COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

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

DIRECT TESTIMONY

AND EXHIBITS OF

LANE KOLLEN

ON BEHALF OF

THE OFFICE OF THE ATTORNEY GENERAL OF
THE COMMONWEALTH OF KENTUCKY

AND

THE KENTUCKY INDUSTRIAL UTILITY CUSTOMERS, INC.

J. KENNEDY AND ASSOCIATES, INC.
ROSWELL, GEORGIA

FEBRUARY 2022

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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. State your employer and occupation.

A. I am a Vice President and Principal at Kennedy and Associates. I am a utility rate and planning consultant providing specialized consulting services to state and local government agencies and large consumers of electric, natural gas, and water and sewer regulated utility services.

Q. Describe your education and professional experience.

A. I earned both a Bachelor of Business Administration in Accounting degree and a Master of Business Administration degree from the University of Toledo. I also earned a Master of Arts degree in theology from Luther Rice University. I am a Certified Public Accountant ("CPA"), with a practice license, a Certified Management Accountant ("CMA"), and a Chartered Global Management Accountant ("CGMA"). I am a member of numerous professional organizations, including the American Institute of Certified Public Accountants, the Institute of Management Accounting, and the Society of Depreciation Professionals.

I have been an active participant in the utility industry for more than forty years, initially as an employee of an electric and natural gas utility in a series of accounting, auditing, and planning positions, then as a consultant assisting utilities in their financial and resource analyses and planning, and thereafter as a consultant assisting government agencies and large consumers of electricity, natural gas, and water and sewer regulated utility services.

I have testified as an expert witness on ratemaking, accounting, finance, tax, mergers and acquisitions, planning, and other issues in proceedings before regulatory commissions and courts at the federal and state levels on hundreds of occasions, including dozens of proceedings before the Kentucky Public Service Commission ("Commission") involving Kentucky Power Company, Atmos Energy Corporation ("Atmos"), Big Rivers Electric Corporation ("BREC"), Columbia Gas of Kentucky, Inc. ("Columbia Gas"), Duke Energy Kentucky, Inc. ("DEK"), East Kentucky Power Company ("EKPC"), Jackson Purchase Energy Corporation

("JPEC"), Kentucky-American Water Company ("KAW"), Kentucky Utilities Company ("KU"), Louisville Gas and Electric Company ("LG&E"), and Water Service Corporation of Kentucky ("WSCK").[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 Kentucky Industrial Utility Customers, Inc. ("KIUC").

Q. Briefly describe the proposed transactions between American Electric Power Company, Inc. and Liberty Utilities Co.

A. In two interrelated and interdependent transactions, American Electric Power Company, Inc. ("AEP") plans to sell Kentucky Power Company ("Company") to Liberty Utilities Co. ("Liberty"), a wholly owned subsidiary of Algonquin Power & Utilities Corp., and AEP Transmission Company, LLC, a wholly owned subsidiary of AEP, plans to sell AEP Kentucky Transmission Company, Inc. ("Kentucky Transco") to Liberty. The transactions are described and otherwise set forth in a single Stock Purchase Agreement by and among AEP, AEP Transmission Company, LLC, and Liberty.[2]

Liberty has agreed to pay AEP $2,846 million for the Company and Kentucky Transco, consisting of $1,625 million for the per books common equity

[1] My qualifications and regulatory appearances are further detailed in my Exhibit___(LK-1).
[2] Exhibit 5 to the Application.

of both entities and $1,221 million for the assumption of the long-term debt of both entities. The $1,625 million for the per books common equity is a premium of $625 million over the estimated $1,000 million in per books common equity for both entities, or a premium of 65%, if the transactions close in mid-2022.[3] AEP and Liberty have not determined the actual allocation of the premium between the Company and Kentucky Transco, but estimate that 93.6%, or $585 million, will be allocated to the Company.[4]

The transactions are subject to certain closing conditions, set forth in the Stock Purchase Agreement, which include final orders from the Commission, the West Virginia Public Service Commission, and the Federal Energy Regulatory Commission ("FERC") approving the proposed Mitchell Plant Operations and Maintenance Agreement and Mitchell Plant Ownership Agreement (together, the Mitchell Plant Agreements").[5] Although the Stock Purchase Agreement anticipates that the two state commissions and/or FERC may require modifications to those agreements, Liberty retains the discretion to determine whether those modifications rise to the level of "burdensome conditions," in which case it may terminate the transactions without penalty.

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[3] Responses to KIUC 1-77(b) and KIUC 2-30(b). I have attached a copy of these responses as my Exhibit___(LK-2).

[4] Response to Staff 1-37. I have attached a copy of this response as my Exhibit___(LK-3).

[5] The Application in Commission Case No. 2021-00421 is pending. AEPSC recently withdrew its Applications in FERC Docket Nos. ER22-522-000 and ER22-523-000.

Q. What is the purpose of your testimony?

A. The purpose of my testimony is to address and make recommendations in response to the Joint Application of AEP, the Company, and Liberty (together, the "Applicants") for approval of the transfer of ownership and control of the Company from AEP to Liberty. The Applicants assert that the Commission does not have jurisdiction over the sale of Kentucky Transco to Liberty and do not seek approval of that transaction.

I address whether the sale of the Company to Liberty is "consistent with the public interest," whether Liberty has the required "financial, technical, and managerial abilities to provide reasonable service" as required by KRS 278.020(7) and KRS 278.020(6), respectively, and whether Liberty has met its burden of proof, including, but not limited to, whether it has provided reasonable quantifications of the benefits and costs of the transaction necessary to determine whether the sale is in the public interest.

I address the risks and costs (harms) that the Liberty acquisition will impose on the Company's customers. These harms are due to the loss of significant and valuable synergies and other benefits from the Company's present affiliation with AEP through various AEP entities and agreements; costs necessary to address the Company's historic and chronic underinvestment in its system, including deferred storm costs; incremental transition and integration costs that will be incurred to integrate the Company into the Liberty organization structure and systems;

increased costs and risks due to PJM underperformance penalties,[6] ongoing costs due to AEP's failure to resolve the transmission subsidies paid by the Company to other AEP affiliates,[7] and excessive costs due to the proposed sale of the Mitchell Plant to another AEP affiliate at less than net book value set forth as a condition to closing in the Stock Purchase Agreement.

I compare the costs (harms) to the Company's customers on the one hand from the Liberty acquisition to the benefit of the $585 million premium on the other hand that AEP will receive in excess of the per books common equity for the Company.

I also address the Applicants' failure to provide and seek approval of all inter-affiliate agreements that will affect the Company's costs and rates if the Liberty acquisition is approved and closes, at least some of which may be required by KRS 278.2207,[8] and consistent with requests by utilities and Commission precedent in other proceedings where there is a change in the ownership and control over a jurisdictional utility and the costs that are incurred by the utility through affiliate transactions.

Finally, I address whether the Commission should approve the Application, and if it does so, I describe specific conditions that are necessary to meet the public interest standard by first ensuring that AEP compensates customers for the harm that it caused and the costs that will be imposed on the Company's customers if the

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[6] Addressed in more detail by AG-KIUC witness Mr. Stephen Baron in his Direct Testimony.
[7] Addressed in greater detail by Mr. Baron in his Direct Testimony.
[8] KRS 278.2207 addresses affiliate transaction pricing and provides customer safeguards to reduce affiliate abuse.

acquisition is approved and closes and also by ensuring that Liberty is not allowed to recover its transaction, transition and integration costs through customer rates.

Q. Please summarize your conclusions.

A. The proposed acquisition is not in the public interest.[9] At the very least, there should be no harm to customers as a result of the transactions. The Applicants have not met their burden of proof and have failed to provide reasonable quantifications of the costs (harms) and benefits that will be imposed on the Company's customers and to "hold harmless" customers from the risks and incremental costs due to the transaction.

The proposed acquisition will result in significant harm to customers in the form of increased costs and customer rates. The increased costs will result from a loss of AEP Service Corporation's ("AEPSC") centralized service economies; loss of AEP reimbursements for the tax effects of net operating losses; loss of financing cost savings from the receivables sale agreement with AEP Credit, Inc.; need to make capital expenditures to compensate for chronic underinvestment by AEP and the consequential costs, including excessive distribution maintenance expenses; transition and integration costs incurred by Liberty; the risks and costs of PJM performance penalties after the termination of the Power Coordination Agreement ("PCA") and its temporary successor, the Bridge PCA;[10] and the continuing costs from AEP's failure to resolve the transmission cost subsidies paid by the Company

[9] Mr. Stephen Baron addresses the public interest standard in his Direct Testimony.
[10] The risks and costs related to the loss of the PCA and Bridge PCA are addressed by Mr. Baron in his Direct Testimony.

to other AEP utility affiliates, among others.[11]

Liberty does not have the required "financial, technical, and managerial abilities to provide reasonable service." Rather, Liberty plans to rely on AEP's expertise in essential operations through a new Transition Services Agreement ("TSA") for as long as 24 months after the closing.

The Applicants have not provided drafts of essential intercompany agreements, including those between AEP and Liberty, such as the Bridge PCA, and those between Liberty and other Liberty affiliates and the Company. These agreements will drive significant costs to the Company that will affect customer rates, yet they have not been drafted, cannot be reviewed by the Commission or other parties, and cannot be assessed for their effects on the Company's costs and customer rates. Liberty does not intend to seek approval of any of these agreements from the Commission, but does intend to seek approval of certain of the agreements from the FERC, which approvals it claims will meet the statutory requirements set forth in KRS 278.2207.[12]

The Liberty acquisition will allow AEP to exit the Commonwealth with a premium over and above its per books equity and a release from any obligation or cost to fix the problems caused by the Company's actions or inactions during the decades under AEP ownership, including, but not limited to, chronic underinvestment in the distribution system and the failure to eliminate subsidies

[11] The ongoing costs of the transmission subsidies are addressed by Mr. Baron in his Direct Testimony.
[12] Response to KIUC 2-1(e). I have attached a copy of the narrative portion of this response as my Exhibit__(LK-4).

paid to other AEP utility affiliates for their investments in the transmission system. Instead, Liberty will incur those significant remedial and ongoing costs and seek and/or continue to recover the costs from the Company's customers.

