COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC JOINT APPLICATION OF	)	
AMERICAN ELECTRIC POWER CO. INC.,	)	
KENTUCKY POWER CO. AND LIBERTY	)	CASE NO.
UTILITIES CO. FOR APPROVAL OF THE	)	2021-00481
TRANSFER OF OWNERSHIP AND CONTROL	)	
OF KENTUCKY POWER CO.	)	

ATTORNEY GENERAL'S INITIAL DATA REQUESTS

The intervenor, the Attorney General of the Commonwealth of Kentucky, by and through his Office of Rate Intervention ["OAG"], submits the following Initial Data Requests to American Electric Power Co. Inc. ["AEP"], Kentucky Power Co. ["KPCo" or "the Company"] and Liberty Utilities Co. ["Liberty"][hereinafter jointly referenced as "Joint Applicants"] to be answered by the date specified in the Commission's Orders of Procedure, and in accord with the following:

(1) In each case where a request seeks data provided in response to a staff request, reference to the appropriate request item will be deemed a satisfactory response.

(2) Identify the witness who will be prepared to answer questions concerning each request.

(3) Repeat the question to which each response is intended to refer. The OAG can provide counsel for Joint Applicants with an electronic version of these questions, upon request.

(4) These requests shall be deemed continuing so as to require further and supplemental responses if the Companies receive or generate additional information within the scope of these requests between the time of the response and the time of any hearing conducted hereon.

(5) Each response shall be answered under oath or, for representatives of a public or private corporation or a partnership or association, be accompanied by a signed certification of the preparer or person supervising the preparation of the response on behalf of the entity that the

response is true and accurate to the best of that person's knowledge, information, and belief formed after a reasonable inquiry.

(6) If you believe any request appears confusing, request clarification directly from Counsel for OAG.

(7) To the extent that the specific document, workpaper or information as requested does not exist, but a similar document, workpaper or information does exist, provide the similar document, workpaper, or information.

(8) To the extent that any request may be answered by way of a computer printout, identify each variable contained in the printout which would not be self-evident to a person not familiar with the printout.

(9) If the Companies have objections to any request on the grounds that the requested information is proprietary in nature, or for any other reason, notify counsel for OAG as soon as possible.

(10) As used herein, the words ''document'' or ''documents'' are to be construed broadly and shall mean the original of the same (and all non-identical copies or drafts thereof) and if the original is not available, the best copy available. These terms shall include all information recorded in any written, graphic or other tangible form and shall include, without limiting the generality of the foregoing, all reports; memoranda; books or notebooks; written or recorded statements, interviews, affidavits and depositions; all letters or correspondence; telegrams, cables and telex messages; contracts, leases, insurance policies or other agreements; warnings and caution/hazard notices or labels; mechanical and electronic recordings and all information so stored, or transcripts of such recordings; calendars, appointment books, schedules, agendas and diary entries; notes or memoranda of conversations (telephonic or otherwise), meetings or conferences; legal pleadings

and transcripts of legal proceedings; maps, models, charts, diagrams, graphs and other demonstrative materials; financial statements, annual reports, balance sheets and other accounting records; quotations or offers; bulletins, newsletters, pamphlets, brochures and all other similar publications; summaries or compilations of data; deeds, titles, or other instruments of ownership; blueprints and specifications; manuals, guidelines, regulations, procedures, policies and instructional materials of any type; photographs or pictures, film, microfilm and microfiche; videotapes; articles; announcements and notices of any type; surveys, studies, evaluations, tests and all research and development (R&D) materials; newspaper clippings and press releases; time cards, employee schedules or rosters, and other payroll records; cancelled checks, invoices, bills and receipts; and writings of any kind and all other tangible things upon which any handwriting, typing, printing, drawings, representations, graphic matter, magnetic or electrical impulses, or other forms of communication are recorded or produced, including audio and video recordings, computer stored information (whether or not in printout form), computer-readable media or other electronically maintained or transmitted information regardless of the media or format in which they are stored, and all other rough drafts, revised drafts (including all handwritten notes or other marks on the same) and copies of documents as hereinbefore defined by whatever means made.

(11) For any document withheld on the basis of privilege, state the following: date; author; addressee; indicated or blind copies; all persons to whom distributed, shown, or explained; and, the nature and legal basis for the privilege asserted.

(12) In the event any document called for has been destroyed or transferred beyond the control of the Companies, state: the identity of the person by whom it was destroyed or transferred, and the person authorizing the destruction or transfer; the time, place, and method of destruction or

transfer; and, the reason(s) for its destruction or transfer. If destroyed or disposed of by operation of a retention policy, state the retention policy.

(13) Provide written responses, together with any and all exhibits pertaining thereto, in one or more bound volumes, separately indexed and tabbed by each response, in compliance with Kentucky Public Service Commission Regulations.

(15) Words in the past tense should be considered to include the present, and words in the present tense include the past, unless specifically stated otherwise.

(16) Additional Definitions:

a. "And" and "or" should be considered to be both conjunctive and disjunctive, unless specifically stated otherwise.

b. "Each" and "any" should be considered to be both singular and plural, unless specifically stated otherwise.

c. "You" or "your" means the person whose filed testimony is the subject of these interrogatories and, to the extent relevant and necessary to provide full and complete answers to any request, "you" or "your" may be deemed to include any person with information relevant to any interrogatory who is or was employed by or otherwise associated with the witness or who assisted, in any way, in the preparation of the witness' testimony.

d. "American Electric Power Company, Inc." or "AEP" means American Electric Power Company, Inc. and/or any of their officers, directors, employees, or agents who may have knowledge of the particular matter addressed.

e. "Kentucky Power Company," "Kentucky Power," and "KPCo" means Kentucky Power Company and/or any of their officers, directors, employees, or agents who may have knowledge of the particular matter addressed, and also refers to the entity referenced on Application Exhibit 6, page 3 of 5, as “Kentucky Power Utility (KY).”

