	12,253	1,546	29	1,518	516	8	507	2,062	37
	5620	16,852	4	16,848	2,078	1	2,077	581	0	581	2,659	1
	5630	572	2	570	67	0	67	19	0	19	86	1
	5660	(202,937)	2,391	(205,328)	22,744	1,150	21,594	11,308	313	10,994	34,052	1,464
	5670	4	1	3	1	0	1	1	0	0	1	0
	5680	1,093	0	1,093	148	0	148	50	0	50	199	0
	5690	341	0	341	51	0	51	9	0	9	60	0
	5691	751	0	751	86	0	86	30	0	30	115	0
	5692	6,177	0	6,177	865	0	865	384	0	384	1,249	0
	5693	288	0	288	34	0	34	12	0	12	46	0
	5700	44,842	1	44,841	6,575	0	6,574	2,087	0	2,087	8,662	0
	5710	108,124	0	108,124	13,497	0	13,497	4,062	0	4,062	17,559	0
	5730	14,717	12	14,706	1,478	1	1,477	439	0	439	1,917	1
	5800	57,873	1,104	56,769	12,050	271	11,779	7,176	129	7,047	19,225	400
	5820	21,502	0	21,502	2,871	0	2,871	1,024	0	1,024	3,895	0
	5830	4	0	4	1	0	1	0	0	0	1	0
	5840	83	0	83	15	0	15	0	0	0	15	0
	5860	11,574	12	11,563	1,879	3	1,877	903	0	903	2,782	3
	5880	(129,281)	604	(129,885)	(20,790)	99	(20,889)	6,371	56	6,315	(14,419)	155
	5900	527	0	527	99	0	99	51	0	51	150	0
	5910	310	0	310	53	0	53	4	0	4	57	0
	5920	56,723	0	56,723	6,114	0	6,114	1,658	0	1,658	7,772	0
	5930	2,470	0	2,470	558	0	558	294	0	294	853	0
	5970	14	0	14	2	0	2	0	0	0	2	0
	5980	289	0	289	19	0	19	1	0	1	20	0
	9010	1,797	0	1,797	128	0	128	38	0	38	166	0
	9020	7,883	368	7,515	535	22	512	161	7	154	696	29
	9030	290,086	12	290,074	25,381	1	25,380	7,907	0	7,907	33,289	1
	9050	1,025	0	1,025	73	0	73	22	0	22	95	0
	9070	4,227	0	4,227	315	0	315	92	0	92	407	0
	9080	2,496	0	2,496	141	0	141	42	0	42	183	0
	9090	130	34	96	7	2	5	1	0	0	8	2
	9100	1,309	316	993	225	55	170	75	19	56	300	74
	9120	56	0	56	6	0	6	2	0	2	8	0
	9200	1,698,967	390,459	1,308,508	526,782	117,480	409,302	190,698	43,668	147,030	717,481	161,149
	9220	0	0	0	(0)	(0)	(0)		0	0	(0)	(0)
	9230	3,636	0	3,636	439	0	439	131	0	131	570	0
	9250	916	187	729	520	107	413	162	34	129	682	140
	9260	1,539	398	1,141	357	92	264	107	28	79	464	120
	9280	126,009	25,561	100,448	26,319	5,218	21,101	9,236	2,003	7,233	35,556	7,221
	9301	9	0	9	1	0	1	0	0	0	1	0
	9302	6,203	507	5,695	1,588	218	1,369	554	67	488	2,142	285
	9350	75,844	1,188	74,656	10,655	159	10,496	3,296	48	3,248	13,951	207
Cost of Service Total		3,889,918	1,035,031	2,854,887	992,324	239,459	752,865	372,283	84,857	287,425	1,364,606	324,316
Non-Cost of Service	1070	2,545,626	269,117	2,276,509	427,042	59,768	367,274	143,946	20,378	123,568	570,988	80,146
	1080	173,354	6,802	166,551	27,677	1,732	25,945	9,340	797	8,543	37,017	2,529
	1220	2,455	0	2,455	303	0	303	33	0	33	336	0
	1240	964	0	964	189	0	189	31	0	31	220	0
	1520	110,235	34,375	75,859	22,207	7,079	15,128	8,158	2,475	5,684	30,365	9,553
	1630	405,436	93,333	312,103	111,190	25,807	85,384	55,032	12,846	42,186	166,222	38,653
	1830	(8,406)	(10,871)	2,464	(3,182)	(5,913)	(2,269)	(1,360)	(1,138)	(222)	(9,543)	(7,052)
	1860	158,431	0	158,431	28,287	0	28,287	9,340	0	9,340	37,627	0
	1880	16,201	5,551	10,650	3,123	1,039	2,084	1,134	362	773	4,257	1,401
	4171	(30)	0	(30)	(0)	0	(0)	(0)	0	(0)	(1)	0
	4210	29	0	29	5	0	5	2	0	2	7	0
	4264	25,387	6,554	18,833	16,745	4,311	12,434	4,754	1,223	3,531	21,499	5,533
	4265	227	8	219	24	2	22	5	1	5	29	3
Non-Cost of Service Total		3,429,906	404,870	3,025,036	628,609	93,824	534,784	230,415	36,942	193,473	859,023	130,766
Grand Total		7,319,824	1,439,901	5,879,923	1,620,932	333,283	1,287,649	602,697	121,799	480,898	2,223,630	455,082

EXHIBIT___(LK-13)

Kentucky Power Company
KPSC Case No. 2020-00174
AG-KIUC First Set of Data Requests
Dated August 12, 2020

DATA REQUEST

AG_KIUC_1_027 Provide the amount of incentive compensation expense pursuant to the LTIP included in the test year revenue requirement for each target metric used for this plan during the test year. Separately provide the costs incurred directly by the Company and the costs incurred through AEPSC affiliate charges. In addition, please provide these amounts by FERC Operations & Maintenance ("O&M") and/or Administrative & General ("A&G") expense account.

RESPONSE

The information cannot be provided as requested. The LTIP is comprised of two components: Restricted Stock Units (RSUs) and Performance Share Incentives (PSIs). RSUs do not have a target metric as the payout of RSUs is based on the grant date stock price of American Electric Power Company, Inc. In calendar year 2019, PSIs had two target metrics: Earnings per Share (EPS) and Total Shareholder Return (TSR). In calendar year 2020, PSIs have three target metrics: EPS, TSR, and Non-Emitting Generating Capacity Goal. Separate entries were not recorded to the ledger in the test year related to these three PSI target metrics. In addition, the expense related to the PSI is calculated based on the performance of the components over a three-year period and not the test year as requested.

Please refer to KPCO_R_KIUC_AG_1_27_Attachment1 for Kentucky Power PSI expense by target metric included in the test year revenue requirement.

Please refer to KPCO_R_KIUC_AG_1_27_Attachment2 for AEPSC PSI expense by target metric included in the test year revenue requirement. Note that the share of AEPSC billings to KPCo are not reflective of any subsequent billing of charges to the Co-Owner of Mitchell Plant.

Witness: Heather M. Whitney

Witness: Kimberly K. Kaiser

LTIP-PSI Expense by Target Metric
Test Year ended March 2020

	(A)	(B)	(C)	(D)	(E)
		LTIP -PSI Expense in Test Year by Target Metric			
Line No.	FERC Account	AEP Operating Earnings per Share	AEP Relative Total Shareholder Return vs. Comparator Group	Non-Emitting Generation Capacity	Total Test Year
1	5000	456	426	29	911
2	5010	1,938	1,814	124	3,877
3	5020	697	652	45	1,394
4	5050	0	0	0	0
5	5060	2,017	1,887	130	4,034
6	5100	1,464	1,370	94	2,928
7	5110	102	96	7	205
8	5120	2,128	1,991	137	4,256
9	5130	1,122	1,050	72	2,245
10	5140	550	515	35	1,100
11	5370	1	1	0	2
12	5460	10	9	1	19
13	5660	-	-	-	-
14	5700	32	30	2	65
15	5800	1,046	979	67	2,093
16	5830	2,413	2,258	155	4,826
17	5840	4	4	0	8
18	5850	31	29	2	62
19	5860	3,240	3,032	208	6,479
20	5870	437	409	28	873
21	5880	6,645	6,219	427	13,291
22	5910	0	0	0	1
23	5920	33	31	2	65
24	5930	14,858	13,904	954	29,716
25	5940	60	56	4	119
26	5950	142	133	9	285
27	5960	77	72	5	153
28	5970	118	110	8	235
29	5980	41	38	3	82
30	9010	34	32	2	68
31	9020	961	899	62	1,922
32	9030	4,710	4,407	302	9,419
33	9070	17	16	1	34
34	9080	754	705	48	1,508
35	9100	5	5	0	10
36	9200	7,112	6,656	457	14,225
37	9260	15	14	1	31
38	9280	149	139	10	297
39	9302	10	10	1	21
40	9350	18	17	1	36
41	**Grand Total**	**53,447**	**50,014**	**3,432**	**106,893**

(E) Agrees to Section V, Exhibit 2, page 28 of 67 (cost of service adjustment W27), column (f).