The Applicants' commitments and conditions are insufficient to hold the Company's customers harmless from the risks and costs resulting from the sale of the Company to Liberty and the effects of the Company's actions or inactions under AEP's ownership. If the Commission is inclined to approve the Liberty acquisition, there is a compelling need to compensate customers to ensure that there is no harm and to hold them harmless from the incremental costs incurred by Liberty.

Q. Please summarize your recommendations.

A. I recommend that the Commission reject the proposed sale of the Company to Liberty. This will maintain the status quo with continued AEP ownership at this time.

If, however, the Commission is inclined to approve the transaction, but with conditions, then I recommend that the Commission require AEP to compensate the Company's customers for the $578 million in quantifiable harm that will be imposed on them due to the increased costs and higher rates through a payment by AEP to the Company from the $585 million acquisition premium that Liberty will pay to AEP. I recommend that the Commission direct the Company to record this payment as a regulatory liability.

I concur with Mr. Baron's recommendation to allocate $75 million of the regulatory liability due to the harm from the ongoing transmission subsidies through the PPA rider. I recommend that the Commission allocate $42.5 million of the regulatory liability to pay off the 2021 Ice Storms regulatory asset and that it allocate $59.0 million to pay off the Rockport purchased power expense regulatory asset in lieu of recovering these regulatory assets through base rates and the purchased power adjustment ("PPA") rider, respectively. In effect, this will allocate a portion of the compensation for harm from AEP to Liberty in lieu of collecting these regulatory assets from customers.

I recommend that the remaining amount of the regulatory liability be amortized and used through a risk and cost mitigation surcredit rider over a ten-year period to offset the increased costs that will be incurred by Liberty and otherwise recovered from customers if the transaction is approved and closes.

Finally, I recommend that the Commission impose numerous additional conditions necessary to mitigate the risk and costs to the Company's customers in addition to the list provided by the Applicants in response to Staff discovery.[13]

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[13] Response to Staff 1-2. I have attached a copy of this response as my Exhibit___(LK-5).

II. THE PROPOSED TRANSACTION IS NOT IN THE PUBLIC INTEREST; THE COSTS OF THE ACQUISITION FAR OUTWEIGH THE BENEFITS

A. <u>The Status Quo Ownership Of Kentucky Power By AEP Is Better For Customers Than Ownership By Liberty</u>

Q. Is ownership of the Company by AEP better for ratepayers than ownership by Liberty?

A. Yes. It is the position of the AG-KIUC that the proposed cure (Liberty ownership) is worse than the disease (AEP ownership). While AEP's management of the Company has suffered from numerous shortcomings, we are starting to see a light at the end of the tunnel. The high cost 390 Mw Rockport Unit Power Agreement ("Rockport UPA") will expire within the next ten months. That will result in $50.9 million of annual fixed expense savings. The expiration of the Rockport UPA also will result in the termination of the Capacity Charge rider. That will provide another $6.2 million of annual fixed cost savings. The Capacity Charge rider was a premium over cost of service extracted by AEP when the Commission approved an extension of Rockport UPA. A much smaller amount of needed capacity will replace Rockport at a much lower price per Mw.

In addition, the Commission has put the Company on notice that the subsidization of other AEP affiliates for out-of-state transmission investment must end. If and when AEP complies with this directive, rates will be reduced by $15 million per year, saving the average residential customer $42 annually. A decade ago, the Commission (and KIUC) followed AEP's recommendation that owning 50% of Mitchell was the least cost option to replace Big Sandy Unit 2. That was a mistake. All of the Mitchell Plant jobs, coal industry jobs and tax revenue belong to West Virginia. Just like all of the Rockport jobs and taxes belong to Indiana. The Company and the Commission now are in a strong position to negotiate a reasonable exit from the Mitchell Plant with Wheeling Power Company and the West Virginia Public Service Commission.

AEP's sale of the Company to Liberty will only make things worse. As a stand-alone small utility, Liberty will bring none of the economies of scale that AEP provides through various entities, including AEPSC, and various agreements. The flawed evidence provided by Liberty to support its claim of savings is contrary to industry experience and is unconvincing. The loss of savings from AEPSC, the payment for the tax effects of net operating losses pursuant to the AEP Tax Allocation Agreement, the increase in financing costs from no longer selling its receivables, and the loss of shared inventory and spare parts investments among other AEP utilities will raise customer rates. As will the S&P debt downgrade resulting from the proposed sale. Liberty will be in a much weaker position to satisfy the Commission's transmission mandate than AEP as AEP owns virtually all of the transmission assets in its PJM zone. As problematic as AEP's ownership has been, selling to Liberty will only make things worse.

It is very understandable why AEP wants out of Kentucky. Liberty was generous enough to pay a 65% equity premium of $585 million for Kentucky Power (plus an equity premium of $40 million for Kentucky Transco). That makes the deal in AEP's private interest, not the public interest. Selling to the highest bidder is not the same as selling to the best or most qualified bidder from a customer perspective.

If the Commission does approve Liberty's acquisition of the Company, then it should be only with the $578 million in compensation from AEP that I quantify in my testimony and recommend be used to mitigate the harm to customers, along with other hold harmless conditions to ensure that customers are not charged for Liberty's costs to acquire, transition, and integrate the Company into the Liberty organization structure and systems.

B. <u>The Applicants Have Provided No Evidence Regarding The Effect Of The Acquisition On Customer Rates</u>

Q. Have the Applicants provided an estimate of the net costs and benefits of the acquisition and the effects on the Company's customers?

A. No. The Applicants claim that they have not developed an estimate of the costs or the benefits of the acquisition and the effects on the Company's customers.[14]

Q. Are the net costs or benefits of the acquisition a critical consideration in whether the acquisition is in the "public interest"?

A. Yes. The Applicants have the burden to demonstrate that the acquisition is in the public interest. The Applicants claim certain *qualitative* benefits, but do not quantify or cite to **any** *quantitative* net costs or benefits to customers in their

[14] Response to KIUC 1-7. I have attached a copy of this response as my Exhibit___(LK-6).

Application or testimonies in this proceeding.[15]

If the acquisition results in net costs, then it is not in the public interest unless customers are protected and held harmless from the incremental costs. That is the case regardless of whether the net costs are to remedy the prior actions or inactions of the Company under AEP ownership or to reflect the actions or inactions of the Company under Liberty ownership.

Q. Have the Applicants provided an estimate of the effects of the acquisition on customer rates?

A. No, although the Applicants claim that there will be no rate effect before January 1, 2024.[16] That claim is demonstrably incorrect, unless the Applicants agree to, or the Commission imposes certain hold harmless conditions. I subsequently address the Company's claim in more detail and the hold harmless conditions necessary to ensure there is no rate recovery through the earnings make-whole offset to the Rockport fixed expense savings that will flow through to customers in 2023. In any event, and beyond the offset to the Rockport fixed expense savings in 2023, there will be additional effects of the acquisition on customer rates on and after January 1, 2024 and continuing for decades thereafter if the transaction is approved and if the Commission does not impose additional conditions that compensate and hold harmless customers for these additional costs.

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[15] Liberty asserts that it will achieve savings in affiliate service costs; however, its attempt to quantify the savings is demonstrably flawed and is unreliable, which I subsequently address.

[16] Response to KIUC 1-8. I have attached a copy of this response as my Exhibit__(LK-7).

Given these ramifications and the proposed changes in the Company's generation resources, addressed by Mr. Baron in his testimony, it is clear that if the Commission approves the Application without the substantive modifications I propose, the Company's ratepayers would be left with some of the highest electric utility rates in the Commonwealth for a service territory having some of the nation's deepest poverty rates.

Q. Are the effects of the acquisition on customer rates another critical consideration in whether the acquisition is in the public interest?

A. Yes. The Company has a limited "public" from which to recover any net costs, namely its customers, subject only to the review and approval of the Commission, and in some instances, the review and approval of the FERC.

The Applicants agree that the effect on customer rates is a critical consideration in whether the acquisition is in the public interest. Liberty witness Mr. Peter Eichler states that the "public interest in the context of a utility acquisition is first and foremost a function of the impact on customers. This includes customer rates paid for service, operational safety, reliability, and service quality and continuity."[17] Despite Mr. Eichler's statement that the effect on customer rates is "first and foremost" in the determination of whether the acquisition is in the public interest, the Applicants failed to further address or quantify the costs and the effects on customer rates in the Application or testimonies.

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[17] Direct Testimony of Peter Eichler at 29.

C. Summary of Increased Costs Under Liberty Ownership Compared to AEP Ownership

Q. What are the costs of Liberty ownership if the acquisition closes and how will the costs be reflected in customer rates?

A. The Company's costs will increase under Liberty ownership compared to AEP ownership. These cost increases will result in increases in customer rates, including base rates, environmental surcharge rates, retirement rider rates, PPA rider rates, and potentially, new rider rates that Liberty has previewed in numerous investor presentations.

I have identified at least four categories of cost increases. The first category consists of the costs that will be incurred as the result of the Company's de-affiliation from AEP and the lost economies and other benefits that are provided to the Company through a multitude of interrelated and interdependent AEP affiliate entities and agreements. Under Liberty ownership, the Company will become a locally based standalone utility with the attendant standalone costs for each function and with significantly fewer centralized services provided by Liberty than were provided by AEP and AEPSC and otherwise available through other AEP entities and agreements. These costs would not be incurred, but for the acquisition.

The second category consists of the incremental costs that will be incurred to transition the Company from AEP ownership to Liberty ownership and to integrate the Company into the Liberty organization, including, but not limited to, its information technology ("IT"), accounting, reporting, planning, financing, and affiliate structure through interrelated entities and agreements, some formal and some informal. These costs would not be incurred, but for the acquisition. I refer to these incremental costs as "transition and integration" costs.