f. “AEP Kentucky Transmission Company” or “Kentucky Trasnco” or “Kentucky TransCo” means Kentucky Transmission Company, Inc., as identified on Application Exhibit 6, page 3 of 5.

g. “American Electric Power Service Corporation” or “AEPSC” means American Electric Power Service Corporation and/or any of their officers, directors, employees, or agents who may have knowledge of the particular matter addressed.

h. “Liberty Utilities Co.” or “Liberty” means Liberty Utilities Co. and/or any of their officers, directors, employees, or agents who may have knowledge of the particular matter addressed as well as Algonquin Power and Utilities Corp. (“APUC”) and/or any of their officers, directors, employees, or agents who may have knowledge of the particular matter addressed.

i. “Liberty Utilities Service Corporation” (“LUSC”) is the service corporation for Liberty’s U.S.-based utilities. For purposes of these questions, the term LUSC shall also include Liberty Algonquin Business Services (“LABS”).

j. “Commission” means the Kentucky Public Service Commission.

Respectfully submitted,

DANIEL CAMERON
ATTORNEY GENERAL

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Certificate of Service

Pursuant to the Commission's Order dated July 22, 2021 in Case No. 2020-00085, and in accord with all other applicable law, Counsel certifies that an electronic copy of the forgoing was served and filed by e-mail to the parties of record.

This 13th day of January, 2022

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Assistant Attorney General

1. State the amount of termination fees, and / or any and all other fees and expenses the respective parties would have to pay if the proposed transaction is not consummated.

    a. Of those fees, state the amount for which KPCo ratepayers would be responsible.

    b. Identify the documents in which this information is provided to both federal and state regulatory officials.

    c. If KPCo ratepayers would be responsible for any portion of such fees / expenses, state whether the company would have to file a rate case to recover such sums.

2. State whether Liberty, its corporate parent entities, or its affiliates has or have reserved the right to adjust the regular dividend of the corporate entity holding Liberty's stock pending completion of the transaction. If so:

    a. For how long will any modification to the dividend remain in effect?

    b. Provide, in complete detail, the rationale for any such adjustment.

    c. State whether Liberty intends on seeking PSC approval of same, and if not, why not.

    d. As a result of any potential increase in dividend, state:

        (1) how much additional funding for corporate expenses of any type or sort Liberty will seek from its ratepayers; and

        (2) whether any such adjustment will cause Liberty to file a rate case, and if so, when.

3. State whether as a result of the transaction, Liberty, its corporate parent entities, or its affiliates plan(s) on paying any special dividends on any class of stock. If so, identify the class of stock, and state whether the officers, directors or majority holders of common stock are among the class of potential recipients of any such special dividend.

4. State how much additional common stock Liberty, its corporate parent entities, or its affiliates will issue as a condition of the transaction's consummation. If any, state the effect on ratepayers.

5. State when the Joint Applicants and any relevant affiliates expect to receive full approval of the proposed transaction from FERC, NERC, SEC, FCC, the U.S. Justice Dept., the

Committee on Foreign Investment in the United States ("CIFIUS"), and all relevant state public utility regulatory authorities.

6. Is KPCo's current generation fleet sufficient to meet both its base and peak loads? Does KPCo anticipate any need to enter into purchased power agreements to meet these loads?

7. Do the Joint Applicants believe the proposed transaction will enhance and improve KPCo's abilities to obtain capital in support of its business? If so, explain how.

    a. Do the Joint Applicants also acknowledge that if Liberty, its parent and affiliated entities incur significant amounts of debt, this will likely have a negative impact on KPCo's ability to borrow capital at competitive rates?

8. Do the Joint Applicants believe that KPCo's post-transaction financial and credit profile will ensure that the company and its customers will benefit from, and not be disadvantaged, by the transaction? If so:

    a. Provide copies of any all current bond ratings, credit profiles and / or any and all other credit analyses for KPCo and Liberty, together with any projected bond ratings, credit profiles and / or any and all other credit analyses regarding the status of KPCo and Liberty following the closing of the proposed transaction.
    b. Explain whether any synergies are expected to result from the proposed transaction. If so: (i) state, in complete detail, how KPCo's ratepayers will share in such synergy savings and otherwise benefit under the transaction; (ii) identify each specific synergy, and provide any and all analyses and studies indicating any and all such synergies and benefits.
    c. Explain whether Liberty and / or its parent entities assumed the existence of any synergies when they made the economic decision to purchase KPCo. If so, identify and fully explain.
    d. Aside from the determination of the purchase price, did Liberty (by itself or acting through an agent or third-party) research, analyze, or otherwise investigate possible synergies associated with a purchase of KPCo? If not, explain why not. If yes, then please explain in detail the results of the research, analysis, or investigation.

9. Provide copies of any and all reports and other documents identifying economies of scale or scope, with costs detailed, expected to result from the proposed transaction.

10. Identify any economies of scope or scale – regardless of physical location -- affecting the Joint Applicants' Kentucky-based operations, with costs detailed.

a. State whether any savings related to economies of scale or scope, with costs detailed, will be shared with the Joint Applicants' customers, and if so, provide a quantification.

11. Will Liberty, KPCo and / or their parent entities or affiliates receive any tax advantage(s) or benefit(s) from the proposed transaction? If so, please provide a quantification, including how much of the tax advantages / benefits will inure to ratepayers' benefit.

12. Do the Joint Applicants anticipate that KPCo will be a participant in a consolidated tax return or will it file separate tax returns? Please explain in detail.

13. Explain whether as a result of the proposed transaction, KPCo would be required to: (i) guarantee the credit of any affiliates of Liberty and/or Liberty's parent entities; and/or (ii) issue any security, incur any debt, or pledge any assets to finance any part of the purchase price paid under the proposed transaction.

    a. Are the Joint Applicants prepared to make a pledge to that effect? If not, why not?