AEPSC Billings to Kentucky Power
LTIP - PSI Expense by Target Metric
Test Year ended March 2020

	(A)	(B)	(C)	(D)	(E)
		LTIP - PSI Expense in Test Year by Target Metric			
Line No.	FERC Account	AEP Operating Earnings per Share	AEP Relative Total Shareholder Return vs. Comparator Group	Non-Emitting Generation Capacity	Total Test Year
1	5000	59,720	59,429	291	119,441
2	5010	13,881	13,855	26	27,762
3	5020	1,213	1,207	6	2,426
4	5050	33	33	0	65
5	5060	3,531	3,402	129	7,062
6	5100	5,056	5,036	21	10,112
7	5110	4,434	4,420	13	8,867
8	5120	15,290	15,253	37	30,580
9	5130	19,138	19,097	42	38,276
10	5140	5,926	5,875	50	11,852
11	5280	26	26	0	52
12	5290	2	2	0	4
13	5300	0	0	0	0
14	5310	177	176	1	354
15	5350	15	15	0	29
16	5390	28	28	0	57
17	5560	6,809	6,773	36	13,618
18	5570	13,683	13,595	88	27,366
19	5600	21,481	21,379	102	42,961
20	5612	2,964	2,949	14	5,927
21	5615	773	770	3	1,546
22	5620	1,039	1,032	7	2,078
23	5630	34	33	0	67
24	5660	11,372	11,243	129	22,744
25	5670	0	0	0	1
26	5680	74	74	0	148
27	5690	25	25	0	51
28	5691	43	43	0	86
29	5692	432	430	2	865
30	5693	17	17	0	34
31	5700	3,287	3,244	43	6,575
32	5710	6,749	6,710	38	13,497
33	5730	739	738	2	1,478
34	5800	6,025	5,993	32	12,050
35	5820	1,436	1,428	7	2,871

36	5830	0	0	0	1
37	5840	7	7	0	15
38	5860	940	935	5	1,879
39	5880	(10,395)	(10,052)	(342)	(20,790)
40	5900	50	49	0	99
41	5910	26	26	0	53
42	5920	3,057	3,041	16	6,114
43	5930	279	278	1	558
44	5970	1	1	0	2
45	5980	10	9	0	19
46	9010	64	64	0	128
47	9020	267	266	1	535
48	9030	12,691	12,654	37	25,381
49	9050	36	36	0	73
50	9070	157	157	0	315
51	9080	71	70	0	141
52	9090	4	4	0	7
53	9100	113	112	1	225
54	9120	3	3	0	6
55	9200	263,391	261,942	1,449	526,782
56	9220	0	0	0	-
57	9230	219	219	0	439
58	9250	260	260	0	520
59	9260	178	178	1	357
60	9280	13,160	13,133	26	26,319
61	9301	0	0	0	1
62	9302	794	789	5	1,588
63	9350	5,327	5,306	22	10,655
64	**Grand Total**	**496,162**	**493,819**	**2,343**	**992,324**

EXHIBIT___(LK-14)

Kentucky Power Company
KPSC Case No. 2020-00174
Commission Staff's Fourth Set of Data Requests
Dated August 10, 2020

DATA REQUEST

KPSC_4_02 4 Refer to the Direct Testimony of Kimberly Kaiser (Kaiser Testimony), page 5, regarding the overview and descriptions of AEP's short-term incentive compensation (STI) long-term incentive compensation programs (LTI). Provide percentages associated earnings per share, safety and compliance measures, and strategic initiatives tied to the funding of AEP's STI. If these percentages vary by business unit within AEP, provide a breakdown of percentages by business unit.

RESPONSE

For 2019, the annual incentive plan budget was primarily (70%) funded based on AEP's earnings per share (EPS). The remainder was funded based upon safety and compliance (10%) and strategic initiatives (20%).
For 2020, the annual incentive plan funding will be based entirely on EPS. This change for 2020 underscores the need to operate efficiently and reduce costs during the current uncertain economic environment facing the nation and the AEP System, its customers and the communities it serves. For 2020, the AEP System is still focusing, measuring and reporting out on safety, compliance and strategic initiatives goals and these results will be considered by AEP's Board of Directors and its Human Resources Committee for any discretionary funding adjustments, which could be either negative or positive.

The funding percentages do not vary by business unit. The funding measures determine the overall corporate funding which is then allocated to each business unit based on their performance against their annual goals. There were separate annual incentive plans for employees in Customer & Distribution Services, Generation, Transmission, shared services, and each operating company. The annual incentive plans for AEP System's operating companies used a balanced scorecard consisting of customer-focused, operational and financial goals. For 2019 90% of the Kentucky Power's incentive plan goals are non-financial, and for 2020 80% are non-financial.

Please refer to KPSC_R_KIUC_AG_1_25_Attachment1 and KPSC_R_KIUC_AG_1_25_Attachment2 for the full incentive plan descriptions.

Witness: Kimberly K. Kaiser

EXHIBIT___(LK-15)

Kentucky Power Company
KPSC Case No. 2020-00174
AG-KIUC First Set of Data Requests
Dated August 12, 2020

DATA REQUEST

AG_KIUC_1_029 Please provide the amount of Supplemental Executive Retirement Plan ("SERP") expense incurred in the test year and the amount included in the revenue requirement. Provide the SERP expense directly incurred by Kentucky Power Company and the SERP expense charged to the Company from each other affiliate.

RESPONSE

Adjustment W21 at Section V, Exhibit 2, page 22 adjusts pension and other post retirement benefit costs (including SERP costs) for known changes from the test year, and is attributable only to Kentucky Power employees. Please refer to KPCO_R_KIUC_AG_1_029_Attachment1 for the amount of SERP expense attributable to Kentucky Power employees incurred in the test year (Line No. 17) and the amount included in the revenue requirement (Line No. 6)

SERP expense charged to the Company by AEPSC during the test year ended March 31, 2020 and included in the revenue requirement was $198,807.

Witness: Brian T. Lysiak

Witness: Andrew R. Carlin

Kentucky Power Company
Adjust SERP Expense to Proforma Level
For the Twelve Months Ended March 31, 2020

Line No.	Description (a)	Distribution (b)	Generation (c)	Transmission (d)	Total KPCo (e)
1	**Expected SERP Costs (Actuarial Estimates)**				
2	Service Cost	$ 2,880	$ 256	$ -	
3	Non-Service Cost	4,093	166	-	
4		6,973	422	-	
5	KPCo O&M% (FERC Form 1, pp. 354 & 355) (Service Only)	58.71%	58.71%	58.71%	
6	Expected SERP Expense	5,784	317	-	
7	**Test Year Period Per Books (Income) Expense:**				
10	Account 9260037 (Supplemental Pension)	2,293	70.87	-	
11	Account 9260042 (SERP Pension - Non-Service)	3,319	42.58	-	
14	Less Transfers:				
15	KPCo O&M% (FERC Form 1, pp. 354 & 355) (Service Only)	(1,346)	(42)	-	
17	Total Test Period Per Books	4,266	72	-	
18	Change in SERP O&M expense	$ 1,518	$ 245	$ -	$ 1,764
19	KYJurisdictional Factor - OML				0.992
20	KPSC Jurisdictional Adjustment to Increase O&M Expense for SERP Actuarial Estimates				$ 1,750