The third category consists of the incremental costs incurred related to the transaction itself, which the Applicants refer to as "transaction expenses," as that term is defined in the Stock Purchase Agreement,[18] and other costs that are required or may be incurred pursuant to the Stock Purchase Agreement and that are related to the "transaction," but that are not specifically considered to be transaction expenses or transition costs by the Applicants. The transaction expenses include the acquisition premium or goodwill and other expenses incurred to complete the transaction through the closing date. The Applicants have agreed that these costs will be recorded on Liberty's accounting books, not on the Company's accounting books, and that they will not be charged to the Company's customers.[19]

The other incremental costs in this third category related to the transaction, but not included within the definition of "transaction expenses" set forth in the Stock Purchase Agreement are nevertheless due solely to the transaction. These costs include, but are not limited to, representation and warranty ("R&W")

[18] The Stock Purchase Agreement at Appendix I Definitions defines "transaction expenses" as "fees, costs and expenses, solely to the extent that any Acquired Company has or will have any Liability in respect thereof, in each case, to the extent (a) incurred or payable in connection with the negotiation, preparation and execution of this Agreement and the Ancillary Agreements or the consummation of the transactions contemplated hereby or thereby on or prior to Closing and (b) not paid prior to the Reference Time, including, for the avoidance of doubt, (i) amounts payable to legal counsel, accountants, advisors, investment banks, brokers and other Persons advising any Seller or the Acquired Companies in connection with the transactions contemplated hereby or by any Ancillary Agreement, (ii) all bonuses and change in control payments payable in connection with the execution of this Agreement or any Ancillary Agreement or the consummation of the transactions contemplated hereby or by any Ancillary Agreement and (iii) the amount of the employer portion of any payroll, social security, Medicare, unemployment or similar or related Taxes payable with respect to the amounts set forth in the immediately preceding clause (ii).

[19] Response to KIUC 1-51. I have attached a copy of this response as my Exhibit___(LK-8).

indemnity costs that are incurred, including R&W insurance, and directors and officers' ("D&O") tail insurance,[20] among others.

The fourth category consists of the incremental costs that will be incurred to remedy the Company's historic chronic underinvestment, primarily in the distribution system, under AEP ownership, and the ongoing excessive distribution maintenance expenses due to the chronic underinvestment that the Company will incur, under Liberty ownership, until it is able to reduce the expense as it rebuilds and upgrades the system.

Q. Summarize the increased costs due to the Liberty acquisition absent appropriate and sufficient hold harmless conditions.

A. I summarize the increased costs by category on the following table. I address the quantification of the increased costs in the subsequent sections of my testimony.

[20] Stock Purchase Agreement at 4.15 for R&W indemnity and at 4.12 for the D&O insurance.

American Electric Power Company, Inc.
Kentucky Power Company
Liberty Utilities Co.
AG and KIUC Summary of Increased Costs Due to the Liberty Acquisition
Subject to Compensation from AEP and Excluding Incremental Liberty Costs Subject to Conditions
Case No. 2021-00481
($ Millions)

		Harm Calculated by AG and KIUC
I.	**Increased Costs Due to Lost Economies and Other Benefits As Result of De-Affiliation from AEP**	
	Increased Costs Due to Lost Economies from Centralized Services Presently Provided by AEPSC	$ 83.932
	Increased Financing Costs Due to Terminating the Sale of Receivables to AEP Credit, Inc.	15.316
	Increased Financing Costs Due to Loss of AEP Reimbursement of Tax Effects of Net Operating Losses Pursuant to AEP Tax Allocation Agreement	27.833
	Increased Financing Costs Due to Loss of Shared Inventory and Spare Parts With Other AEP Utility Affiliates	13.896
	Increased Costs Due to Debt Downrating Caused by De-Affiliation from AEP	7.305
II.	**Increased Costs That Will Be Incurred to Remedy The Company's Historic Chronic Underinvestment Under AEP's Ownership**	
	Increased Costs Due to Additional Distribution Capital Investment	203.627
	Increased Costs of Distribution Maintenance Expense Until Underinvestment Remedied	150.955
	Total of Increased Costs Due to the Liberty Acquisition	$ 502.864
III.	**Ongoing Transmission Costs to Subsidize Other AEP Utilities**	$ 75.000
	Total Costs Subject to Compensation from AEP	$ 577.864

Q. To the extent that the Commission requires AEP to provide compensation for this harm, how would it be provided to customers?

A. I recommend that the Commission direct the AEP to provide this compensation in the form of a payment to the Company. I recommend that the Commission direct the Company to record the payment from AEP as a regulatory liability and then to allocate it as follows: $42.5 million to pay off the 2021 ice storms regulatory asset, and in this manner, preemptively avoid recovery of the regulatory asset through base rates; $59.0 million to pay off the Rockport purchased power expense regulatory asset, and in this manner, preemptively avoid recovery of the regulatory asset through the PPA rider; $75 million due to the harm from the ongoing transmission subsidies through the PPA rider, as described by Mr. Baron; and the remainder flowed through the Cost Mitigation Credit Rider (CMC) in the manner described by Mr. Baron.

D. <u>Increased Costs Due to Lost Economies And Other Benefits As The Result of De-Affiliation from AEP</u>

1. Summary of Increased Costs Due to Lost Economies and Other Benefits As The Result of De-Affiliation from AEP

Q. Describe the lost economies and other benefits as the result of the de-affiliation from AEP.

A. The increased costs in this first category include the lost economies available from the provision of centralized services by AEPSC pursuant to the Service Agreement;[21] the lost financing savings from the sale of receivables to AEP Credit, Inc. pursuant to the Third Amended and Restated Purchase Agreement;[22] the lost savings from the reimbursement of the tax effects of net operating losses by AEP pursuant to the American Electric Power Company, Inc. and its Consolidated Affiliates Tax Agreement ("AEP Tax Allocation Agreement");[23] the lost savings from the sharing of materials and supplies and spare parts inventories among AEP utility affiliates pursuant to three affiliated transactions agreements for sharing material and supplies, capitalized spare parts, and transmission assets;[24] the increase in debt financing costs due to the expected debt rating downgrade by S&P, which cited the de-affiliation from AEP;[25] and the ongoing cost of the transmission

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[21] Attachments 1 and 2 to response to KIUC 2-1. I have attached a copy of the narrative response, Attachment 1, and this agreement as my Exhibit___(LK-9).

[22] Attachments 1 and 2 to response to KIUC 2-1. The agreement is provided in Attachment 2 to this response.

[23] Attachments 1 and 2 to response to KIUC 2-1. I have attached a copy of this agreement as my Exhibit___(LK-10).

[24] Attachments 1 and 2 to response to KIUC 2-1. These agreements are provided in Attachment 2 to this response.

[25] Response to KIUC 2-40. I have attached a copy of this response as my Exhibit___(LK-11).

subsidies paid by the Company to other AEP affiliates.[26] There are other potential harms, such as the loss of PJM performance penalty benefits from the capacity owned by other AEP affiliates, but I have not quantified these harms for this purpose.

2. Increased Costs from Lost Economies Due to Discontinued Centralized Services Presently Provided By AEPSC

Q. Describe the economies available from the provision of centralized services by AEPSC.

A. AEPSC presently provides an extensive list of services to the Company that encompasses the full range of utility operations and administration.[27] The Company will withdraw from the AEPSC Service Agreement at closing and no longer will obtain the economies and other benefits from the provision of centralized services by AEPSC, except to the extent certain of those services temporarily will be provided pursuant to the TSA.

Q. How will the Company under Liberty ownership obtain the centralized services presently provided by AEP?

A. Liberty plans to restructure the Company to provide or obtain these services locally, including hiring approximately 100 new employees, and to obtain certain limited services from several Liberty affiliates located in other states and from its parent

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[26] The ongoing costs are addressed by Mr. Baron.
[27] A list of the services provided by AEPSC to the Company is set forth in paragraph 1 of the Service Agreement.

company, Algonquin, located in Canada. The Company under Liberty ownership also plans to enter into the TSA with AEPSC to obtain certain centralized services for up to 24 months after closing until it can stand up its own services locally as a standalone utility.

Q. What effect will this have on the Company's costs?

A. In my experience, based on my involvement in dozens of acquisition and merger proceedings, it will increase the Company's non-fuel operation and maintenance ("O&M") expenses and administrative and general ("A&G") expenses by at least 5% to 10%.

The AEP model uses AEPSC to provide centralized services in a cost-effective manner at a lower cost than if the AEP utilities acquired or provided the services themselves locally and on a standalone basis. Liberty largely plans to abandon this AEP model, except for obtaining certain limited centralized services from several of its affiliates.[28] The AEP model is similar to the model used by other large utility holding companies to achieve economies and savings through a centralized service provider compared to providing such services on a locally based standalone utility basis. In fact, in my experience, the larger the utility holding company and centralized service provider, the greater the economies and savings.

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[28] Response to Staff 1-2 at 3, which lists the four Liberty affiliates that will provide services to the Company. See Exhibit___(LK-5).

Q. Is Liberty's assumption that a standalone utility business model will result in economies borne out by the actual experience of utility holding company acquisitions of other utility holding companies or standalone utilities?

A. No. This assumption is contrary to the experience in Kentucky and in other jurisdictions. In the past, the Commission has approved acquisitions and mergers that create larger utility holding companies based on evidence submitted by the utilities themselves that consolidation will reduce costs through economies of scale and greater efficiencies.

In 1997, the Commission approved the acquisition of Kentucky Utilities Company ("KU") by Louisville Gas and Electric Company ("LG&E").[29] In its Order approving the acquisition, the Commission stated: "The merger is intended to allow the Applicants to successfully position themselves in the new competitive environment that is emerging in the electric industry. More specifically, the Applicants contend that by merging they will be able to better control their costs and achieve economies of scale."

In that proceeding, KU and LG&E provided an extensive and detailed analysis performed Deloitte & Touche to quantify potential merger savings. This analysis showed expected cumulative 10-year total non-fuel savings of $764 million, with the costs to achieve those savings of $77 million. The net non-fuel savings over the first five years of $235 million was shared evenly between ratepayers and shareholders. This was achieved through a five-year merger

[29] Case No. 97-300.

surcredit.