14. Do the joint applicants anticipate that as a result of the proposed transaction, additional cost saving opportunities will be created? If so:

    a. Explain whether such savings will inure to the benefit of KPCo and its customers, and include an explanation of how and why the Joint Applicants believe this to be the case.
    b. Explain whether any savings will occur outside of KPCo's service territory, and if so, provide a complete estimate and explanation.
    c. Provide copies of any and all analyses Joint Applicants have conducted depicting any and all such cost savings opportunities.

15. Assuming the proposed transaction is fully approved in every jurisdiction by every regulatory authority, state whether KPCo would be required to give any type or sort of preference to purchased power from any source whatsoever, and if so, identify that generation source.

    a. State whether any such preference would take priority over KPCo's ability to purchase power from any other source, including the PJM regional transmission organization ("RTO") market, at lower prices.
    b. If the answer to any portion of this question is in the affirmative, state whether the Joint Applicants will file or have filed any petition(s) with FERC seeking approval of any such preferential purchased power arrangement.

16. State whether KPCo, as a result of the proposed transaction, will enter into any type or sort of pooling arrangement with any other current or future affiliate. If so, provide complete details, including copies of any such arrangements, even if only in draft form.

17. Assuming the proposed transaction is fully approved in every jurisdiction by every regulatory authority, state whether KPCo/Liberty intend to remain full PJM members. Include in your response:

    a. whether the Joint Applicants are contemplating changing their PJM status from FFR to RPM; and
    b. any studies / analyses regarding potential exit fees KPCo would or could face if it decides to exit PJM.
    c. all studies / analyses pertaining to any increased transmission costs KPCo would incur in the event of a PJM exit.

18. Will KPCo's generating units be jointly dispatched together with any other units the Joint Applicants own and / or operate? If so, state whether economic dispatch principles will apply.

19. Provide a list describing KPCo's planned transmission projects for the next 10 years. Discuss also whether the proposed transaction will in any manner change or affect the projects identified therein, and if so, how. Include in your discussion whether Joint Applicants:

    a. are considering any additional interconnections with surrounding territories; and
    b. believe any additional synergies could be achieved through modifying these plans in any manner.

20. Explain how much experience Liberty has in working with, and maintaining electric transmission facilities.

21. Explain how much experience Liberty has with working with RTOs. If any, how much experience does Liberty have working with the PJM?

22. Provide a discussion on how much experience Liberty has in working with and maintaining 500 kV and higher transmission facilities.

23. Explain whether Joint Applicants contemplate any additional environmental compliance / remediation projects in the event the proposed transaction is approved at all regulatory levels.

24. Explain whether KPCo will or could incur any increased PJM or other system operator charges (including MISO) resulting from the proposed transaction that it would not have incurred but for the proposed transaction. If any: (i) state whether KPCo's ratepayers will or could be required to pay for all or any portion of those increased costs; and (ii) provide as many details as possible.

25. Provide a complete explanation of any and all plans the Joint Applicants may have to expand use of renewable fuels in KPCo's generation portfolio. Please provide any and all documents, studies and analyses necessary to support your explanation.

26. Provide a detailed explanation of whether and to what extent, if applicable, the Joint Applicants intend to enhance and / or expand their procurement of gas as an electric generation fuel. If not, explain why not.

27. Identify any shareholder lawsuits which may have been brought against any or all of the Joint Applicants which appear to contest the proposed transfer of control. Provide:

    a. a narrative discussion regarding the effect these lawsuits will or may have on the deadlines the Joint Applicants have established regarding the consummation of the transaction;
    b. copies of all such complaints; and
    c. a discussion of any potential for increased costs the Joint Applicants may have, and any and all ramifications there may be for KPCo ratepayers.

28. With regard to any pending or threatened litigation (including any pending or threatened regulatory review or supervision enforcement actions) involving KPCo, its parent entities and its affiliates, are the Joint Applicants making any provisions through which they will agree to fund the defense of such pending or threatened litigation? If so, please explain in detail. If not, please explain why not.

29. Provide KPCo's most recent load forecast.

30. Explain how KPCo's rate base will or may be affected by the proposed transaction.

31. Indicate whether the proposed transaction may lead to fuel savings for KPCo customers, and provide quantification, broken down by type of fuel.

32. Assuming the proposed transaction is fully approved in every jurisdiction by every regulatory authority, will KPCo and Liberty combine into a single operating company? If not, explain the nature of the structure, and provide a chart depicting that structure.

33. Explain whether any of the executive management of KPCo, Liberty, or of their corporate parent entities or affiliates, and existing and proposed members of their respective boards of directors are members, officers, partners, directors of, or have a controlling interest in, any business entity engaged in the electric generation, transmission or distribution industry or gas industry other than the Joint Applicants, and if so, identify them by name and by type of interest.

34. Assuming the proposed transaction is fully approved in every jurisdiction by every regulatory authority, explain whether any officers or directors of Joint Applicants will receive any bonus, compensation, stock shares and/or options, retirement matches, incentives, insurance, use of corporate-owned property or any other remuneration of any type or sort. Please identify the applicable individuals, the method of remuneration, and the cash value thereof.

    a. Reference "Confidential Excerpt from Exhibit 5," p. 8 of 17.
        (1) Provide the file named "[redacted]" identified in footnote 1 on page 8 of 17.
        (2) Identify the "[redacted]" of [redacted].
        (3) Provide all such actual [redacted].
        (4) Identify fully the source for payments under all such [redacted].
        (5) Explain whether Joint Applicants will agree to a commitment not to seek recovery of sums paid to the recipients of all such [redacted] from KPCo ratepayers. If Joint Applicants are not willing to make that commitment, explain fully why not.
    b. Explain whether any additional Supplemental Executive Retirement Pay ("SERP") will be paid in the event the proposed transaction is approved. If so, explain whether Joint Applicants will agree to comply with Commission precedents precluding recovery of SERP expense from ratepayers. If not, why not?

35. Provide the name of the members of the new board of directors together with a brief biographical sketch outlining their experience, for both KPCo and Liberty.

    a. State whether each board member currently serves as a director of the board of one of the Joint Applicants, and if so, which one.
    b. Include in the biographical sketch for each board member whether they serve on any other boards.