EXHIBIT___(LK-16)

DATA REQUEST

AG_KIUC_2_044 Regarding organizations to which KPCo pays dues ("Dues Requiring Organizations"), including but not limited to Edison Electric Institute (EEI) and the Electric Power Research Institute (EPRI), explain whether those dues are included for recovery in the proposed revenue requirement. If so:

a. Identify precisely where in the application they can be found.

b. Explain whether each such organization the Company identifies in response to this question utilizes all or any portion of the dues KPCo pays for: (i) legislative advocacy; (ii) regulatory advocacy; and/or (iii) public relations [hereinafter jointly referred to as "covered activities"]. Identify the precise amount of the dues used for the covered activities.

c. Provide a copy of invoices received from each such organization covering the test year in this case.

d. Provide any documents in the Company's possession depicting how each such Dues Requiring Organization spends the dues it collects, including the percentage that applies to all covered activities.

e. State whether the Company is aware whether any portion of the dues it pays to any Dues Requiring Organization are utilized to pay for any of the following expenditures, and if so, provide complete details:

i. Influencing federal or Kentucky legislation;

ii. Any media advertising campaigns backing the Company's or the organization's position on net metering;

iii. Contributions from EEI, EPRI or other Dues Requiring Organizations to third-party organizations, their affiliates and/or contractors including any of the expenditures identified in subparts

i. and ii., above.

RESPONSE

The Company objects to this request as overly broad, unduly burdensome, and because it seeks irrelevant information that is not reasonably calculated to lead to the discovery of admissible evidence. The Company further objects because the data request seeks information that is outside of Kentucky Power's possession, custody, or control. Subject to and without waiving the foregoing objections, the Company states as follows: Kentucky Power Company classifies dues and memberships as operation and maintenance expense within the jurisdictional cost of service.

a. Refer to the Application, Section V, Page 2 of 87.

b. The requested information regarding third parties is outside the Company's possession, custody, or control. Kentucky Power cannot provide the requested information.

c. Please refer to KPCO_R_KIUC_AG_2_44_Attachment1. The Edison Electric Institute invoice is for the total American Electric Power amount and does not reflect Kentucky Power Company's share.

d. The requested third party documents are outside the Company's possession, custody, or control. Kentucky Power has no documents responsive to this request.

e. The requested information regarding third parties is outside the Company's possession, custody, or control. The Company lacks information sufficiently detailed that would permit it to respond to this request.

Witness: Scott E. Bishop

Invoice for Membership Dues

EEI
Edison Electric
INSTITUTE

MR. NICHOLAS K. AKINS
CHAIRMAN, PRESIDENT & CEO
AMERICAN ELECTRIC POWER
1 RIVERSIDE PLAZA
COLUMBUS, OH 43215

Date	Invoice Number
12/11/2019	DUES202005

Payment due on or before 1/31/2020

Description	Total
2020 EEI Membership Dues for:	
Regular Activities of Edison Electric Institute [1]	**$2,397,228**
Industry Issues [2]	**$239,723**
Restoration, Operations, and Crisis Management Program [3]	**$15,000**
2020 Contribution to The Edison Foundation, which ~~funds IEI~~ [4]	**$50,000**
Total	**$2,701,951**

APPROVED
12-11-19

1 The portion of 2020 membership dues relating to influencing legislation, which is not deductible for federal income tax purposes, is estimated to be 13%.

2 The portion of the 2020 industry issues support relating to influencing legislation is estimated to be 24%.

3 The Restoration, Operations, and Crisis Management Program is related to improvements to industry-wide responses to major outages (e.g. National Response Event); continuity of industry and business operations; and EEI's all hazards (storms, wildfires, cyber, etc.) support and coordination of the industry during times of crises. No portion of this assessment is allocable to influencing legislation.

4 The Edison Foundation is an IRC 501(c)(3) educational and charitable organization. Contributions are deductible for federal income tax purposes to the extent provided by law. Please consult your tax advisor with respect to your specific situation.

PLEASE NOTE INFORMATION FOR ELECTRONIC PAYMENT

The following instructions should be used when transferring funds electronically (ACH or wire) to Edison Electric Institute:

Beneficiary's Bank:	[redacted]
Bank's Address:	
Bank's ABA Number:	
Beneficiary:	
Beneficiary's Acct No:	
Beneficiary's Address:	701 Pennsylvania Avenue, NW Washington, DC 20004-2696 USA
Beneficiary Reference:	2020 Membership Dues

Please refer any questions to Terri Oliva, Executive Director, Human Resources and Assistant Treasurer: (202) 508-5541 *or* memberdues@eei.org

EXHIBIT___(LK-17)

Kentucky Power Company
KPSC Case No. 2020-00174
Commission Staff's Second Set of Data Requests
Order Dated June 30, 2020

DATA REQUEST

KPSC 2_2 Provide the capital structure at the end of the five most recent calendar years and each of the other periods shown in Schedule A1 and Schedule A2.

RESPONSE

The capital structure at the end of the five most recent calendar years and each of the other periods shown in Schedule A1 and Schedule A2 have been provided in attachment KPCO_R_KPSC_2_2_Attachment1.

Witness: Franz D. Messner

Kentucky Power Company
Case No. 2020-00174
Calculation of Average Capital Structure
12 Months Ended for the Periods as Shown
"000 Omitted"
Schedule A1

Line No.	Type of Capital	2015 5th Year		2016 4th Year		2017 3rd Year		2018 2nd Year		2019 1st Year		Latest Available Quarter 3/31/2020	
		Amount	Ratio	Amount	Ratio	Amount	Ratio	Amount	Ratio	Amount	Ratio	Amount	Ratio
1	Long-term Debt	866,451	55.96%	867,164	56.41%	867,188	56.05%	867,128	53.27%	867,553	49.21%	992,617	55.01%
2	Short-term Debt	18,692	1.21%	1,807	0.12%	9,641	0.62%	27,871	1.71%	113,175	6.42%	10,685	0.59%
3	Preferred & Preference Stock	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
4	Common Equity	663,074	42.83%	668,401	43.48%	670,263	43.32%	732,879	45.02%	782,180	44.37%	801,038	44.40%
5	Other (Itemize by Type)	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
6	Total Capitalization	1,548,217	100.00%	1,537,372	100.00%	1,547,092	100.00%	1,627,878	100.00%	1,762,908	100.00%	1,804,340	100.00%

Kentucky Power Company
Case No. 2020-00174
Calculation of Average Test Year Capital Structure
12-Months Ended December 31, 2019
"000 Omitted"
Schedule A2

Line No.	Item (a)	Total Capital (b)	Long-term Debt (c)	Short-term Debt (d)	Preferred Stock (e)	Common Stock (f)	Retained Earnings (g)	Total Common Equity (h)
1	Balance Beginning of Test Year	1,627,878	867,128	27,871	-	50,450	156,506	732,879
2	1st Month	1,625,246	867,163	14,476	-	50,450	167,233	743,606
3	2nd Month	1,630,974	867,199	18,930	-	50,450	168,472	744,845
4	3rd Month	1,655,630	867,234	34,765	-	50,450	177,267	753,631
5	4th Month	1,661,090	867,269	38,650	-	50,450	178,806	755,171
6	5th Month	1,667,776	867,305	44,492	-	50,450	179,615	755,979
7	6th Month	1,694,902	867,340	71,439	-	50,450	179,768	756,123
8	7th Month	1,705,171	867,375	74,507	-	50,450	186,934	763,289
9	8th Month	1,721,572	867,411	87,137	-	50,450	190,669	767,024
10	9th Month	1,724,076	867,446	86,863	-	50,450	193,422	769,767
11	10th Month	1,733,200	867,482	94,085	-	50,450	195,287	771,633
12	11th Month	1,752,977	867,517	106,345	-	50,450	202,769	779,114
13	12th Month	1,762,908	867,553	113,175	-	50,450	204,806	782,180
14	Total (L1 through L13)	21,963,400	11,275,424	812,735	-	655,850	2,381,552	9,875,241
15	Average Balance (L14/13)	1,689,492	867,340	62,518	-	50,450	183,196	759,634
16	Average Capitalization Ratios	100.00%	51.34%	3.70%	0.00%	2.99%	10.84%	44.96%
17	End-of-period Capitalization Ratios	100.00%	49.21%	6.42%	0.00%	2.86%	11.62%	44.37%

EXHIBIT___(LK-18)

DATA REQUEST

AG_KIUC_1_075 Provide the actual interest rate incurred for borrowings under the AEP Money Pool Agreement for each month January 2020 through the most recent month for which actual information is available. Provide the calculation of the daily interest rates based on the terms of the AEP Money Pool Agreement, including the interest rate index relied on for that purpose plus any adders.