In 1999, the Commission approved the indirect change in control of Kentucky Power through the merger of AEP and Central and South West Corporation ("CSW").[30] Even the combination of two already large utilities with non-contiguous service territories was expected to achieve $2.4 billion in non-fuel savings over ten years. "Of this amount, Kentucky Power will be allocated $73.8 million. These savings are expected to result from the elimination of duplicative functions and positions and greater economies of scale the merger is expected to produce." Over the first eight years, ratepayers received 55% of the net non-fuel savings through a merger surcredit, with shareholders retaining 45%. Kentucky Power also agreed to a three-year rate case stay-out.

Duke Energy Kentucky (formerly Union Light Heat and Power) was owned by Cincinnati Gas and Electric Company ("CG&E"). In 1994, CG&E and Public Service Indiana merged to become Cinergy. This resulted in an indirect acquisition of control of ULH&P, which the Commission approved.[31] The Commission noted numerous cost reductions resulting from the merger, "with approximately $95 million allocated to ULH&P." Cinergy was acquired by Duke Energy Corporation in 2005, which also required Commission approval.[32] The merger of these two already large utilities created additional non-fuel economies and savings. Kentucky ratepayers received $7.6 million of those savings through a merger surcredit over five years.

[30] Case No. 99-149.
[31] Case No. 94-104.
[32] Case No. 2005-00228.

The same pattern holds true even with respect to cooperatives. In 1999, the Commission approved the merger of two Big Rivers' distribution cooperatives (Green River and Henderson Union) to form Kenergy.[33] As the result of a management audit initiated by the Commission, it was determined that savings of between $14.5 million and $23.6 million could be achieved through a consolidation of the two cooperatives. "Based upon a review of the record, the Commission finds that the proposed consolidation should provide significant long-term benefits to the member-consumers of Green River and Henderson Union. The Commission is convinced that the positive financial impact and economies of scale achievable through consolidation will allow Green River and Henderson Union to best serve their member-consumers in the future."

The Commission reached the same conclusion on the positive economies of scale regarding the consolidation of two EKPC distribution cooperatives (Blue Grass and Fox Creek).[34]

Other studies presented in acquisition and merger proceedings in other jurisdictions demonstrate significant savings from consolidation of utility holding companies and utility companies and the economies and savings gained through additional efficiencies, primarily in the provision of centralized services. In studies performed of large utility holding companies that acquired standalone utilities and other utility holding companies, actual savings have ranged from 3% for acquisitions of large utility holding companies to 40% or more for acquisitions of

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[33] Case No. 99-136.

[34] Case No. 97-424.

small standalone utilities due to the economies gained from the centralized service company business model.[35]

Q. Has Liberty performed an analysis that indicates it will achieve savings from a local standalone utility business model?

A. Yes.[36] However, that analysis is fundamentally flawed and cannot be relied on. The analysis consists of an Excel spreadsheet wherein it compared the costs incurred by the Company through charges from AEPSC under AEP ownership to the costs that it would incur on a standalone basis and through affiliate charges under Liberty ownership.

The analysis is driven by aspirational assumptions, not an actual and realistic study of the Company's costs structure under Liberty ownership, such as Liberty would develop for budget purposes. In fact, Liberty claims that it has not developed a budget or forecast of the Company's cost structure under Liberty ownership and has simply relied on the Company's forecast of its cost structure under AEP ownership for its initial expense and capital budgets.[37]

The result of Liberty's analysis is counterintuitive and unreliable. It assumes that it can obtain the same services provided by AEPSC at a lower cost on a standalone basis under Liberty ownership compared to AEP ownership. In other words, the Liberty analysis, such as it is, simply assumes that the Company using

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[35] Direct Testimony of Lane Kollen before Public Service Commission of Utah in Docket No. 16-057-01.

[36] Response to Staff 1-17.

[37] Response to KIUC 1-48. I have attached a copy of this response as my Exhibit___(LK-12).

a locally based standalone utility business model can reduce its costs structure compared to the economies provided by obtaining centralized services from AEPSC. The empirical evidence does not support and prove out such aspirational assumptions.

Q. Have you quantified the increase in operating expenses from the loss of the economies from the centralized services provided by AEPSC?

A. Yes. I conservatively quantified the increase in operating expenses at $7.7 million to $15.3 million annually. Over ten years, the increase in operating expenses will be $76.7 million to $153.4 million with a midpoint of $115.1 million on a nominal dollar basis, or $83.9 million on a net present value basis. I relied on the 5% to 10% savings from consolidation and centralized services savings I previously cited that will be lost if the consolidation and centralized services structure is largely reversed. That range of savings is consistent with the empirical evidence, but on the low side when a large utility holding company acquires a locally based standalone utility company.

Q. Are there other potential increased costs from lost economies due to the de-affiliation from AEP?

A. Yes. Another area of potential increased costs is the lost economies in insurance expense for a multitude of insurance risks. AEP relies on a variety of approaches to minimize its potential loss exposure to various risks, including the use of captive insurance companies to minimize insurance expense and potential losses.[38]

Q. Has Liberty assessed or quantified the increased costs from these lost economies?

A. No.[39]

Q. Have you been able to quantify the increased costs?

A. No. However, the Commission should consider this in conjunction with the other increased costs due to the lost economies from the de-affiliation from AEP and the loss of centralized services provided by AEPSC.

3. Increased Financing Costs Due to Terminating The Sale of Receivables to AEP Credit, Inc.

Q. Describe the Company's sale of its receivables to AEP Credit, Inc.

A. The Company sells its receivables daily to AEP Credit, Inc. The sale of the receivables accelerates the receipt of cash compared to waiting for customer payments. It significantly reduces the Company's cash working capital requirements and the related financing costs. The receivables are discounted to reflect a short-term debt interest rate. The cash from the receivables sales displaces common equity and long-term debt and the associated financing costs at the Company's grossed-up weighted average cost of capital.

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[38] Response to KIUC 2-41. I have attached a copy of this response as my Exhibit___(LK-13).
[39] *Id.*

Q. Under Liberty ownership, will the Company continue to sell its receivables in the same manner that it presently does under AEP ownership?

A. No. The Company no longer will sell its receivables.[40]

Q. Have the Applicants performed an analysis that quantifies the lost savings from terminating the Company's sale of its receivables to AEP Credit?

A. No.[41] However, the Applicants state that terminating the Company's sale of its receivables "is not expected to have a major effect on customers" and compare Liberty's cost of short-term debt to AEP's cost of short-term debt.[42]

Q. Is this claim correct?

A. No. The Applicants claim is based on a false comparison because it fails to distinguish between the use of short-term debt for general corporate purposes and dedicated receivables financing through a non-recourse entity structured for that purpose. Terminating the sale of the Company's receivables will increase the cost of financing, and that increased cost is due solely to the acquisition.

Q. In the absence of any quantification by the Applicants, have you quantified this increased cost?

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[40] Responses to Staff 1-5 and AG 2-2. I have attached a copy of these responses as my Exhibit___(LK-14).

[41] Response to KIUC 1-18. I have attached a copy of this response as my Exhibit___(LK-15).

[42] *Id.*

A. Yes. I conservatively quantify the increase in annual financing costs at $2.1 million on average. Over ten years, the increase in financing costs will be at least $15.3 million on a net present value basis.

4. Increased Financing Costs Due to Loss of AEP Reimbursement of Tax Effects of Net Operating Losses Pursuant to the AEP Tax Allocation Agreement

Q. Describe the reimbursement by AEP of the tax effects of net operating losses ("NOL") pursuant to the AEP Tax Allocation Agreement.

A. AEP reimburses each member of the AEP affiliate group, which presently includes the Company, for the tax effects of the current year net operating loss to the extent that AEP is able to utilize that loss in whole or part against taxable income from other members of the AEP affiliate group.

Q How does the Company record the tax effects of the NOL and the reimbursement by AEP on its accounting books?

A. In each year that the Company has an NOL, it records an increment to the prior year asset NOL ADIT for the tax effects of the current tax year NOL. In a second step each year, the Company records the reimbursements from AEP as reductions (credits) to the asset NOL ADIT. In this manner, the Company does not have to finance the NOL ADIT because it is reimbursed by AEP. Consequently, the Company does not include an NOL ADIT in rate base. In the absence of the AEP reimbursement, the Company will include the NOL ADIT in rate base, which will increase the revenue requirement by the amount of the asset NOL ADIT times the grossed-up rate of return.

Q. How valuable has this reimbursement been to the Company and its customers for the most recent ten years?

A. It has been very valuable. The Company quantified the reimbursements in response to AG-KIUC discovery in Case No. 2021-00421.[43] If the asset NOL ADIT had been included in rate base in the last base rate case, it would have increased the annual revenue requirement by approximately $1.9 million. If the asset NOL ADIT were included in rate base at December 31, 2021, it would increase the annual revenue requirement by $3.8 million.

Q. Does Liberty have an intercompany tax allocation agreement?

A. No.[44]

Q. Does Liberty reimburse its subsidiaries for the tax effects of their net operating losses?

A. No.[45]

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[43] Response to AG-KIUC 1-24 in Case No 2021-00421. I have attached a copy of this response as my Exhibit___(LK-16).

[44] Response to KIUC 1-59. I have attached a copy of this response as my Exhibit___(LK-17).

[45] Response to KIUC 2-16(e). I have attached a copy of this response as my Exhibit___(LK-18).

Q. Have the Applicants quantified the increased cost under Liberty ownership due to this lost reimbursement?

A. No.[46]

Q. Is Liberty willing to hold harmless the Company's customers from this lost reimbursement?

A. No.[47] In fact, the Company under Liberty ownership plans to include the asset NOL ADIT in rate base in future rate proceedings.[48]

Q. Have you quantified the increase in costs if the Company is under Liberty ownership and no longer is reimbursed for the tax effects of net operating losses?

A. Yes. The Company's annual financing costs will increase by $4.2 million or more, on average over the next ten years, depending on the cumulative tax effects of its actual net operating losses and its grossed-up rate of return under Liberty ownership. The loss of this reimbursement will result in additional financing costs on the asset NOL ADIT, which will grow each year under Liberty ownership, if the Company's history under AEP ownership is used as a guide to the future tax losses under Liberty ownership, and could increase the Company's costs by $27.8 million or more on a net present value basis over the next ten years.