36. Assuming the proposed transaction receives full approval from all relevant regulatory authorities, will KPCo be operating on a stand-alone basis following the transaction's closing?

a. Will KPCo be filing separate tax returns following the transaction's closing? Please provide documentation demonstrating the anticipated or planned tax return status.

37. Assuming the proposed transaction receives full approval from all relevant regulatory authorities, will any officer or board member of KPCo have a seat on the board of directors of any parent entities or affiliates following the transaction's consummation? If yes, please explain in detail by way of officer or board member and company.

38. Assuming the proposed transaction receives full approval from all relevant regulatory authorities, explain whether KPCo offer any type or sort of retention and / or incentive program for its managers.

    a. If so, which of the Joint Applicants will bear any associated costs?
    b. Will KPCo's ratepayers bear any such costs, directly or indirectly? Explain in detail along with program and costs.

39. Identify how much debt the Joint Applicants plan to incur in order to consummate the proposed transaction, stated independently for each of the Joint Applicants.

    a. Explain whether KPCo ratepayers will be required to reimburse one or both Joint Applicants for debt incurred for this purpose, and if so: (i) how much, and (ii) why.

40. Please describe, in complete detail, the relationship that Liberty has with its Servco, including the nature and extent of services provided, cost sharing requirements, and provide a break-out of the sums Liberty paid to the Servco for each of the last ten (10) years. Include in your response:

    a. A copy of Liberty's cost allocation manual ("CAM") as well as any cost sharing agreements between Liberty's operating companies, including a complete explanation of any instances in which Liberty's CAM deviates in any manner from cost sharing guidelines promulgated by the National Association of Regulatory Utility Commissioners (NARUC);
    b. A summary description of the changes KPCo will experience in the transition from AEP SERVCo to Liberty's Servco;
    c. A projection of any and all costs KPCo will experience for shared corporate services from Liberty's Servco and other affiliates, including all electric, natural gas, water and wastewater utility affiliates regardless of where domiciled;
    d. A discussion of whether Algonquin Power and Utilities Corporation or any other Canadian affiliate will provide any services to KPCo, and if so: (i) identify

the services in full together with any cost projections for which KPCo will be responsible for paying; and (ii) state whether any duplication of services will or could occur;

e. A discussion of any Canadian tax charges paid in addition to U.S. state, federal and local state charges. Explain whether KPCo would be responsible for paying any Canadian tax charges, and if so, provide an estimate of the annual costs for complying with Canadian tax law;
f. A description of the process by which KPCo would be able to challenge the allocation of a cost from a parent entity or affiliate. If no such ability to challenge the allocation of a cost would exist, then affirmatively state that fact.
g. An explanation of how Liberty and The Empire District Electric Co. (and/or The Empire District Electric and Water Utility) and their other affiliates intend to allocate losses arising from Winter Storm Uri in 2021, including whether KPCo and its ratepayers would be allocated any such losses.
h. All cost sharing agreements between KPCo and Kentucky Transmission Co.
i. A discussion of the decision-making processes KPCo and Liberty will follow regarding which entity, going forward, will own and operate new transmission projects.
j. A discussion of whether and under what circumstances ownership and/or operation of existing transmission facilities will or could be transferred from KPCo to Kentucky Transmission Co., and/or from Kentucky Transmission Co. to KPCo.
k. An explanation of all measures KPCo and Liberty would put in place to ensure that KPCo ratepayers would not be subsidizing the costs of "Kentucky Transmission Company, Inc." as it is identified and depicted in the organizational chart set forth in Application Exhibit 6.
l. A complete explanation and identification of the third corporate entity depicted on Application Exhibit 6, designated as "Kentucky Power Company."

41. Reference the Eichler testimony at 34:10-13. Explain whether AEPSC will also monitor, operate, dispatch and otherwise support Kentucky Transmission Company's transmission system, and if so, for how long. Explain how costs for that portion of the transmission system owned by KPCo, and that portion owned by Kentucky Transmission Company will be delineated.

42. Explain whether Canadian law requires any utility / energy generating subsidiaries, regardless of their locality / nationality, to obtain a certain percentage of their power generation from renewable resources.

43. Explain whether Joint Applicants are willing to agree to a condition that any potential conflicts of laws between any laws of the Commonwealth Kentucky, the United States of

America, and any Canadian local, provincial or federal law, will be resolved in favor of U.S. and Kentucky law. If not, why not?

a. Confirm that U.S. and Kentucky choice of law provisions will control all such conflicts.

44. With regard to each Joint Applicant, provide all minutes of all meetings held at which the proposed transaction was discussed between: (a) shareholders and company management; and (b) the board of directors and the company management. This request is meant to include, but is not limited to, board meetings of any of the Joint Applicants, meetings between Joint Applicants, meetings of any of the officers of any of the Joint Applicants, etc.

45. Provide all reports, analyses or reviews of the projected cost of capital for KPCo and Liberty as conducted by any/each of the Joint Applicants, in the event the proposed transaction is approved.

46. Provide all reports, analyses or reviews of the credit profile for KPCo and Liberty as conducted by any/each of the Joint Applicants, in the event the proposed transaction is approved.

47. Provide the total number of employees working in any and all of the Joint Applicants' customer service centers, regardless of location, dedicated to addressing inquiries and other needs of customers located in Kentucky. Please differentiate between full-time, part-time, and seasonal employees.

a. Provide the total number of such employees as of the date of your response to this request, and an estimate for the number of such employees following the final closing of the proposed transaction.

48. Provide copies of any and all documents the Joint Applicants have filed with the Securities and Exchange Commission regarding the proposed transaction, to the extent not already provided.

49. Provide a complete copy of any filings associated with the proposed merger made pursuant to the Hart-Scott-Rodino Antitrust Improvements Acts of 1976 (15 U.S.C.A. § 18a; together with regulations promulgated thereunder at 16 CFR §§ 801-803) (hereinafter jointly referred to as "the Act").