RESPONSE

Please refer to KPCO_R_KIUC_AG_1_75_Attachment1 for the requested information.

Witness: Franz D. Messner

Consolidated Description	Date	Effective Borrowed Interest Rate	Effective Invested Interest Rate	Corp Total	Corp Borrowings	Corp Loans
Kentucky Power Co	1/1/2020	2.1024%	-	($113,181,375.98)	($113,181,375.98)	-
Kentucky Power Co	1/2/2020	2.1024%	-	($112,966,195.14)	($112,966,195.14)	-
Kentucky Power Co	1/3/2020	2.0976%	-	($114,576,892.94)	($114,576,892.94)	-
Kentucky Power Co	1/4/2020	2.0976%	-	($114,583,568.83)	($114,583,568.83)	-
Kentucky Power Co	1/5/2020	2.0976%	-	($114,590,245.10)	($114,590,245.10)	-
Kentucky Power Co	1/6/2020	2.0867%	-	($117,179,203.48)	($117,179,203.48)	-
Kentucky Power Co	1/7/2020	2.0838%	-	($114,598,258.39)	($114,598,258.39)	-
Kentucky Power Co	1/8/2020	2.0714%	-	($113,973,609.99)	($113,973,609.99)	-
Kentucky Power Co	1/9/2020	2.0570%	-	($109,685,177.26)	($109,685,177.26)	-
Kentucky Power Co	1/10/2020	2.0365%	-	($109,306,789.71)	($109,306,789.71)	-
Kentucky Power Co	1/11/2020	2.0365%	-	($109,312,973.16)	($109,312,973.16)	-
Kentucky Power Co	1/12/2020	2.0365%	-	($109,319,156.95)	($109,319,156.95)	-
Kentucky Power Co	1/13/2020	2.0170%	-	($108,356,321.58)	($108,356,321.58)	-
Kentucky Power Co	1/14/2020	2.0014%	-	($107,353,648.31)	($107,353,648.31)	-
Kentucky Power Co	1/15/2020	1.9935%	-	($105,712,186.75)	($105,712,186.75)	-
Kentucky Power Co	1/16/2020	1.9648%	-	($106,360,108.64)	($106,360,108.64)	-
Kentucky Power Co	1/17/2020	1.9600%	-	($108,305,622.69)	($108,305,622.69)	-
Kentucky Power Co	1/18/2020	1.9600%	-	($108,311,519.24)	($108,311,519.24)	-
Kentucky Power Co	1/19/2020	1.9600%	-	($108,317,416.11)	($108,317,416.11)	-
Kentucky Power Co	1/20/2020	1.9600%	-	($108,323,313.30)	($108,323,313.30)	-
Kentucky Power Co	1/21/2020	1.9304%	-	($119,709,382.86)	($119,709,382.86)	-
Kentucky Power Co	1/22/2020	1.9151%	-	($116,255,780.67)	($116,255,780.67)	-
Kentucky Power Co	1/23/2020	1.9145%	-	($115,810,265.65)	($115,810,265.65)	-
Kentucky Power Co	1/24/2020	1.9122%	-	($115,115,894.85)	($115,115,894.85)	-
Kentucky Power Co	1/25/2020	1.9122%	-	($115,122,009.55)	($115,122,009.55)	-
Kentucky Power Co	1/26/2020	1.9122%	-	($115,128,124.57)	($115,128,124.57)	-
Kentucky Power Co	1/27/2020	1.8965%	-	($115,591,251.07)	($115,591,251.07)	-
Kentucky Power Co	1/28/2020	1.8910%	-	($113,812,334.76)	($113,812,334.76)	-
Kentucky Power Co	1/29/2020	1.8845%	-	($112,550,374.54)	($112,550,374.54)	-
Kentucky Power Co	1/30/2020	1.8758%	-	($112,156,068.11)	($112,156,068.11)	-
Kentucky Power Co	1/31/2020	1.8698%	-	($119,522,071.03)	($119,522,071.03)	-
Kentucky Power Co	2/1/2020	1.8698%	-	($119,528,278.84)	($119,528,278.84)	-
Kentucky Power Co	2/2/2020	1.8698%	-	($119,534,486.97)	($119,534,486.97)	-
Kentucky Power Co	2/3/2020	1.8663%	-	($120,368,269.87)	($120,368,269.87)	-
Kentucky Power Co	2/4/2020	1.8639%	-	($118,272,881.00)	($118,272,881.00)	-
Kentucky Power Co	2/5/2020	1.8614%	-	($122,992,128.92)	($122,992,128.92)	-
Kentucky Power Co	2/6/2020	1.8593%	-	($115,547,591.07)	($115,547,591.07)	-
Kentucky Power Co	2/7/2020	1.8559%	-	($114,387,003.66)	($114,387,003.66)	-
Kentucky Power Co	2/8/2020	1.8559%	-	($114,392,900.62)	($114,392,900.62)	-
Kentucky Power Co	2/9/2020	1.8559%	-	($114,398,797.89)	($114,398,797.89)	-
Kentucky Power Co	2/10/2020	1.8523%	-	($119,636,533.20)	($119,636,533.20)	-
Kentucky Power Co	2/11/2020	1.8464%	-	($118,053,623.92)	($118,053,623.92)	-
Kentucky Power Co	2/12/2020	1.8419%	-	($116,514,392.31)	($116,514,392.31)	-
Kentucky Power Co	2/13/2020	1.8377%	-	($109,396,215.40)	($109,396,215.40)	-
Kentucky Power Co	2/14/2020	1.8305%	-	($110,510,593.90)	($110,510,593.90)	-
Kentucky Power Co	2/15/2020	1.8305%	-	($110,516,213.06)	($110,516,213.06)	-
Kentucky Power Co	2/16/2020	1.8305%	-	($110,521,832.51)	($110,521,832.51)	-
Kentucky Power Co	2/17/2020	1.8305%	-	($110,527,452.24)	($110,527,452.24)	-
Kentucky Power Co	2/18/2020	1.8253%	-	($110,703,271.25)	($110,703,271.25)	-
Kentucky Power Co	2/19/2020	1.8197%	-	($107,612,829.30)	($107,612,829.30)	-
Kentucky Power Co	2/20/2020	1.8164%	-	($111,597,226.90)	($111,597,226.90)	-
Kentucky Power Co	2/21/2020	1.8122%	-	($113,727,332.68)	($113,727,332.68)	-
Kentucky Power Co	2/22/2020	1.8122%	-	($113,733,057.71)	($113,733,057.71)	-
Kentucky Power Co	2/23/2020	1.8122%	-	($113,738,783.02)	($113,738,783.02)	-
Kentucky Power Co	2/24/2020	1.8081%	-	($113,065,667.94)	($113,065,667.94)	-
Kentucky Power Co	2/25/2020	1.8053%	-	($113,167,955.60)	($113,167,955.60)	-
Kentucky Power Co	2/26/2020	1.8028%	-	($111,796,115.12)	($111,796,115.12)	-