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[46] Responses to KIUC 1-16. I have attached a copy of these responses as my Exhibit___(LK-19).
[47] Response to KIUC 1-74. I have attached a copy of this response as my Exhibit___(LK-20).
[48] Response to KIUC 2-4. I have attached a copy of this response as my Exhibit___(LK-21).

5. Increased Financing Costs Due to Loss of Shared Inventory And Spare Parts with Other AEP Utility Affiliates Pursuant to The Three Agreements for Sharing Materials and Supplies And Spare Parts

Q. Describe the savings in financing costs on materials and supplies pursuant to the Affiliate Transactions Agreement for Sharing Materials and Supplies.

A. The Company presently is a party to three AEP affiliate transactions agreements for sharing materials and supplies and capitalized spare parts whereby the inventory of certain materials and supplies and spare parts is shared among the AEP utility affiliates in order to ensure availability and minimize the investment and the related financing costs.

Q. Does Liberty have a similar agreement?

A. Not that it has disclosed. That means the Company will have to increase its inventory investment to ensure availability of spare parts as a locally based standalone utility.

Q. Have the Applicants quantified the increased cost under Liberty ownership due to an increase in inventories investment and the related financing costs?

A. No.[49]

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[49] Responses to KIUC 1-14. I have attached a copy of this response as my Exhibit___(LK-22).

Q. **Have you quantified the increase in costs if the Company under Liberty ownership is no longer a party to affiliate transaction agreements for sharing materials and supplies and spare parts?**

A. Yes. I quantify the increase in annual financing costs at $1.9 million based on an estimated increase in materials and supplies and spare parts inventories of $25 million times the Company's grossed-up rate of return. The actual cost may be more or less depending on the actual increase in those inventories. Over the next ten years, the increased investment in those inventories could result in additional financing costs of $13.9 million on a net present value basis.

6. Increased Costs Due to Debt Downrating Caused by De-Affiliation from AEP

Q. Describe the downrating and reason for the downrating of the Company's debt by S&P if the Liberty acquisition closes.

A. S&P has placed the Company on negative credit watch, with the expectation that it will downrate the Company's long-term debt to BBB from BBB+ if the Liberty acquisition closes. This is due solely to the de-affiliation from AEP. The S&P notice notes that AEP has a stronger credit profile than does Liberty and that the expected downrating would align the Company's rating with that of Algonquin.[50]

[50] Response to KIUC 2-40. See Exhibit___(LK-11).

Q. Will the downrating result in an increase in the cost of future issuances of long-term debt?

A. Yes. The cost of new long-term debt will be greater the lower the debt ratings. The differential has varied historically.

Q. Have you quantified the increase in costs if S&P and perhaps the other rating agencies downrate the Company's long-term debt?

A. Yes. I quantify the increase in annual financing costs at $0.2 million in the first year and increasing by a similar amount each subsequent year, assuming that the Company issues $100 million in new long-term debt each year and assuming that the downrating will result in an increase of 20 basis points on average compared to the former higher rating. Over the next ten years, the increase in financing costs will be $7.3 million on a net present value basis.

E. <u>Increased Costs Incurred to Transition The Company from AEP Ownership to Liberty Ownership And to Integrate The Company into The Liberty Organization</u>

Q. Describe the increased costs that will be incurred by the Company to transition and integrate the Company into the Liberty organization and systems.

A. These transition costs will include capitalized costs for new assets, including transmission and distribution operations control centers, and operating expenses, including the depreciation expense and other expenses related to the incremental capital costs, and well as the operating expenses to integrate the Company into Liberty's organization and systems.

Q. Address Liberty's claim that it does not allocate one-time transition costs to its customers in response to AG discovery.

A. Liberty acknowledges that it will incur "one-time transition costs" and "long-lived transition costs."[51] It defines the one-time transition costs for purposes of the response to AG discovery as "costs of staff required to work on the transitioning of the business from AEP to Liberty, IT support and external services between agreement to the sale and closing."[52]

Liberty defines the long-lived transition costs for purposes or the response to AG discovery as "capital investments to enable day-to-day operations continuity, particularly where sellers retain some or all of the pre-existing systems."[53] It states further in the response that "Transition investments in the context of the current sale arise due to Kentucky Power not being a standalone utility but rather one integrated with AEP's technology systems that cannot be "carved out" from AEP and thus require replacement with Liberty's systems. Liberty expects the cost of these investments to be absorbed by the existing rate funding for AEP's systems that will be removed from the rate base as the transition period winds down."[54]

Liberty states in response to the AG discovery that "Neither Transaction Costs nor one-time Transition Costs will be allocated to customers. The impact of the Long Lived Transition Costs will replace similar costs that may currently be in

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[51] Response to AG 1-55. I have attached a copy of this response as my Exhibit___(LK-24).
[52] *Id.*
[53] *Id.*
[54] *Id.*

Kentucky Power's rates that will no longer be in the rate base after the next rate case."[55]

However, Liberty's response to the AG discovery fails to contemplate that one-time transition costs and the return on long-lived transition costs will be recovered through the PPA rider through an increase in the return on equity offset to the Rockport fixed expense savings absent Commission action to exclude the costs in this or a separate proceeding.

Liberty's response to AG discovery also appears to contradict its response to KIUC discovery wherein it stated that it would not agree to not seek recovery of transition costs. It argued in that same response that "Liberty cannot recover any such "fees, costs and expenses" until after a thorough review as part of a future rate case."

In addition, Liberty's response with respect to long-lived transition costs is based on an incorrect assumption, *i.e.*, that the plant costs incurred by AEPSC are somehow included in the Company's rate base and will be removed after the de-affiliation from AEP. The plant costs incurred by AEPSC are not included in the Company's rate base. Thus, there will be no reduction to remove AEP plant costs from the Company's rate base in exchange for the addition of new long-lived Liberty transition costs that will be included in the Company's rate base. Nor does AEPSC include a rate of return on its plant investment charged to the Company pursuant to the AEP Service Agreement. Yet, to the extent that Liberty incurs plant

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[55] *Id.*

costs necessary to operate the Company as a locally based standalone utility, then those costs will be included in the Company's rate base.

In short, the one-time transition costs and the long-lived transition costs, as those costs have been defined by Liberty, will be recovered in customer rates unless the Commission adopts a condition that they will not be recovered through customer rates.

Q. You noted previously that the Company's claim there would be no effect on customer rates before January 1, 2024 was demonstrably incorrect. Explain.

A. Unlike the Applicants' agreement to hold customers harmless from the acquisition premium and certain other "transaction expenses" as that term is defined in the Stock Purchase Agreement, the Applicants refuse to hold customers harmless from the transition and integration costs.[56] These costs will be incurred in the latter half of 2022, if the transaction closes in mid-2022 as the Applicants assume in this proceeding, and additional transition costs will be incurred in 2023 and even into 2024 and 2025 as the Company transitions its operations from AEP ownership, including the TSA, to operations under Liberty ownership.

Any return on capitalized transition costs incurred in 2022 and 2023 and any transition expenses incurred in 2023 will reduce the earned return in 2023. This is an important consideration because of the settlement in Case No. 2017-00179. In that settlement, the $50.9 million in annual fixed expense savings from the

[56] Response to KIUC 1-50. I have attached a copy of this response as my Exhibit___(LK-23).

termination of the Rockport UPA on December 8, 2022 are to be flowed through the PPA rider in their entirety offset only for any amortization of the Rockport deferrals starting in December 2022 and for the revenue equivalent of any deficiency in earnings compared to the Company's authorized return on equity in calendar year 2023.

When the 390 Mw Rockport UPA expires on December 8, 2022, the Company will require some amount of replacement capacity to meet its PJM FRR capacity responsibility. That replacement capacity will be provided under the Bridge PCA and priced at the PJM market value of capacity (RPM). The amount of needed replacement capacity is not yet known, but will be less than 390 Mw due to the significant loss of native load (AK Steel, coal mines, etc.). The Settlement Agreement does not address recovery of the cost of the replacement capacity.

In addition, beginning December 9, 2022 the $6.2 million annual Rockport Capacity Charge (Tariff C.C.) will terminate. The Capacity Charge is an above cost-of-service charge that AEP negotiated as part of the 18-year extension of the Rockport UPA in 2004. The termination of Tariff C.C. will result in a $6.2 million rate reduction.

Kentucky Power's authorized ROE is 9.25% on a base rate, environmental surcharge and retirement rider blended basis. The Rockport Offset for 2023 was assumed to use per books revenues and expenses with no ratemaking adjustments. It was supposed to be a straight-forward process. But no one could have predicted the sale of Kentucky Power. The problem with using 2023 per books expenses is that it will include the Liberty transition and integration costs. This will reduce earnings and unreasonably increase the portion of the $50.9 million in annual Rockport fixed expense savings retained by the Company under Liberty ownership.[57]

Q. How can the Commission address the Company's transition and integration costs in the calculation of the earned return for the Rockport equity offset in the PPA rider?

A. There are two ways to address this problem. One alternative is to direct the Company to exclude all transition and integration costs from the calculation of the earned return in 2023. This would require an extensive review of the Company's costs by the parties. Another alternative is to modify the basis of the calculation so that it relies on the actual earned return during a recent historic period to ensure that there are no transition or integration costs included in the calculation. Relying on this historic test year approach would simplify the calculation and review process while still preserving the bargain previously approved. The most recent per books data is for the twelve months ending September 30, 2021. Using that test year, the Company would be entitled to retain $27.542 million of the Rockport fixed expense savings to earn its average authorized return of 9.25%.

If the historic test year approach is used, there will be two test year adjustments necessary to preserve the 2017 rate case bargain. The first adjustment would be to include the Rockport replacement capacity costs in the calculation of

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[57] The transition and integration costs would not be incurred by the Company under AEP ownership.

the rate of return. This would increase the portion of the $50.9 million in fixed expense savings retained by the Company, similar to the effect if 2023 per books earnings was used. The second adjustment would be to reduce revenues by the $6.2 million Capacity Charge because that would have also been excluded if 2023 per books earnings are used. This also would increase the portion of the $50.9 million fixed expense savings retained by the Company. The Capacity Charge has always been excluded from ratemaking and has been treated as a below the line item.