50. In the event the U.S. Department of Justice Antitrust Division determines that further inquiry is necessary and pursuant to the Act issues a second request for documents to the Joint Applicants, will the Joint Applicants agree to supply the Kentucky Public Service

Commission and intervenors with copies of all documents produced in response to such a request, regardless of when the Joint Applicants make their (its) response?

51. Post-transaction, will KPCo, its parent entities, or affiliates be required to make any filings with the Securities and Exchange Commission? If yes, please identify and explain the filing requirement(s).

52. Is Liberty currently required to comply with The Sarbanes-Oxley Act of 2002?

    a. Will Liberty be required to do so following the closure of the proposed transaction? If not, explain what entity will perform Sarbanes-Oxley Act compliance on behalf of KPCo.
    b. Identify and explain the post-transaction Sarbanes-Oxley-related requirements for Liberty and KPCo (if any) and their parent entities, and what effect if any these requirements will or may have on KPCo's ratepayers.
    c. Explain whether KPCo will be allocated any costs for compliance with Canadian federal or provincial laws pertaining to corporate governance and compliance.

53. Provide copies of any and all documents pertaining to the proposed transaction that the Joint Applicants have filed with any and all other regulatory bodies, whether state or federal, regarding the proposed transaction.

54. Explain whether the Joint Applicants currently have any deferred tax accounts on their balance sheets. If "yes," please identify the account(s), the amount carried therein, and provide a summary of the nature of the balance.

    a. For each deferred tax balance identified above, please state what impact the proposed transaction will have on the account (e.g., will the proposed transaction result in a loss of any deferred tax credits?).

55. Do the Joint Applicants agree that there are two categories of costs for the proposed transaction, namely: (1) costs-to-achieve the transaction (e.g., due diligence reports, legal counsel, etc.); and (2) costs-to-achieve cost savings in the post-transaction structure (e.g., systems integration, etc.)? If not, please identify the categories and provide a definition.
    a. For the costs-to-achieve the transaction, explain how the Joint Applicants determine the costs that are allocated to or the responsibility of their respective shareholders, and those costs that are allocated to or the responsibility of their respective ratepayers, if any. Include any allocation methodologies.

b. For the costs-to-achieve cost savings in the post-transaction structure, explain how the Joint Applicants determine the costs that are allocated to or the responsibility of their respective shareholders, and those costs that are allocated to or the responsibility of their respective ratepayers, if any. Include any allocation methodologies.
c. For the costs-to-achieve the transaction, explain how the Joint Applicants determine the costs that are allocated to or the responsibility of their respective non-regulated operations. Include any allocation methodologies.
d. For the costs-to-achieve cost savings in the post-transaction structure, explain how the Joint Applicants determine the costs that are allocated to or the responsibility of their respective regulated operations. Include any allocation methodologies.

56. Do the Joint Applicants agree that there are certain costs associated with the proposed transaction that are attributable solely to the process of obtaining the approval of the transaction (e.g., legal counsel for the regulatory proceedings)?

57. Do the Joint Applicants consider the reduction of tax liability or the obtainment of tax benefits as cost savings?

58. Do the Joint Applicants consider the reduction of a company's or unit's operating loss a cost savings?

59. Provide an itemized schedule that shows the cost-to-achieve the transaction by year for as many years as your projections provide. (This is a request for a schedule that shows the estimated costs by year, by applicant). In this schedule, identify by year for as many years as your projections provide the following:

   a. the assignment of costs to each of the Joint Applicants' shareholders;
   b. the assignment of costs, if any, to each of the Joint Applicants' ratepayers; and
   c. the breakdown of the assignment of costs between regulated and non-regulated operations of each of the Joint Applicants.

60. Provide an itemized schedule that shows the costs-to-achieve the cost savings in the post-transaction structure by year for as many years as your projections provide. (This is a request for a schedule that depicts the estimated costs by year). In this schedule, identify by year for as many years as your projections provide the following:

   a. the assignment of costs to each of the Joint Applicants' shareholders;
   b. the assignment of costs, if any, to each of the Joint Applicants' ratepayers; and

c. the breakdown of the assignment of costs between regulated and non-regulated operations of each of the Joint Applicants.

61. For each category of costs to achieve cost savings in the post transaction structure, did each of the Joint Applicants determine the allocation percentages to separate out the non-regulated cost savings from the regulated costs savings? For example, did the Joint Applicants determine the amount of total staffing cost savings to allocate to regulated operations and the amount to allocate to non-regulated operations?

    a. Provide documentation of all allocations. If the Joint Applicants did not do so, please explain why not.

62. For each category of costs to achieve cost savings in the post transaction structure, identify:

    a. the allocation process, including the factors, for allocating costs between regulated and non-regulated operations.

    b. the corresponding amount of cost savings allocated to non-regulated operations for that category.

63. Provide due diligence report(s) conducted.

64. In the course of conducting their due diligence reviews, did the Joint Applicants identify any facts or circumstances that would have a material adverse effect on their customers? If yes, please identify same and provide the associated documents.

65. Explain whether the proposed transaction will or could result in any changes in accounting principles / practices for either KPCo or Liberty, or for any of their subsidiaries or affiliates? If yes, please summarize the change(s), and identify the impact on KPCo ratepayers, whether direct or indirect, if any.

66. Do the Joint Applicants anticipate any substantive changes in any existing contracts of the Joint Applicants with other vendors (e.g., engineering, information technology, maintenance, etc.)? If so, please summarize the changes.

67. Do the Joint Applicants anticipate entering any new contracts as a consequence of the proposed transaction? If so, will any of the entities with whom the Joint Applicants will enter into said contract(s) be affiliated in any way with the Joint Applicants, or any of their employees, stockholders, officers, contractors, consultants, or directors?

68. Assuming the proposed transaction is approved, will KPCo be exposed to any type of contractual liability or obligations that it otherwise would not have faced but for the approval? If so, please describe in detail.