Consolidated Description	Date	Effective Borrowed Interest Rate	Effective Invested Interest Rate	Corp Total	Corp Borrowings	Corp Loans
Kentucky Power Co	2/27/2020	1.8028%	-	($111,527,553.16)	($111,527,553.16)	-
Kentucky Power Co	2/28/2020	1.8035%	-	($120,549,528.57)	($120,549,528.57)	-
Kentucky Power Co	2/29/2020	1.8035%	-	($120,555,567.92)	($120,555,567.92)	-
Kentucky Power Co	3/1/2020	1.8035%	-	($120,561,607.57)	($120,561,607.57)	-
Kentucky Power Co	3/2/2020	1.8039%	-	($120,284,356.84)	($120,284,356.84)	-
Kentucky Power Co	3/3/2020	1.8033%	-	($124,461,060.39)	($124,461,060.39)	-
Kentucky Power Co	3/4/2020	1.7602%	-	($126,742,437.02)	($126,742,437.02)	-
Kentucky Power Co	3/5/2020	1.8023%	-	($114,216,980.76)	($114,216,980.76)	-
Kentucky Power Co	3/6/2020	-	1.8022%	$6,571,257.70	-	$6,571,257.70
Kentucky Power Co	3/7/2020	-	1.8023%	$6,571,586.67	-	$6,571,586.67
Kentucky Power Co	3/8/2020	-	1.8023%	$6,571,915.67	-	$6,571,915.67
Kentucky Power Co	3/9/2020	1.7997%	-	($2,132,778.02)	($2,132,778.02)	-
Kentucky Power Co	3/10/2020	1.8085%	-	($7,008,220.08)	($7,008,220.08)	-
Kentucky Power Co	3/11/2020	1.8169%	-	($5,343,301.37)	($5,343,301.37)	-
Kentucky Power Co	3/12/2020	1.9619%	-	($3,551,803.03)	($3,551,803.03)	-
Kentucky Power Co	3/13/2020	2.1417%	-	($4,769,715.40)	($4,769,715.40)	-
Kentucky Power Co	3/14/2020	2.1417%	-	($4,769,999.16)	($4,769,999.16)	-
Kentucky Power Co	3/15/2020	2.1416%	-	($4,770,282.93)	($4,770,282.93)	-
Kentucky Power Co	3/16/2020	2.1096%	-	($3,876,538.04)	($3,876,538.04)	-
Kentucky Power Co	3/17/2020	2.0563%	-	($2,886,951.22)	($2,886,951.22)	-
Kentucky Power Co	3/18/2020	2.0454%	-	($681,123.63)	($681,123.63)	-
Kentucky Power Co	3/19/2020	-	2.0800%	$365,358.69	-	$365,358.69
Kentucky Power Co	3/20/2020	2.1422%	-	($7,052,990.98)	($7,052,990.98)	-
Kentucky Power Co	3/21/2020	2.1422%	-	($7,053,410.67)	($7,053,410.67)	-
Kentucky Power Co	3/22/2020	2.1422%	-	($7,053,830.39)	($7,053,830.39)	-
Kentucky Power Co	3/23/2020	2.1390%	-	($7,637,816.09)	($7,637,816.09)	-
Kentucky Power Co	3/24/2020	2.0575%	-	($6,238,100.89)	($6,238,100.89)	-
Kentucky Power Co	3/25/2020	2.0582%	-	($7,306,193.34)	($7,306,193.34)	-
Kentucky Power Co	3/26/2020	2.0854%	-	($5,763,755.50)	($5,763,755.50)	-
Kentucky Power Co	3/27/2020	2.0871%	-	($9,797,785.56)	($9,797,785.56)	-
Kentucky Power Co	3/28/2020	2.0872%	-	($9,798,353.60)	($9,798,353.60)	-
Kentucky Power Co	3/29/2020	2.0871%	-	($9,798,921.68)	($9,798,921.68)	-
Kentucky Power Co	3/30/2020	2.1940%	-	($11,219,833.16)	($11,219,833.16)	-
Kentucky Power Co	3/31/2020	2.2415%	-	($10,685,290.88)	($10,685,290.88)	-
Kentucky Power Co	4/1/2020	2.3114%	-	($16,099,616.37)	($16,099,616.37)	-
Kentucky Power Co	4/2/2020	2.3682%	-	($14,549,984.73)	($14,549,984.73)	-
Kentucky Power Co	4/3/2020	2.4244%	-	($21,727,691.11)	($21,727,691.11)	-
Kentucky Power Co	4/4/2020	2.4244%	-	($21,729,154.37)	($21,729,154.37)	-
Kentucky Power Co	4/5/2020	2.4244%	-	($21,730,617.73)	($21,730,617.73)	-
Kentucky Power Co	4/6/2020	2.5004%	-	($11,544,012.17)	($11,544,012.17)	-
Kentucky Power Co	4/7/2020	2.5029%	-	($15,662,557.85)	($15,662,557.85)	-
Kentucky Power Co	4/8/2020	2.5273%	-	($13,811,992.94)	($13,811,992.94)	-
Kentucky Power Co	4/9/2020	2.5871%	-	($7,429,828.88)	($7,429,828.88)	-
Kentucky Power Co	4/10/2020	2.5871%	-	($8,088,857.31)	($8,088,857.31)	-
Kentucky Power Co	4/11/2020	2.5871%	-	($8,089,438.60)	($8,089,438.60)	-
Kentucky Power Co	4/12/2020	2.5871%	-	($8,090,019.93)	($8,090,019.93)	-
Kentucky Power Co	4/13/2020	2.7007%	-	($7,381,793.12)	($7,381,793.12)	-
Kentucky Power Co	4/14/2020	2.6657%	-	($5,510,504.07)	($5,510,504.07)	-
Kentucky Power Co	4/15/2020	2.6554%	-	($2,619,983.51)	($2,619,983.51)	-
Kentucky Power Co	4/16/2020	2.5715%	-	($9,812,618.07)	($9,812,618.07)	-
Kentucky Power Co	4/17/2020	2.5716%	-	($8,083,820.39)	($8,083,820.39)	-
Kentucky Power Co	4/18/2020	2.5715%	-	($8,084,397.84)	($8,084,397.84)	-
Kentucky Power Co	4/19/2020	2.5715%	-	($8,084,975.31)	($8,084,975.31)	-
Kentucky Power Co	4/20/2020	2.5660%	-	($7,558,326.30)	($7,558,326.30)	-
Kentucky Power Co	4/21/2020	2.5062%	-	($14,856,461.41)	($14,856,461.41)	-
Kentucky Power Co	4/22/2020	2.5062%	-	($12,107,564.04)	($12,107,564.04)	-
Kentucky Power Co	4/23/2020	2.5062%	-	($11,950,010.66)	($11,950,010.66)	-