Q. Has the Commission previously placed the Company on notice that it will "review and clarify" the Company's ability to use the fixed expense savings from the expiration of the Rockport UPA?

A. Yes. In its Order in Case No. 2020-00174, the Commission stated that it would "review and clarify items related to . . . Kentucky Power's ability to use the savings from the expiration of the Rockport UPA."

> Therefore, the Commission finds that Kentucky Power's request to amortize the Rockport regulatory asset over five years beginning in 2022 for recovery through Tariff PPA is premature at this time, and the Commission will defer the determination of the appropriate amortization period and recovery mechanism to a subsequent matter the Commission will initiate on its own motion. As part of this subsequent matter, the Commission will also review and clarify items related to provisions of the final Order in Case No. 2017-00179 regarding Kentucky Power's ability to use the savings from the expiration of the Rockport UPA to earn its Commission-approved ROE in calendar year 2023.

Regardless of its intent to review and clarify the use of the fixed expense savings in a separate matter, the proposed Liberty acquisition impacts, likely significantly, those savings if the transition and integration costs are not excluded from the calculation of the earned return for this purpose.

Q. Is Liberty aware of the Commission's intent to "review and clarify items related to . . . Kentucky Power's ability to use the savings from the expiration of the Rockport UPA and is Liberty aware that the Commission may consider the effects of the transition and integration costs in its review?

A. Yes. The Company confirmed that it was aware of both facts in response to KIUC discovery.[58]

Q. In Liberty acquisition proceedings in other jurisdictions, has Liberty agreed to exclude transition costs from rate recovery?

A. Yes. Liberty has agreed to exclude transition costs from ratemaking recovery in many, if not most, of those acquisition proceedings, as one condition to ensure there is no harm to customers from the acquisition in those jurisdictions.[59]

Q. Provide a brief history of the Capacity Charge payments for the Rockport UPA.

A. In 1984, in Case No. 8271, the Commission denied a CPCN for the Company to buy a 15% ownership interest in Rockport Units 1 and 2. That decision was based on a finding that buying needed capacity from the surplus companies in the AEP

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[58] Response to KIUC 2-3. I have attached a copy of this response as my Exhibit___(LK-25).

[59] Attachments to response to KIUC 1-57 wherein Liberty provided Orders adopting conditions in proceedings before state regulatory commissions to approve acquisitions.

power pool was less expensive "by tens of millions of dollars annually." Instead of complying with the Order in that case, the Company signed a twenty-year cost-based UPA with AEP Generating Company for the same 15% and obtained approval of the UPA from the FERC. As a wholesale sale in interstate commerce, that FERC action was preemptively binding on the Commission.

As the twenty-year Rockport UPA was nearing its end in 2004, the Commission approved an 18-year extension of the Agreement through December 7, 2022 in Case No. 2004-00420. In the 2004 renegotiation, AEP again used the threat of FERC preemption to force a beneficial deal for its unregulated subsidiary, AEP Generating Company, and a correspondingly bad deal for Kentucky. AEP insisted on and was granted a rate above cost of service.

The 2004 18-year extension included an extra payment of $5.1 million annually for 2005-2009, $6.2 million annually for 2010-2021 and $5,792,329 for 2022. The total above cost payment will be $105.7 million (nominal). This is charged to customers through a separate rider, Tariff CC (Capacity Charge). In its Order in that proceeding, the Commission explained that KPC was unwilling to extend the UPA without the $105.7 above cost payment and since the UPA is a wholesale sale it had no jurisdiction to require an extension. "Kentucky Power had previously indicated that it was unwilling to extend the Rockport unit power contract and, as a wholesale power sale, the Commission has no jurisdiction to require the extension of that contract. Thus, the supplemental payment to Kentucky Power was a requisite for the18-year contract extension."

From the renewal of the Rockport UPA to its termination later this year, the Company's customers will have paid AEP a premium $105.7 million in nominal dollars, or $186.6 million on a net present value basis in 2022 dollars, over and above the actual costs and the return compared to net book value.

In addition, I note that the return on equity embedded in the Rockport UPA is 12.16%. The Company could have sought a downward adjustment at FERC in order to lower costs to Kentucky ratepayers, but this would have reduced the profit of its unregulated affiliate.

F. Increased Costs Incurred Related to The Transaction Itself And That Are Required Pursuant to The Stock Purchase Agreement

Q. Describe the increased costs that the Company will incur related to the transaction itself and that are required pursuant to the Stock Purchase Agreement.

A. The Stock Purchase Agreement requires the Company to indemnify the former directors and officers of the Company under AEP ownership for losses and/or claims originating prior to the closing date for six years after the closing date.[60] The Company likely will purchase D&O tail insurance to cover this assumed risk. At the same time, the Company will incur insurance costs to indemnify the directors and officers of the Company under Liberty ownership. The costs incurred for the losses and/or claims originating prior to the closing date are due solely to the

[60] Stock Purchase Agreement at 4.12.

transaction itself and are not displaced by the new insurance costs under Liberty ownership.

The Stock Purchase Agreement also restricts the ability of the Company to recover damages against the representations and warranties of AEP as the Seller. It does allow Liberty or the Company to acquire insurance to cover the representations and warranties of AEP, but only so long as there is no right of subrogation against the Sellers, and no right to pursue any claim, against Sellers or any of their respective Affiliates or Representatives, except in the case of fraud.

Q. What condition should the Commission adopt to ensure that these costs are not recovered through customer rates?

A. If the Commission approves the Application, then it should condition its approval so that these costs are excluded from the calculation of the revenue equivalent of the earnings deficiency recoverable as an offset to the Rockport fixed expense savings through the PPA rider in calendar year 2023. In addition, it should condition its approval so that these costs are excluded from the calculation of the base revenue requirement or any other revenue requirement in any future rate proceeding.

G. <u>Increased Costs That Will Be Incurred to Remedy The Company's Historic Chronic Underinvestment Under AEP's Ownership</u>

Q. Has there been chronic underinvestment in plant in service under AEP's ownership?

A. Yes. This was a concern identified by Liberty in its due diligence prior to entering into the Stock Purchase Agreement.[61] In response to KIUC discovery in this proceeding, the Applicants stated:

> In the course of its due diligence work, Liberty established that Kentucky Power's ratio of annual capital additions to depreciation expense is substantially below those of other large utilities and is substantially below the 2.0 multiple that is seen in the industry as a minimal measure of capital replenishment for a power utility. At the same time, Liberty's due diligence work saw that Kentucky Power's reliability is substantially below the industry standards and aside from the most recent year, has shown a declining trend. Assessing these two observations in tandem, Liberty made a working assumption that capital underinvestment is a driver behind Kentucky Power's reliability performance, and is an area Liberty intends to explore further.

Liberty and its advisors relied on a metric that calculates the Company's annual investment in plant divided by its annual depreciation expense, a measure of relative investment, both replacement investment and new investment, compared to the same metric for AEP utilities in the aggregate and for other investor-owned utilities, including Duke Energy.[62]

Liberty's advisors prepared the following chart.[63] It shows that the Company's annual plant investment as a multiple of depreciation expense was substantially less than the AEP utilities in the aggregate, thus demonstrating that AEP invested relatively less in the Company than in its other utilities, and substantially less than other non-affiliated utilities, thus demonstrating that the Company under AEP ownership invested substantially less its industry peers.

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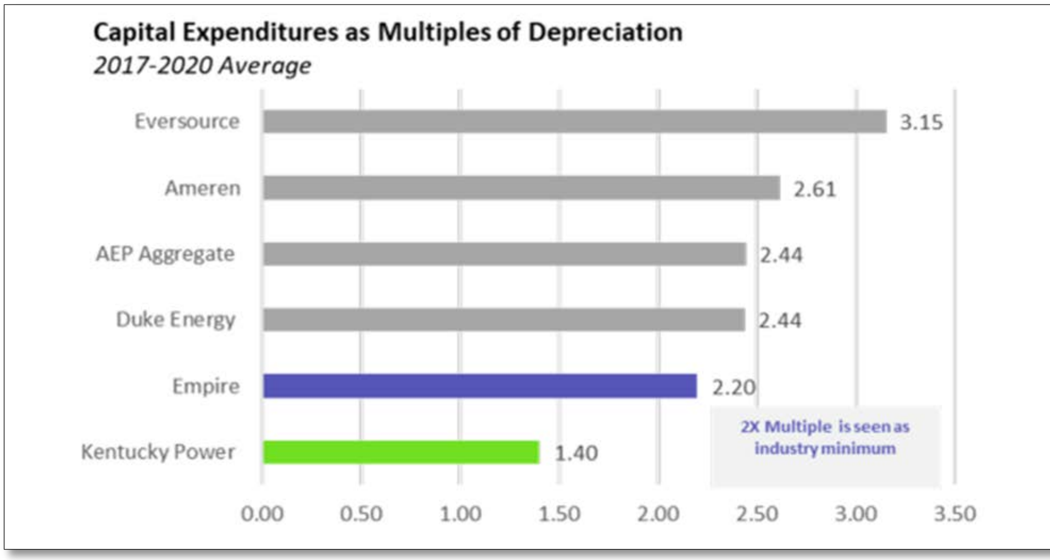
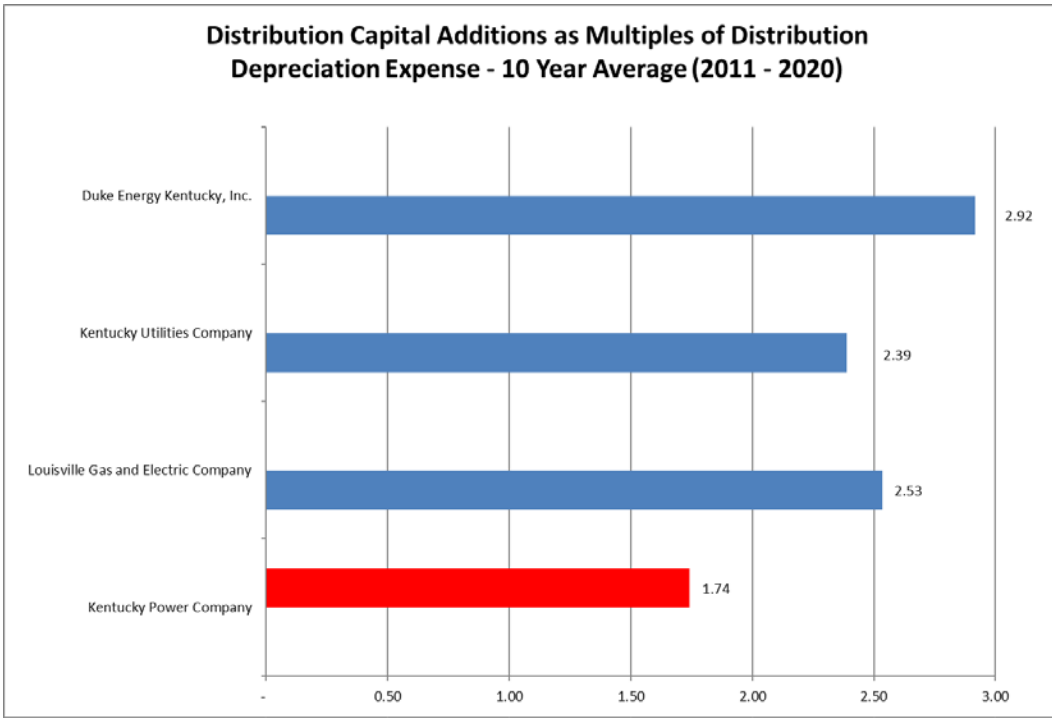
[61] Response to KIUC 1-76. I have attached a copy of this response as my Exhibit___(LK-26).
[62] *Id.*
[63] Attachment to the response to KIUC 2-29.



