

Kentucky Power Company
KPSC Case No. 2021-00004
AG-KIUC's Second Set of Data Requests
Dated April 19, 2021
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DATA REQUEST

AG-KIUC 2_6 Refer to the response to AG-KIUC 1-27. The Company was asked to provide the Mitchell plant-related balances by unit for gross plant, accumulated depreciation, ADIT, fuel inventories, M&S inventories and each other balance sheet account at December 31, 2020 and rolled forward through 2028. The Company provided only the gross plant, accumulated depreciation, fuel inventories, and M&S inventories at December 31, 2020.

a. Provide the tax basis and ADIT balances by temporary difference for each Mitchell unit and the Mitchell plant at December 31, 2020. If the Company asserts that it cannot provide the requested information, then provide the following:

1. Identify and describe the Company's fixed asset software used to track its plant-related costs and balances, including the calculation of book and tax basis differences, book depreciation expense, accelerated tax depreciation deduction, temporary difference between accelerated tax depreciation and straight-line tax depreciation on an actual basis in the current period and on a budget and/or forecast basis for the runout period.

2. Confirm that the Company does not maintain and/or cannot calculate the tax basis and the ADIT due to the temporary differences for accelerated tax depreciation in excess of straight-line depreciation for each Mitchell unit and/or the Mitchell plant in total at December 31, 2020. If confirmed, then explain why the Company does not maintain and/or cannot calculate these amounts at December 31, 2020.

c. Provide a runout of the accelerated tax depreciation, straight-line tax depreciation, book depreciation, and ADIT for each Mitchell unit and the Mitchell plant for each year 2021 through 2040 starting with the tax basis, ADIT balances by temporary difference, and gross plant at December 31, 2020, assuming no future capital additions or retirements.

d. Provide the Company's budgeted/forecast capital additions for

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each Mitchell unit and the Mitchell plant for each year 2021 through 2040 by major project, specifically including separately, but not limited to, the CCR costs and ELG costs, reflected in the economic analyses supporting continued operation of Mitchell through 2040.

e. Provide the Company's budgeted/forecast depreciation expense, accumulated depreciation, accelerated tax depreciation, straight line tax depreciation, and ADIT related to the capital additions provided in response to part (e) of this question for each year 2020 through 2040 by major project, specifically including separately, but not limited to, the CCR costs and ELG costs reflected in the Company's economic analyses supporting continued operation of Mitchell through 2040.

f. Provide the Company's best forecast of the net book value and all other rate base components of the Mitchell plant at the end of 2028 under the CCR only Case 2. Provide all supporting workpapers and calculations, including all electronic spreadsheets in live format with all formulas intact.

g Provide the Company's best forecast of the net book value and all other rate base components of the Mitchell plant at the end of 2028 and 2040 under the CCR/ELG Case 1. Provide all supporting workpapers and calculations, including all electronic spreadsheets in live format with all formulas intact.

RESPONSE

This data request was numbered AG_KIUC 2-3 in the filing made with the Commission and served on Kentucky Power. Subsequent data requests are numbered AG_KIUC 2-4 through AG_KIUC 2-8. Because there is an earlier AG_KIUC 2-3 Kentucky Power is treating this request as AG_KIUC 2_6 to avoid confusion in the written record. Subsequent data requests are numbered AG_KIUC_2_7 through AG_KIUC_2_11.

a. The Company uses PowerPlant to account for original cost and book depreciation expense, and PowerTax for the tax depreciation and book/tax differences mentioned in the request. The Company has not performed the requested analysis, but it is in the

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process of doing so and will supplement this response with the requested information when the analysis is complete.

b. There is no subpart b

c., e., f., and g. The Company has not prepared any such forecasts.

d. Please see the Capital Tab of KPCO_R_KIUC AG_1_2_Attachment6, provided in response to KIUC_AG_1_2 for the requested information.

MAY 28, 2021 SUPPLEMENTAL RESPONSE

a. The net tax basis for the Mitchell Plant at December 31, 2020 is \$443,672,887 (original basis less accumulated tax depreciation) and the ADIT balance is -\$94,428,111. The net tax basis and ADIT is not maintained in the Company's fixed asset software at the level to which this information can be provided for each unit of the Mitchell Plant. The Company does not calculate the temporary differences by plant or by unit 1 and 2 separately.

2. The Company confirms that tax basis and ADIT is not maintained by Unit 1 and Unit 2 in the fixed asset system. To maintain the data beyond the plant level would be too voluminous for the fixed asset system and AEP has no business purpose to do so.

Witness: Allyson L. Keaton



Keaton Verification_May 26.docx

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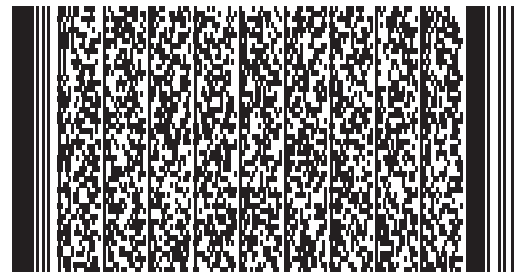
E-Signature 1: Allyson M Keaton (AMK)

May 26, 2021 10:18:52 -8:00 [7D5670551BD0] [167.239.221.84]
 alkeaton@aep.com (Principal) (Personally Known)

E-Signature Notary: S. Smithhisler (SRS)

May 26, 2021 10:18:52 -8:00 [2AA4FF08E497] [167.239.2.87]
 srsmithhisler@aep.com

I, S. Smithhisler, did witness the participants named above electronically sign this document.



VERIFICATION

The undersigned, Allyson M. Keaton, being duly sworn, deposes and says she is a Tax Analyst Principle for American Electric Power Service Corporation, that she has personal knowledge of the matters set forth in the forgoing responses, and the information contained therein is true and correct to the best of her information, knowledge and belief after reasonable inquiry.


Signed on 2021/05/26 10:18:52 -8:00

Allyson M. Keaton

STATE OF OHIO

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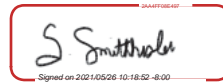
) Case No. 2021-00004

COUNTY OF FRANKLIN

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Subscribed and sworn to before me, a Notary Public in and before said County and State, by
Allyson M. Keaton, on May 26, 2021.




Signed on 2021/05/26 10:18:52 -8:00

Notary Public

Notary ID Number: 2019-RE-775042

F9DF4B07-99AE-40AF-9066-1970BF64ED2B --- 2021/05/26 09:58:07 -8:00 --- Remote Notary