Consolidated Description	Date	Effective Borrowed Interest Rate	Effective Invested Interest Rate	Corp Total	Corp Borrowings	Corp Loans
Kentucky Power Co	4/24/2020	2.5051%	-	($15,396,794.24)	($15,396,794.24)	-
Kentucky Power Co	4/25/2020	2.5052%	-	($15,397,865.66)	($15,397,865.66)	-
Kentucky Power Co	4/26/2020	2.5051%	-	($15,398,937.16)	($15,398,937.16)	-
Kentucky Power Co	4/27/2020	2.4939%	-	($17,831,237.00)	($17,831,237.00)	-
Kentucky Power Co	4/28/2020	2.4682%	-	($17,434,790.88)	($17,434,790.88)	-
Kentucky Power Co	4/29/2020	2.4664%	-	($16,394,940.50)	($16,394,940.50)	-
Kentucky Power Co	4/30/2020	2.4562%	-	($14,828,309.36)	($14,828,309.36)	-
Kentucky Power Co	5/1/2020	2.4216%	-	($19,656,924.09)	($19,656,924.09)	-
Kentucky Power Co	5/2/2020	2.4216%	-	($19,658,246.33)	($19,658,246.33)	-
Kentucky Power Co	5/3/2020	2.4216%	-	($19,659,568.65)	($19,659,568.65)	-
Kentucky Power Co	5/4/2020	2.4258%	-	($24,208,687.80)	($24,208,687.80)	-
Kentucky Power Co	5/5/2020	2.3700%	-	($23,378,402.92)	($23,378,402.92)	-
Kentucky Power Co	5/6/2020	2.3531%	-	($18,010,456.31)	($18,010,456.31)	-
Kentucky Power Co	5/7/2020	2.3289%	-	($17,438,872.27)	($17,438,872.27)	-
Kentucky Power Co	5/8/2020	2.3223%	-	($22,308,202.64)	($22,308,202.64)	-
Kentucky Power Co	5/9/2020	2.3223%	-	($22,309,641.72)	($22,309,641.72)	-
Kentucky Power Co	5/10/2020	2.3223%	-	($22,311,080.89)	($22,311,080.89)	-
Kentucky Power Co	5/11/2020	2.2933%	-	($21,883,986.90)	($21,883,986.90)	-
Kentucky Power Co	5/12/2020	2.1654%	-	($21,243,684.42)	($21,243,684.42)	-
Kentucky Power Co	5/13/2020	2.1564%	-	($19,635,764.91)	($19,635,764.91)	-
Kentucky Power Co	5/14/2020	2.1427%	-	($18,252,726.28)	($18,252,726.28)	-
Kentucky Power Co	5/15/2020	2.1389%	-	($17,781,140.18)	($17,781,140.18)	-
Kentucky Power Co	5/16/2020	2.1389%	-	($17,782,196.63)	($17,782,196.63)	-
Kentucky Power Co	5/17/2020	2.1389%	-	($17,783,253.15)	($17,783,253.15)	-
Kentucky Power Co	5/18/2020	2.1306%	-	($18,041,027.54)	($18,041,027.54)	-
Kentucky Power Co	5/19/2020	2.1272%	-	($13,383,955.75)	($13,383,955.75)	-
Kentucky Power Co	5/20/2020	2.0704%	-	($13,079,666.02)	($13,079,666.02)	-
Kentucky Power Co	5/21/2020	2.0611%	-	($12,011,415.60)	($12,011,415.60)	-
Kentucky Power Co	5/22/2020	2.0611%	-	($19,774,973.54)	($19,774,973.54)	-
Kentucky Power Co	5/23/2020	2.0611%	-	($19,776,105.71)	($19,776,105.71)	-
Kentucky Power Co	5/24/2020	2.0611%	-	($19,777,237.94)	($19,777,237.94)	-
Kentucky Power Co	5/25/2020	2.0611%	-	($19,778,370.24)	($19,778,370.24)	-
Kentucky Power Co	5/26/2020	2.0736%	-	($19,909,718.46)	($19,909,718.46)	-
Kentucky Power Co	5/27/2020	2.0003%	-	($18,179,612.55)	($18,179,612.55)	-
Kentucky Power Co	5/28/2020	1.8969%	-	($16,920,258.87)	($16,920,258.87)	-
Kentucky Power Co	5/29/2020	1.4886%	-	($24,561,893.81)	($24,561,893.81)	-
Kentucky Power Co	5/30/2020	1.4886%	-	($24,562,909.44)	($24,562,909.44)	-
Kentucky Power Co	5/31/2020	1.4886%	-	($24,563,925.12)	($24,563,925.12)	-
Kentucky Power Co	6/1/2020	1.3146%	-	($26,412,227.11)	($26,412,227.11)	-
Kentucky Power Co	6/2/2020	1.3063%	-	($34,634,781.18)	($34,634,781.18)	-
Kentucky Power Co	6/3/2020	1.2387%	-	($34,226,240.04)	($34,226,240.04)	-
Kentucky Power Co	6/4/2020	1.1933%	-	($26,960,855.71)	($26,960,855.71)	-
Kentucky Power Co	6/5/2020	1.0712%	-	($27,762,457.60)	($27,762,457.60)	-
Kentucky Power Co	6/6/2020	1.0712%	-	($27,763,283.67)	($27,763,283.67)	-
Kentucky Power Co	6/7/2020	1.0712%	-	($27,764,109.76)	($27,764,109.76)	-
Kentucky Power Co	6/8/2020	1.0123%	-	($33,953,347.68)	($33,953,347.68)	-
Kentucky Power Co	6/9/2020	0.9451%	-	($34,557,684.41)	($34,557,684.41)	-
Kentucky Power Co	6/10/2020	0.9147%	-	($33,503,801.20)	($33,503,801.20)	-
Kentucky Power Co	6/11/2020	0.8295%	-	($26,569,549.64)	($26,569,549.64)	-
Kentucky Power Co	6/12/2020	0.8295%	-	($26,522,747.50)	($26,522,747.50)	-
Kentucky Power Co	6/13/2020	0.8295%	-	($26,523,358.62)	($26,523,358.62)	-
Kentucky Power Co	6/14/2020	0.8295%	-	($26,523,969.76)	($26,523,969.76)	-
Kentucky Power Co	6/15/2020	0.5376%	-	($27,008,903.08)	($27,008,903.08)	-
Kentucky Power Co	6/16/2020	0.5247%	-	($26,219,592.90)	($26,219,592.90)	-
Kentucky Power Co	6/17/2020	0.5163%	-	($25,038,269.12)	($25,038,269.12)	-
Kentucky Power Co	6/18/2020	0.5223%	-	($28,745,185.20)	($28,745,185.20)	-
Kentucky Power Co	6/19/2020	0.5123%	-	($31,066,182.98)	($31,066,182.98)	-

Consolidated Description	Date	Effective Borrowed Interest Rate	Effective Invested Interest Rate	Corp Total	Corp Borrowings	Corp Loans
Kentucky Power Co	6/20/2020	0.5123%	-	($31,066,625.10)	($31,066,625.10)	-
Kentucky Power Co	6/21/2020	0.5123%	-	($31,067,067.23)	($31,067,067.23)	-
Kentucky Power Co	6/22/2020	0.3278%	-	($34,136,900.95)	($34,136,900.95)	-
Kentucky Power Co	6/23/2020	0.5142%	-	($33,570,334.22)	($33,570,334.22)	-
Kentucky Power Co	6/24/2020	0.5142%	-	($32,484,801.24)	($32,484,801.24)	-
Kentucky Power Co	6/25/2020	0.4966%	-	($33,736,045.28)	($33,736,045.28)	-
Kentucky Power Co	6/26/2020	0.5059%	-	($35,077,805.74)	($35,077,805.74)	-
Kentucky Power Co	6/27/2020	0.5059%	-	($35,078,298.66)	($35,078,298.66)	-
Kentucky Power Co	6/28/2020	0.5059%	-	($35,078,791.58)	($35,078,791.58)	-
Kentucky Power Co	6/29/2020	0.5105%	-	($37,274,948.59)	($37,274,948.59)	-
Kentucky Power Co	6/30/2020	0.5207%	-	($40,733,756.55)	($40,733,756.55)	-
Kentucky Power Co	7/1/2020	0.5378%	-	($43,660,769.40)	($43,660,769.40)	-
Kentucky Power Co	7/2/2020	0.5378%	-	($48,708,748.67)	($48,708,748.67)	-
Kentucky Power Co	7/3/2020	0.5378%	-	($48,662,428.89)	($48,662,428.89)	-
Kentucky Power Co	7/4/2020	0.5378%	-	($48,663,155.79)	($48,663,155.79)	-
Kentucky Power Co	7/5/2020	0.5378%	-	($48,663,882.70)	($48,663,882.70)	-
Kentucky Power Co	7/6/2020	0.5377%	-	($42,213,046.34)	($42,213,046.34)	-
Kentucky Power Co	7/7/2020	0.5412%	-	($41,181,706.04)	($41,181,706.04)	-
Kentucky Power Co	7/8/2020	0.5367%	-	($45,898,969.20)	($45,898,969.20)	-
Kentucky Power Co	7/9/2020	0.5367%	-	($33,700,321.37)	($33,700,321.37)	-
Kentucky Power Co	7/10/2020	0.5429%	-	($34,482,029.21)	($34,482,029.21)	-
Kentucky Power Co	7/11/2020	0.5429%	-	($34,482,549.18)	($34,482,549.18)	-
Kentucky Power Co	7/12/2020	0.5429%	-	($34,483,069.15)	($34,483,069.15)	-
Kentucky Power Co	7/13/2020	0.5504%	-	($33,977,229.04)	($33,977,229.04)	-
Kentucky Power Co	7/14/2020	0.5573%	-	($32,786,062.43)	($32,786,062.43)	-
Kentucky Power Co	7/15/2020	0.5573%	-	($31,442,053.48)	($31,442,053.48)	-
Kentucky Power Co	7/16/2020	0.5573%	-	($33,430,112.50)	($33,430,112.50)	-
Kentucky Power Co	7/17/2020	0.5612%	-	($35,167,767.68)	($35,167,767.68)	-
Kentucky Power Co	7/18/2020	0.5612%	-	($35,168,315.89)	($35,168,315.89)	-
Kentucky Power Co	7/19/2020	0.5612%	-	($35,168,864.11)	($35,168,864.11)	-
Kentucky Power Co	7/20/2020	0.5459%	-	($35,944,440.48)	($35,944,440.48)	-
Kentucky Power Co	7/21/2020	0.5666%	-	($37,418,027.25)	($37,418,027.25)	-
Kentucky Power Co	7/22/2020	0.5591%	-	($36,226,679.08)	($36,226,679.08)	-
Kentucky Power Co	7/23/2020	0.5622%	-	($35,526,681.79)	($35,526,681.79)	-
Kentucky Power Co	7/24/2020	0.5622%	-	($36,534,668.83)	($36,534,668.83)	-
Kentucky Power Co	7/25/2020	0.5622%	-	($36,535,239.34)	($36,535,239.34)	-
Kentucky Power Co	7/26/2020	0.5622%	-	($36,535,809.86)	($36,535,809.86)	-
Kentucky Power Co	7/27/2020	0.5652%	-	($37,580,008.36)	($37,580,008.36)	-
Kentucky Power Co	7/28/2020	0.5684%	-	($37,141,703.21)	($37,141,703.21)	-
Kentucky Power Co	7/29/2020	0.5334%	-	($36,650,184.93)	($36,650,184.93)	-
Kentucky Power Co	7/30/2020	0.5124%	-	($36,236,780.74)	($36,236,780.74)	-
Kentucky Power Co	7/31/2020	0.5124%	-	($34,721,906.94)	($34,721,906.94)	-