Q. Have you performed calculations of this metric for distribution plant for the electric utilities in the Commonwealth based on publicly available information?

A. Yes. The Company is substantially below the other investor-owned utilities in the Commonwealth in every year from 2011 through 2020 on this annual distribution plant investment as a multiple of depreciation expense. This confirms the pattern of underinvestment identified by Liberty and its due diligence advisor.

I compare this metric on an annual basis for the years 2011-2020 for all four investor-owned utilities in the Commonwealth on the following chart. This chart shows that the Company's annual distribution plant investment as a multiple of depreciation expense is substantially less than the other investor-owned utilities. The Company's annual distribution plant investment rate on average for the years 2011-2020 was 1.74. This compares to Duke Energy Kentucky's average of 2.92, Louisville Gas & Electric Company's average of 2.53, and Kentucky Utilities Company's average of 2.39.



Q. What is the significance of this comparison in this proceeding?

A. Due to the Company's chronic underinvestment in distribution plant under AEP ownership, the Company under Liberty ownership will be required to invest significant capital expenditures to rebuild and upgrade its physical infrastructure.

Q. Is this capital underinvestment reflected in the Company's reliability statistics?

A. Yes. The Company's reliability performance is remarkably poor as measured by standard reliability indices reported to the Commission by the investor-owned electric utilities and cooperative electric utilities in the Commonwealth. The

Company's performance is the worst among the investor-owned utilities and the worst among the cooperative utilities, except for Big Sandy RECC and Grayson Rural Electric, which are the two smallest cooperative utilities, as measured by number of customers.

I compare the System Average Interruption Frequency Index ("SAIFI") and System Average Interruption Duration Index ("SAIDI") on the following tables for the investor owned and cooperative utilities in the state on a five-year average basis for the years 2016-2020 and 2011-2015 and with and without major event days ("MEDs").

RELIABILITY AS MEASURED BY SAIDI AND CAIFI FOR KENTUCKY POWER COMPANY COMPARED TO OTHER KENTUCKY UTILITIES
FIVE YEAR AVERAGE 2016-2020

			SAIDI	SAIFI	SAIDI	SAIFI
Utility Name	**Total Customers**	**Total Circuits**	**Excluding MED (5 Year Average)**		**Including MED (5 Year Avearage)**	
Kentuky Power	165,077	230	443.62	2.22	856.39	2.52
Big Sandy RECC	12,845	36	455.06	3.36	607.46	3.80
Grayson Rural Electric	14,246	42	437.70	3.13	465.20	3.22
South Kentucky RECC	69,987	143	222.20	1.97	345.26	2.21
Licking Valley Rural	17,449	36	158.10	1.27	345.03	1.88
Jackson Purchase	30,337	91	108.07	1.17	343.12	1.73
Jackson Energy Coop.	51,320	112	203.30	1.68	313.80	1.94
Mead County RECC	30,282	79	103.85	1.34	303.09	1.65
Fleming Mason	25,163	45	153.74	1.18	297.41	1.49
Inter-County Energy	26,862	44	101.72	1.06	252.56	1.89
Shelby Energy Coop.	16,751	47	125.04	1.23	249.50	1.77
Blue Grass Energy	58,829	138	116.56	1.02	215.24	1.28
Owen Electric	63,142	129	98.30	1.16	211.61	1.50
Nolin RECC	35,709	84	66.47	0.94	207.67	1.38
LG&E	434,471	619	77.82	0.93	187.75	1.16
Duke KY	151,317	141	110.44	0.91	184.66	1.11
Kentucky Utilities	546,042	1,113	84.64	0.78	157.74	0.90
Farmers Rural Electric Coop.	24,638	68	126.10	1.41	155.51	1.53
Salt River Electric	53,975	106	78.20	0.95	145.60	1.22

*2020 Electric Distribution Utility Annual Reliability Report
** Does not include outages from February 2021 Ice Storms.

RELIABILITY AS MEASURED BY SAIDI AND CAIFI FOR KENTUCKY POWER COMPANY COMPARED TO OTHER KENTUCKY UTILITIES FIVE YEAR AVERAGE 2011-2015						
			SAIDI	SAIFI	SAIDI	SAIFI
Utility Name	Total Customers	Total Circuits	Excluding MED (5 Year Average)		Including MED (5 Year Avearage)	
Grayson Rural Electric	14,969	42	366.50	2.74	1315.30	3.57
Kentuky Power	168,545	221	473.40	2.50	1047.50	2.96
Big Sandy RECC	13,000	36	172.12	2.56	575.00	2.91
Licking Valley Rural[1]	17,299	36	165.13	1.47	366.58	2.12
Jackson Energy Coop.	51,481	112	174.29	1.58	309.13	1.84
Clark Energy Coop	25,691	74	144.92	1.53	304.78	2.01
Fleming Mason	24,025	42	139.60	1.22	259.45	1.57
Farmers Rural Electric Coop.	24,192	59	213.52	1.90	254.66	2.10
Blue Grass Energy	56,312	131	121.22	1.16	240.65	1.45
Shelby Energy Coop.	15,854	41	109.22	0.98	239.91	1.45
LG&E	413,353	546	89.92	1.05	233.54	1.32
South Kentucky RECC	68,138	143	173.04	2.40	227.55	2.96
Inter-County Energy	26,333	42	93.71	1.07	215.72	1.59
Mead County RECC	29,261	72	90.96	1.24	214.36	2.24
Owen Electric	59,409	123	135.65	1.37	187.33	1.52
Duke KY	137,431	134	115.91	1.21	186.15	1.45
Cumberland Valley Electric	23,809	64	127.66	1.36	166.90	1.78
Kenergy	56,663	196	115.69	1.73	150.55	1.90
Kentucky Utilities	527,753	1,029	89.52	0.86	121.84	0.95
Salt River Electric	49,666	91	96.60	0.94	119.54	1.22
Nolin RECC	34,658	82	84.49	0.91	118.71	1.04

[1] Reflects 2016 reporting year and 2012 – 2016 average due to data filing inconsistencies with prior reports.
*2015 Electric Distribution Utility Annual Reliability Report

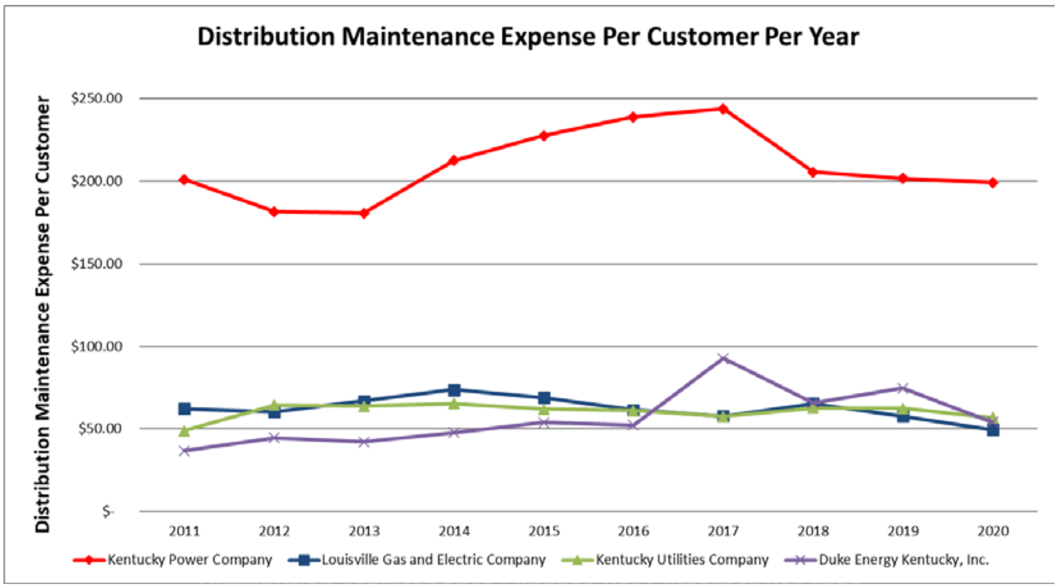
Q. **Is the capital underinvestment also reflected in the Company's distribution maintenance expense per customer?**

A. Yes. The Company's distribution expense per customer is excessive. This is yet another metric to measure the Company's performance under AEP ownership by comparison to the other investor owned and cooperative utilities in the Commonwealth.