69. Assuming the proposed transaction is approved, will KPCo be exposed to any increased insurance premiums, whether health insurance, disability, life, etc., that it otherwise would not have faced but for the approval? If so, please describe in detail.

70. Assuming the proposed transaction is approved, will KPCo be exposed to any additional contributions to any pension plans, medical plans, etc. for employees that it otherwise would not have faced but for the approval? If so, please describe in detail, together with any applicable employee's or officer's name(s), if known, as well as amount.

71. Assuming the proposed transaction is approved, will KPCo be exposed to any additional generation, transmission, or distribution requirements that it otherwise would not have faced but for the approval? If so, please describe in detail.

72. Provide the name and position of the person(s) who prepared each Exhibit to the application filing materials, if not already disclosed.

73. Please provide a copy of any and all materials, including but not limited to transcripts of presentations, recordings or notes of presentations, or other information, regarding any and all financial analyses concerning the transaction.

74. Explain whether any of the Joint Applicants' subsidiaries or affiliates located in Kentucky, or any other state, will as a condition of the proposed transaction be required to guarantee the debt of any other subsidiary, affiliate, or holding company of the Joint Applicants. If "yes," please provide complete details.

    a. If "yes," are any of the terms to which the Kentucky-based subsidiaries or affiliates of Joint Applicants have agreed, or will agree, different in any way from the terms agreed to by subsidiaries or affiliates based in other states? If so, explain in detail.

75. Explain whether any of the Joint Applicants' subsidiaries or affiliates located in Kentucky, or any other state, will as a condition of the proposed transaction be required to grant liens or other encumbrances against their own assets in favor of any lender(s) providing financing or any portion of financing necessary for the proposed merger to occur. If "yes," please provide complete details.

a. If "yes," are any of the terms to which the Joint Applicants' Kentucky-based subsidiaries or affiliates have agreed, or will agree, different in any way from the terms agreed to by subsidiaries or affiliates based in other states? If so, explain in detail.

76. Will KPCo give clear and conspicuous notice to Kentucky consumers regarding any change in services resulting from the proposed transaction? If so, explain how. If not, why not?

77. Will the transaction result in any write-ups, writeoffs, or a restatement of financial results of KPCo, its parent entities, or those of its affiliates? If yes, please explain in detail with all financial ramifications for KPCo's ratepayers.

78. Identify any anticipated/estimated change(s) in KPCo's equity-to-capital ratio. Provide all documentation which relates to same.

79. If KPCo's parent entities and/or its affiliates experience any changes in their equity-to-capital ratio, please describe any potential effect on KPCo and its ratepayers.

80. As of the anticipated closing date of the proposed transaction, how much of KPCo's debt (in dollars and percentage of total capital) will held by Liberty or any Liberty subsidiary? Concerning this debt:

a. provide a copy of each debt instrument between KPCo and Liberty or any subsidiary of Liberty;
b. provide a workpaper showing, as of the anticipated closing date of the proposed transaction, and at the end of the most recent accounting period, the amount outstanding on each such debt instrument and the interest rate; and
c. explain what is anticipated to happen to each debt instrument as a result of the transaction proposed in this case.

81. Have any of the Joint Applicants conducted a recent, complete due diligence report of all EPA-regulated facilities included in the proposed transaction?

a. If so, provide a copy of same;
b. If not, explain why not; and
c. If not, explain why the Joint Applicants believe it prudent to accept "ownership" of the applicable facilities without a due diligence report.

82. For each of the past five years, provide a dollar breakdown by year of any charitable donations that Liberty and / or any charitable affiliate have made. This list should detail the donation by way of purpose or designation for the contribution.

83. What benefits will KPCo's customers receive as a result of the proposed transaction? Explain in detail with specific savings attributable to all projected savings.

84. Will Liberty, and its parent entities commit to not use "pushdown accounting" in any manner arising from the proposed transaction? If not, why not?

85. Will the proposed transaction allow KPCo any opportunity to refinance any current outstanding debt? If so, would this translate to higher costs? If so, provide details. If not, why not?

86. Will the Joint Applicants agree to commit in this jurisdiction to any other conditions or commitments that are either imposed by or agreed upon in any other regulatory approval process associated with this transaction in any other jurisdiction? If not, explain why not.

87. Assuming the proposed transaction receives full approval from all relevant regulatory authorities, what amount of liquid assets will KPCo's new parent entities hold?

88. Provide a narrative describing the development of the structure for the bidding and negotiation process and include in the narrative the identity of the individuals who were responsible for the development and approval of the structure of the bidding and negotiation process.

    a. Identify every corporation, holding company, partnership, firm, individual, investor group, or other entity that was invited, solicited, or asked to participate in the bidding process.
    b. Identify the criteria for selecting targets for soliciting a bid.
    c. To the extent that there were various sequences of the bidding process, describe in detail each sequence and identify the participants for each sequence and the corresponding result, by participant, of each sequence. (By participant, indicate whether the participant moved to the next level, whether the participant withdrew, whether the participant was eliminated, etc.).

89. For any participant in the bidding process that submitted a valuation of KPCo, Liberty, Algonquin and/or their affiliates, or in any manner otherwise identified a purchase price, please provide a copy of the valuation and identify the purchase price.

90. For any valuation or purchase price submitted, indicate whether KPCo's parent entities asked a third-party consultant (such as an investment advisor, financial consultant, etc.) to review, critique, or otherwise analyze the valuation or purchase price. If there was such a request, then please provide details for each request and the response and include any

documents relating to the request and response, including e-mails and any other documentation as defined in the instructions to these data requests.

91. Identify with specificity each factor, stated-reason, or rationale of the Joint Applicants offered in support of their argument in the instant matter that Liberty's acquisition of KPCo is consistent with the public interest, within the meaning of KRS 278.020.