EXHIBIT___(LK-19)

Kentucky Power Company
KPSC Case No. 2020-00174
Commission Staff's Second Set of Data Requests
Order Dated June 30, 2020

DATA REQUEST

KPSC 2_3 Provide the following:
a. A list of all outstanding issues of long-term debt as of the end of the latest calendar year together with the related information as shown in Schedule B1.
b. An analysis of short-term debt as shown in Schedule B2 as of the end of the latest calendar year.

RESPONSE

A list of all outstanding issues of long-term debt as of the end of the latest calendar year and analysis of short-term debt as of the end of the latest calendar year as shown in Schedule B1 and B2, respectively, are attached as KPCO_R_KPSC_2_3_Attachment1 and KPCO_R_KPSC_2_3_Attachment2.

Witness: Franz D. Messner

Kentucky Power Company
Case No. 2020-00174
Schedule of Outstanding Long-Term Debt
For the Year Ended December 31, 2019
Schedule B2

Line No.	Type of Debt Issue (a)	Date of Issue (b)	Date of Maturity (c)	Amount Outstanding (d)	Coupon Interest Rate (1) (e)	Cost Rate at Issue (2) (f)	Cost Rate at Maturity (3) (g)	Bond Rating at time of Issue (4) (h)	Type of Obligation (i)	Annualized Cost Col. (d) x Col. (g); (j)
1	Senior Unsecured Notes - Series D	6/13/2003	12/1/2032	$75,000,000	5.625%	5.625%	5.694%	Baa2/BBB/BBB	Senior Unsecured	4,270,500
2	Senior Unsecured Notes - Series A	6/18/2009	6/18/2021	$40,000,000	7.250%	7.250%	7.319%	n/a	Senior Unsecured	2,927,597
3	Senior Unsecured Notes - Series B	6/18/2009	6/18/2029	$30,000,000	8.030%	8.030%	8.080%	n/a	Senior Unsecured	2,424,000
4	Senior Unsecured Notes - Series C	6/18/2009	6/18/2039	$60,000,000	8.130%	8.130%	8.181%	n/a	Senior Unsecured	4,908,600
5	Senior Unsecured Notes - Series A	9/30/2014	9/30/2026	$120,000,000	4.180%	4.180%	4.237%	n/a	Senior Unsecured	5,084,400
6	Senior Unsecured Notes - Series B	12/30/2014	12/30/2026	$80,000,000	4.330%	4.330%	4.386%	n/a	Senior Unsecured	3,508,800
7	Senior Unsecured Notes - Series F	9/12/2017	9/12/2024	$65,000,000	3.130%	3.130%	3.182%	n/a	Senior Unsecured	2,068,325
8	Senior Unsecured Notes - Series G	9/12/2017	9/12/2027	$40,000,000	3.350%	3.350%	3.388%	n/a	Senior Unsecured	1,355,400
9	Senior Unsecured Notes - Series H	9/12/2017	9/12/2029	$165,000,000	3.450%	3.450%	3.483%	n/a	Senior Unsecured	5,747,432
10	Senior Unsecured Notes - Series I	9/12/2017	9/12/2047	$55,000,000	4.120%	4.120%	4.139%	n/a	Senior Unsecured	2,276,434
11	Pollution Control Revenue Bond - Series 2014A	6/19/2017	6/19/2020	$65,000,000	2.000%	2.000%	2.361%	n/a	Pollution Control Bond	1,534,561
12	Local Bank Term Credit Facility (5)	11/5/2018	10/26/2022	$75,000,000	3.175%	3.175%	3.359%	n/a	Credit Agreement	2,518,982
	Total Long-term Debt and Annualized Cost			$870,000,000						38,625,030
	Annualized Cost Rate [Total Col. (j) / Total Col. (d)]			4.440%						

(1) Nominal Rate

(2) Nominal Rate plus Discount or Premium Amortization

(3) Nominal Rate plus Discount or Premium Amortization and Issuance Cost

(4) Standard and Poor's, Moody's,etc.

(5) Variable rate (as of 12/31/2019) term credit facility

Kentucky Power Company
Case No. 2020-00174
Schedule of Outstanding Long-Term Debt
For the Test Year Ended March 30, 2020
Schedule B1

Line No.	Type of Debt Issue (a)	Date of Issue (b)	Date of Maturity (c)	Amount Outstanding (d)	Coupon Interest Rate [1] (e)	Cost Rate at Issue [2] (f)	Cost Rate at Maturity [3] (g)	Bond Rating at time of Issue [4] (h)	Type of Obligation (i)	Annualized Cost Col. (d) x Col. (g) (j)	Actual Test Year Interest Cost [5] (k)
1	Senior Unsecured Notes - Series D	6/13/2003	12/1/2032	$75,000,000	5.625%	5.625%	5.694%	Baa2/BBB/BBB	Senior Unsecured	$4,270,500	$4,270,500
2	Senior Unsecured Notes - Series A	6/18/2009	6/18/2021	$40,000,000	7.250%	7.250%	7.319%	n/a	Senior Unsecured	$2,927,597	$2,927,597
3	Senior Unsecured Notes - Series B	6/18/2009	6/18/2029	$30,000,000	8.030%	8.030%	8.080%	n/a	Senior Unsecured	$2,424,000	$2,424,000
4	Senior Unsecured Notes - Series C	6/18/2009	6/18/2039	$60,000,000	8.130%	8.130%	8.181%	n/a	Senior Unsecured	$4,908,600	$4,908,600
5	Senior Unsecured Notes - Series A	9/30/2014	9/30/2026	$120,000,000	4.180%	4.180%	4.237%	n/a	Senior Unsecured	$5,084,400	$5,084,400
6	Senior Unsecured Notes - Series B	12/30/2014	12/30/2026	$80,000,000	4.330%	4.330%	4.386%	n/a	Senior Unsecured	$3,508,800	$3,508,800
7	Senior Unsecured Notes - Series F	9/12/2017	9/12/2024	$65,000,000	3.130%	3.130%	3.182%	n/a	Senior Unsecured	$2,068,325	$2,068,325
8	Senior Unsecured Notes - Series G	9/12/2017	9/12/2027	$40,000,000	3.350%	3.350%	3.388%	n/a	Senior Unsecured	$1,355,400	$1,355,400
9	Senior Unsecured Notes - Series H	9/12/2017	9/12/2029	$165,000,000	3.450%	3.450%	3.483%	n/a	Senior Unsecured	$5,747,432	$5,747,432
10	Senior Unsecured Notes - Series I	9/12/2017	9/12/2047	$55,000,000	4.120%	4.120%	4.139%	n/a	Senior Unsecured	$2,276,434	$2,276,434
11	Pollution Control Revenue Bond - Series 2014A	6/19/2017	6/19/2020	$65,000,000	2.000%	2.000%	2.361%	n/a	Pollution Control Bond	$1,534,561	$1,534,561
12	Local Bank Term Credit Facility [6]	11/5/2018	10/26/2022	$75,000,000	2.365%	2.365%	2.546%	n/a	Credit Agreement	$1,909,203	$1,909,203
13	Local Bank Term Credit Facility [6]	3/5/2020	3/6/2022	$125,000,000	1.670%	1.670%	1.683%	n/a	Credit Agreement	$2,103,421	$2,103,421
	Total Long-term Debt and Annualized Cost			$995,000,000						$40,118,673	$40,118,673
	Annualized Cost Rate [Total Col. (j) / Total Col. (d)]			4.032%							
	Actual Test Year Cost Rate			4.032%							

[1] Nominal Rate

[2] Nominal Rate plus Discount or Premium Amortization

[3] Nominal Rate plus Discount or Premium Amortization and Issuance Cost

[4] Standard and Poor's, Moody's, etc.

[5] Sum of Accrued Interest Amortization of Discount or Premium and Issuance Cost

[6] Variable rate (as of 3/31/2020) term credit facility

Kentucky Power Company
Case No. 2020-00174
Schedule of Short-Term Debt
For the Test Year Ended March 30, 2020
Schedule B2

Line No.	Type of Debt Issue (a)	Date of Issue (b)	Date of Maturity (c)	Amount Outstanding (d)	Nominal Interest Rate (e)	Interest Expense (f)	Average Balance (g)	Effective Interest Rate (h)	Annualized Interest Cost Col. (d) x Col. (e) (i)
1	Advances from Affiliates	N/A	N/A	10,685,291	2.24%	1,797,951	80,620,853	2.24%	239,514

Total Short-term Debt	10,685,291	
Annualized Cost Rate [Total Col. (i) / Total Col.(d)]		2.24%
Actual Interest Paid or Accrued on Short-term Debt During the Test Year [Report in Col. (f) of this Schedule]		1,797,951
Average Short-term Debt - [Report in Col. (g) of this Schedule]		80,620,853
Test Year Interest Cost Rate [Actual Interest / Average Short-term Debt] [Report in Col. (h) of this Schedule]		2.23%

EXHIBIT___(LK-20)

Kentucky Power Company
KPSC Case No. 2020-00174
Commission Staff's Fourth Set of Data Requests
Dated August 10, 2020

DATA REQUEST

KPSC_4_083 Refer to the Vaughan Testimony, page 33, lines 17–21, and page 34, lines 1–9.

a. Regarding the proposed changes to the Federal Tax Cut (FTC) Tariff, for the FTC credits in 2022 and beyond, provide the time the balance of the excess ADIT will be returned.

b. During Case No. 2018-00035,6 Kentucky Power was concerned about the flow back of the excess unprotected ADIT so to protect credit metrics and pushed for a longer amortization period than the 18 years agreed to in the resulting settlement. Given the concern over the amortization period, explain why Kentucky Power is increasing the front-end refund of the excess ADIT balance

RESPONSE

a. Please refer to Company witness Vaughan's direct testimony at page 34, lines 7-8. "Beginning in 2022, a new level of the remaining unprotected excess ADFIT balance reflecting the outcome of this case could also be included in Tariff FTC." The Company proposes this being the same level of credit as the Company included in Tariff FTC during the test year until the remaining unprotected excess ADFIT is exhausted.

b. Please refer to Company witness West's direct testimony at page 6, line 18 concerning the year 1 offset being proposed in this case. Additionally, rating agencies look at periods of greater than just a single year. The Company's plan provides a cash flow impact in year one but by maintaining the same amortization level for the outer years we are protecting the credit metrics post COVID-19.

Witness: Alex E. Vaughan

EXHIBIT___(LK-21)

Kentucky Power Company
KPSC Case No. 2020-00174
AG-KIUC First Set of Data Requests
Dated August 12, 2020

DATA REQUEST

AG_KIUC_1_090 Provide all support for the estimate of incremental O&M expense related to the AMI. Indicate whether the incremental O&M expense includes reductions in O&M expense due to avoided maintenance on the AMR meters and lower maintenance due to the introduction of two-way communication through the AMI meters and related infrastructure and avoided truck rolls for service start/stop and other service calls that no longer will be necessary.

RESPONSE

With the Company's current AMR system being at the end of its life cycle and a new AMI system being necessary to replace it, the majority of the incremental O&M expenses will be software enhancements, IT Support, and cellular costs. The planned installation of AMI meters throughout the Company's service territory is a four-year improvement project to ensure the reliability of the distribution system and maintain continuity of service to customers. This will require Kentucky Power to operate the new AMI system in parallel with the existing AMR system until the AMI deployment is complete. Please refer to KPCO_R_KIUC_AG_1_90_Attachment1, which provides an estimate of incremental O&M expense related to the installation of AMI. The Company expects AMI O&M expenses to increase yearly as more meters are installed over the course of the four-year project; full savings from the AMR removal and replacement will be realized after the completion of the four-year AMI deployment.

Note: Vendor choice could change estimates.

Witness: Stephen D. Blankenship

EXHIBIT___(LK-22)

Kentucky Power Company
KPSC Case No. 2020-00174
AG-KIUC First Set of Data Requests
Dated August 12, 2020

DATA REQUEST

AG_KIUC_1_063 Confirm that the Company will retain the depreciation expense savings on AMR meters that are retired after base rates are reset in this proceeding until base rates are reset in the next base rate proceeding.

RESPONSE

Deny. When AMR meters or any of the Company's assets are retired following the test year period, depreciation expense is no longer recorded on any of the retired assets. When the Company adds assets to electric plant in-service following the test year period, depreciation expense will be recorded on these new assets. Neither any of the additions nor any of the retirements which occur after the test year and after base rates are reset in this proceeding are included in the Company's level of depreciation and both will not be addressed until the next rate proceeding. The level of depreciation expense that is established in this proceeding will determine a reasonable amount of depreciation expense that will be incurred as a part of the Company's day to day operations.

Witness: Brian K. West

EXHIBIT___(LK-23)

DATA REQUEST

AG_KIUC_1_095 Explain whether KPCo will be conducting any cost-benefit analyses pertaining to its prospective AMI system. If not, why not?
a. If KPCo will be conducting any such analyses, will KPCo commit to providing copies of all such studies? If not, why not?

RESPONSE

The Company will not conduct any cost-benefit analyses pertaining to its prospective AMI system. Please see the Company's response to KIUC-AG 1-89.

a. Although the Company does not intend to perform a cost-benefit analysis, the Company would provide copies upon request of the Commission if such an analysis was performed.

Witness: Stephen D. Blankenship

EXHIBIT___(LK-24)

Kentucky Power Company
KPSC Case No. 2020-00174
AG-KIUC First Set of Data Requests
Dated August 12, 2020

DATA REQUEST

AG_KIUC_1_117 Confirm that KPCo is still able to procure spare parts for its existing meter system.

RESPONSE

The Company confirms it currently is able to obtain spare and replacement parts for its existing metering platform by purchasing salvaged meters and parts from other AEP Operating Companies. The continuing availability of these spare and replacement parts is limited by the number of meters to be salvaged and the fact that other AEP Operating Companies using AMR meters also rely on the salvaged meters for spare and replacement parts.

Witness: Stephen D. Blankenship

AFFIDAVIT

STATE OF GEORGIA)

COUNTY OF FULTON)

LANE KOLLEN, being duly sworn, deposes and states: that the attached is his sworn testimony and that the statements contained are true and correct to the best of his knowledge, information and belief.

Lane Kollen

Sworn to and subscribed before me on this
7th day of October 2020.

Notary Public

JESSICA K INMAN
MY COMMISSION EXPIRES
NOTARY
PUBLIC
JULY 31, 2023
CHEROKEE COUNTY, GEORGIA