92. Do the Joint Applicants anticipate, project, or otherwise forecast any additional reorganizations, mergers, change of control, or other transactions involving KPCo for the thirty-six (36) month period following any potential approval and consummation of this purchase agreement? If yes, please describe in detail.

93. Is Liberty and its parent entities willing to make a commitment that if they do not hold KPCo for a ten-year (10) period, then they will pay (to the Commonwealth of Kentucky) an exit fee if they voluntarily enter into an agreement to sell KPCo? If not, explain why not.

94. For each commitment Joint Applicants have made, please identify the aspect of the commitment that does not presently exist. (In other words: For each commitment indicate whether it is simply a continuation of a current commitment or whether it represents an incremental increase in an existing commitment or a wholly-new commitment.)

95. Will KPCo and / or its ratepayers, directly or indirectly, incur any additional costs, liabilities, or obligations in conjunction with the proposed transaction in connection with the repayment and refinancing of closing indebtedness? Explain in complete detail.

96. With regard to future rate cases, please explain the following:

    a. How will KPCo demonstrate that it is not seeking a higher rate of return on equity ("ROE") than would have been sought if no acquisition had occurred? Explain in complete detail.
    b. Will the Joint Applicants agree to commit that costs incurred to insure that KPCo's requested ROE will not exceed the ROE level it would have sought if no acquisition had occurred be borne solely by shareholders and not recovered through rates? If not, why not?

97. Identify any and all changes in the corporate bylaws and all other rules and regulations pertaining to the governance of Liberty, KPCo, Algonquin and all affiliates that will occur as a result of the proposed transaction.

98. If Joint Applicants fail to adhere to any Commission conditions imposed as a condition or consequence of any approval, do the Joint Applicants believe any ultimate approval could be

rescinded? If not, why not? If not, what are the ramifications to the ratepayers, including rate implications? Explain in detail.

99. State whether any of the Joint Applicants have or currently do retain the services of lobbyists related in any manner to: (a) any employee of the federal government; and / or (b) any employee of the Commonwealth of Kentucky. If so, identify the lobbyist and employee, and explain in detail whether the retention of these services constituted a conflict of interest or potential conflict under any applicable law, and if so, why. Identify any corrective action either or both of the Joint Applicants believe may be required to remedy any such conflict or potential conflict.

100. Identify all individuals in Liberty, Algonquin and all affiliates who will have the authority and ability to set the agenda of KPCo's board of directors, to add to the agenda, and how that process would work. Identify also who would have the ability to delete items from the Board's agenda, and how that process would work.

    a. Provide copies of all bylaws and / or any and all other rules, regulations, etc. that would or could control how the boards of directors of KPCo, Liberty and Algonquin operate, who has the ability to set agendas, including all provisions regarding voting rights and proxies.

101. Identify and discuss in detail all measures Liberty and Algonquin will have in place to insure the independence of KPCo's board of directors.

102. Explain whether a KPCo board member will sit on the Liberty board of directors, and/or on the Algonquin board of directors.

103. Explain whether a member of the Liberty board of directors will sit on the KPCo board of directors, and/or whether a member of the Algonquin board will sit on KPCo's board.

104. Identify all committees of the board of directors for KPCo's new parent entity, their composition, functions, and charges. Identify also the limits of each committee's authority, if any.

105. State whether individual members of KPCo's board of directors will have limits on their terms, and identify where such limits can be found in the bylaws or other corporate documents.

106. Provide the identity of any and all independent directors for both KPCo and Liberty. If none, explain in detail why there will be none, and how each company intends to comply with the Sarbanes-Oxley Act.

107. Provide copies of all due diligence reports the Joint Applicants may have conducted regarding governance by KPCo's Board, and / or its independence, regardless of whether the Joint Applicants decided to follow any recommendations set forth therein.

108. Do the Joint Applicants recognize that KPCo has a legal responsibility to pursue its ratepayers' best interests?

109. Explain whether any workforce reductions will occur as a result of the proposed transaction. Will any such reductions occur among employees tasked to repair / restoration, or maintenance functions? If so, provide complete details.

110. Explain whether KPCo will be filing an application for a CPCN to deploy smart metering infrastructure. If so, and in the event the Commission grants KPCo a CPCN for advanced metering infrastructure, explain whether KPCo would support a Peak Time Rebate program for its residential customers.

111. If the application is approved by the Kentucky Commission, will the Joint Applicants agree to a condition for a most favored nation's clause wherein it will agree to provide any benefits that other jurisdictional regulatory bodies impose, by way of an evidentiary hearing or settlement? If not, why not?

112. Provide the JD Power customer satisfaction ratings for each of Liberty's electric utilities for each of the past five (5) years.

113. Reference Application ¶ 12, wherein Joint Applicants state that they intend to finance over $100 million of the cash purchase price in 2022. Provide details of all financing arrangements, including a breakdown of the types of debt Liberty will incur.

114. Reference Application ¶ 17, wherein Joint Applicants state, ". . . many of the centralized services that are now provided by AEP to Kentucky Power will be provided directly by Kentucky Power employees; as a result, Liberty is expecting to add a significant number of new jobs at Kentucky Power."

    a. Provide an explanation of the impact on rates that adding a "significant number of jobs" at KPCo will have, and explain whether Liberty's Servco and or its holding company could perform some such duties.

115. Provide all studies and analyses any or all of the Joint Applicants may have conducted regarding the impact Liberty's proposal to move KPCo to a 100% renewable power portfolio will have on KPCo's reliability ratings.

    a. In your response, include all studies regarding increased costs for additional transmission capacity and dispatchable back-up power resources. If one or more Joint Applicants assert that dispatchable power resources are not necessary, provide all data and resources supporting that assertion.
    b. In your response, include a complete explanation regarding the increased risk of PJM capacity performance penalties KPCo would face by moving to a 100% renewable power portfolio.

116. For each example of a Liberty electric utility renewable energy project cited in the Eichler testimony, describe that utility's dispatchable generation resource(s), and whether such resources are based in part or in whole on market-based power from an RTO.

117. For each of Liberty's other electric utilities, provide the percentage of the total annual operating budget that vegetation management expense comprises, for each of calendar years 2019, 2020 and 2021 (note: this should include both transmission and distribution vegetation management expense).

    a. Provide the percentage of KPCo's total annual operating budget that vegetation management expense comprises, for each of calendar years 2019, 2020 and 2021 (note: this should include both transmission and distribution vegetation management expense).

118. Assuming approval of the proposed transaction, explain whether KPCo will continue utilizing its existing customer information system ("CIS"), or whether it will transition to a CIS currently utilized by other Liberty utilities.

119. Provide all studies of elasticities of demand Joint Applicants have conducted regarding KPCo's all-in rates.

120. Provide all studies and research Joint Applicants have conducted regarding rate affordability in KPCo's service territory.

121. Provide all studies and research Joint Applicants have conducted regarding poverty in KPCo's service territory.

122. Provide all studies and research Joint Applicants have conducted regarding population trends in KPCo's service territory.

a. Identify all Liberty utilities, whether electric, gas, water or wastewater, experiencing population decline, and expected to experience population decline for the foreseeable future.

123. With regard to other electric generation utility subsidiaries in the Liberty family, provide a complete list of all utility-owned renewable generation investments which resulted in a reduction in the all-in rates paid by each utility's ratepayers.

124. Provide a list of any and all ratepayer-funded demand-side management, demand response, and energy efficiency programs in Liberty's existing electric utilities. Please include at a minimum, the state and utility name in which each such program is currently deployed, together with results of any applicable California tests.

125. Provide a list of any and all economic development programs currently underway in Liberty's existing electric utilities. Provide also a list of any proposed economic development program in those utilities.

126. Describe the role that Liberty's Project Management Office has played, and/or will play during the transition.

a. Provide copies of any and all slide handouts, reports, presentations, plans, or templates developed for each team involved in the transition.

127. Would Liberty be willing to commit to utilizing least cost generation resources for its Kentucky utility business? If not, why not?

128. Would Liberty agree that if it is not providing high quality service to customers at a reasonable price, that it is not meeting its own customer service goals?

129. For each of the past three years, provide the total sum that KPCo has paid to AEPSC to perform services on behalf of KPCo.

a. Reference the Swain testimony at p. 8. Provide the budgetary impact of hiring 100 employees to perform the services that AEPSC performed on KPCo's behalf.

130. If the proposed transaction is approved in all jurisdictions, explain all changes in benefits KPCo employees would experience.

131. Describe the Joint Applicants' legislative agenda for Kentucky, if any, in complete detail, including any contemplated items addressing the issue of regulatory lag.

a. Explain whether Joint Applicants would support any legislative initiatives implementing securitization financing. If not, why not?

132. Explain whether Joint Applicants anticipate any credit downgrade of KPCo's parent entities as a result of the proposed transaction.

133. For each of Liberty's other regulated electric utilities, describe the utility regulatory framework of the state in which the utility operates and is domiciled. For example, is it restructured, fully regulated, etc. Include also a description of whether each utility is vertically integrated.

134. Explain whether Joint Applicants will agree to the following conditions, or to conditions substantially similar. If not, explain fully why not:

    a. In the event the corporate credit rating of KPCo, and/or the entities upon which it relies for financing, declines below BBB-, then KPCo and Liberty will agree to make such filings to the Commission as the Commission Staff deems appropriate;
    b. KPCo shall not seek an increase to the cost of capital as a result of this transaction or its ongoing affiliation with Liberty, Algonquin and their affiliated entities after the Transaction;
    c. KPCo and Liberty will fully comply with the Commission's affiliate transaction rules as set forth in KRS Ch. 278 et seq.;
    d. KPCo will provide Commission Staff with access to information reasonably required to verify compliance with KPCo's / Liberty's cost allocation manual;
    e. KPCo will record on its books all deferred taxes related to income tax deductions or credits created by KPCo's operations;
    f. KPCo and Liberty agree to not make available, sell or transfer information about or belonging to KPCo's customers to affiliated or unaffiliated entities without prior informed consent of the KPCo customer, other than as necessary to provide services to and in support of their regulated operations;
    g. KPCo will not assume liability for debts issued by Liberty Utilities, or any of its subsidiaries or affiliates;
    h. Kentucky will be provided protections and benefits at a level at least as beneficial as any other jurisdiction in which Liberty operates. This provision will not, under any circumstance, cause the benefits or conditions committed to be provided in the state of Kentucky to be reduced or diminished;
    i. Joint Applicants agree to refrain from filing a Kentucky rate case until at least one full year of financial and operational information is available following the close of the proposed transaction;
    j. The Joint Applicants shall ensure that merger accounting is rate-neutral for KPCo customers. This includes but is not limited to the Joint Applicants establishing on the books of KPCo no new regulatory assets related to merger accounting;
    k. The billing and customer information system platform at KPCo will be in use for their expected useful life, which will be at least as long as their scheduled depreciation period. If, for any reason, the use of these system platforms is terminated before the end of their scheduled depreciation period, ratepayers shall

not be responsible for any un-depreciated costs or lease payment obligations remaining after the date upon which use is terminated;

l. Transaction Costs are not to be recovered in rates;
m. For any rate cases wherein KPCo seeks recovery of merger transition costs, KPCo must provide documentation that demonstrates whether, and the extent to which, these transition costs resulted in cost savings for KPCo customers. KPCo commits to seek no recovery of merger transition costs except for those which are fully documented, justified, and supported by quantifiable cost savings.
n. Joint Applicants acknowledge that in the event the Commission approves the proposed transaction, they will adhere to the 50 commitments (or substantially similar commitments) set forth in the Commission's Final Order dated Oct. 28, 2011, Appendix B, in Case No. 2011-00124, accessible at the link in the footnote below.[1]

[1] http://psc.ky.gov/pscscf/2011%20cases/2011-00124/20111028_PSC_ORDER.pdf