More specifically, the Company's distribution maintenance expense per customer is far in excess of the other investor-owned electric utilities in the Commonwealth for the same ten-year period (2011-2020) used to measure and compare the Company's plant investment to depreciation.

The Company distribution maintenance expense per customer on average over the ten years was $209.16. This compares to Duke Energy Kentucky's average of $56.71, Louisville Gas & Electric Company's average of $62.33, and Kentucky Utilities Company's average of $60.46.

I compare the Company annual distribution maintenance expense per customers on the following chart.



Q. Do the Company's forecasts of capital expenditures under AEP ownership reflect substantial increases in annual distribution plant investment?

A. Yes. The Company's forecasts of capital expenditures under AEP ownership reflect significant increases in capital expenditures, despite almost no-load growth, thus confirming Liberty's due diligence assessment of chronic underinvestment. The forecasts confirm the need to upgrade and harden the system in order to minimize future distribution maintenance expense and the costs to repair damage and restore service in response to future weather events.[64]

Kentucky Power Company
Actual and Budgeted Distribution Plant Capital Additions
($ Millions)

Historic Actual		Forecast	
2011	30.063	2022	77.802
2012	49.857	2023	77.471
2013	49.458	2024	83.167
2014	41.495	2025	119.467
2015	38.204	2026	98.574
2016	36.074	2027	105.265
2017	39.656	2028	100.789
2018	44.255	2029	78.150
2019	63.742	2030	72.127
2020	68.429		
Average	46.123	Average	90.312

Q. Is there a business reason why AEP would underinvest in its Kentucky distribution system?

A. Yes. AEP had the opportunity to allocate and deploy its capital more profitably elsewhere. A dollar invested by AEP in its Kentucky distribution system earns a 9.3% return on equity, is applied to an equity capital structure of 43% and is recovered through base rates with the associated regulatory lag. In contrast, a dollar invested by AEP in any of its FERC regulated Transcos earns a 10.35% return on

[64] Attachment 3 to supplemental response to KIUC 1-61. I have attached a copy of the narrative response and this attachment as my Exhibit___(LK-27).

equity, is applied to an equity capital structure of 55% and is recovered through a formula rate using a forecasted test year including a true-up with no regulatory lag.

Q. Is the plant underinvestment also reflected in the significant expense incurred to rebuild damaged physical assets and to restore service after the ice storms in February 2021?

A. Yes. The Company deferred $42.538 million in operating expenses as a regulatory asset pursuant to Commission authorization for accounting purposes in Case No. 2021-00129. In its Application in that proceeding, the Company described the "significant" damage to the Company's transmission and distribution systems caused by three successive ice and snow storms in February 2021. The damage included 1,176 damaged cross arms, 412 damaged transformers, and 851 damaged cutouts. In addition, the Company repaired or replaced thousands of spans of conductor, totaling more than 116 miles (nearly equal to the distance between Lexington, Kentucky and Ashland, Kentucky). I also note that the 2011-2020 SAIDI and SAIFI distribution reliability statistics, including major event days, that I previously discussed did not include the effects of the 2021 ice storms. I anticipate that the Company's 2021 SAIDI and SAIFI reliability statistics will be troubling.

Q. Why are the costs incurred to repair the storm damages and restore service from the 2021 ice storms significant in this proceeding?

A. It is additional evidence of the Company's chronic underinvestment in its physical plant assets. This manifests itself in the level of damage from such major weather events, major event days, the duration and frequency of outages with and without major event days, and distribution maintenance expense per customer.

The Company, under Liberty ownership, will have to incur substantial investment costs in order to redress the chronic underinvestment under AEP ownership in order to minimize the costs to repair the system and restore service in response to future severe weather events, achieve reliability improvements, and achieve savings in distribution maintenance expense from present excessive levels.

Q. Have you quantified the harm due to the Company's chronic underinvestment?

A. Yes. The Company under Liberty ownership will need to incur at least $203 million in capital expenditures and plant investment to improve the distribution system over the next ten years. During this period, the Company will continue to incur excessive distribution maintenance expenses until the system is sufficiently modern and robust to minimize those expenses and to reduce the damages and costs to restore service after severe weather events. I estimate the excessive distribution expense will decline from the present level of $25.2 million annually each year by 5% as the Company invests in the distribution system. Over the next ten years, I estimate the excessive distribution maintenance expense will be $151.0 million on a net present value basis.

III. LIBERTY DOES NOT HAVE THE REQUIRED TECHNICAL ABILITY TO PROVIDE REASONABLE SERVICE

Q. Does Liberty have the required technical ability to provide reasonable service as required by KRS 278.020(6)?

A. No. The Applicants acknowledge that the Company under Liberty ownership does not and will not have the required technical ability to provide reasonable service on a standalone basis at the date of closing. Nor will the Company have the required physical assets to provide reasonable service on a standalone basis at the date of closing. Consequently, it has entered into the Transition Services Agreement whereby it will subcontract the required technical ability to AEPSC, which includes AEPSC's continued utilization of certain facilities and physical and intangible assets necessary to provide the technical ability, for up to 24 months.

More specifically, the Company under Liberty ownership will need to obtain the following operational services from AEP, as described in response to KIUC discovery, in addition to other technical services set forth in the TSA.

> Operational functions considered in the TSA include: Transmission Operations, Transmission Telecom, and Transmission Planning plus the associated IT and OT systems required within each function for both Distribution and Transmission. During the TSA period, AEP will continue to operate the Transmission grid in Kentucky Power working directly with PJM, coordinating with the Kentucky Power Field services, and working directly with the Kentucky Power Distribution Dispatch Center. The Distribution Dispatch Center will initially remain as is, utilizing Kentucky Power employees supported by a TSA for enabling use of AEP's systems.[65]

[65] Response to KIUC 1-70.

Q. Will it be necessary for Liberty to acquire the technical ability and necessary facilities and other physical and intangible assets within 24 months?

A. Yes. This will require the acquisition of physical and intangible assets as well as the retention of sufficiently skilled employees with the technical ability to provide reasonable service within 24 months after closing.

Q. Why is this significant and why should it disqualify Liberty from the acquisition?

A. Liberty essentially will need to create a new utility that is locally based on a standalone basis. It does not have the technical ability to operate that utility at present without subcontracting the operations to AEPSC. There is significant execution risk and cost exposure to the Company's customers based on aspirational promises and assumptions. If it does not disqualify Liberty from the acquisition, then it further highlights the need to protect customers from the risks and costs that Mr. Baron and I have identified and quantified.

IV. APPLICANTS HAVE NOT PROVIDED DRAFTS OR TEMPLATES OF CRITICAL INTERCOMPANY AGREEMENTS

Q. Have the Applicants provided drafts or templates of all critical intercompany agreements?

A. No. The Applicants have not provided drafts of essential intercompany agreements, including those between AEP and Liberty, such as the Bridge PCA, and those between Liberty and other Liberty affiliates and the Company.[66] Unlike AEP, Liberty does not have an intercompany tax allocation agreement and has no documentation of its consolidated tax allocation process other than generalized statements that income taxes for its affiliates are and the Company's income taxes under Liberty ownership will be calculated on a standalone basis.[67]

The Company's Application is incomplete and insufficient for the Commission to find that the acquisition is in the public interest. Algonquin, Liberty, other Liberty affiliates, and these agreements will drive significant costs to the Company under Liberty ownership. The costs will affect customer rates. Yet, these essential intercompany agreements have not yet been drafted, cannot be reviewed by the Commission or other parties, and cannot be assessed for their effects on the Company's costs and customers rates.

Q. Is there a statutory requirement to obtain Commission approval of critical intercompany agreements that will affect the affiliate costs the Company incurs and recovers from customers?

A. Yes. Although I do not offer a legal opinion, there are statutory requirements set forth in KRS 278.2207 and Commission precedent for such approvals, at least for certain of the agreements among affiliates that could or will affect the Company's

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[66] The Applicants have provided a copy of the executed Stock Purchase Agreement, unexecuted Transition Services Agreement, unexecuted Mitchell Plant Ownership Agreement, unexecuted Mitchell Plant Operations and Maintenance Agreement, and unexecuted Compliance Agreement, as exhibits to the Stock Purchase Agreement, provided as Exhibit 5 to the Application.

[67] Response to KIUC 2-4. See Exhibit___(LK-21).

costs under Liberty ownership.[68]

V. REGULATORY APPROVALS OF THE PROPOSED MITCHELL PLANT OPERATION AND MAINTENANCE AGREEMENT AND MITCHELL PLANT OWNERSHIP AGREEMENT ARE A CONDITION OF CLOSING

Q. Describe the regulatory approvals of the proposed Mitchell Plant agreements required by the Stock Purchase Agreement as a condition of closing.

A. The "regulatory approvals" of the proposed Mitchell Plant Operations and Maintenance Agreement and Mitchell Plant Ownership Agreement are a condition of closing pursuant to the Stock Purchase Agreement.[69]

Although the Stock Purchase Agreement anticipates that the two state commissions and/or FERC may require modifications to those agreements, Liberty retains the discretion to determine whether those modifications, if any, rise to "burdensome conditions," in which case it may terminate the transactions without penalty.

Q. What is the present status of the required regulatory approvals of the Mitchell Plant agreements?

A. The Company's Application before the Commission in Case No. 2021-00421 is

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[68] The statutory requirements are described by Duke Energy Corp. and Duke Energy Kentucky in their Application for approval of the Duke Energy Corp. acquisition of Florida Progress, Inc. in Case No. 2011-00124.

[69] Stock Purchase Agreement at Section 7.1(d) Mitchell Plant Approvals. "The Mitchell Plant Approvals shall have been duly obtained, and such approvals shall have become Final Orders."

pending. The AG and KIUC oppose the approval of both agreements. All testimony is filed.

Wheeling Power Company's Application remains pending before the West Virginia Public Service Commission in Case No. 21-0810-E-PC.

AEPSC, on behalf of the Company in FERC Docket No. ER22-522-000 and on behalf of Wheeling Power Company in FERC Docket No. ER22-523-000, has withdrawn both Applications before the FERC.

Q. Should the Commission approve the two fundamentally flawed Mitchell Plant agreements in Case No. 2021-00421 to ensure that the required regulatory approval from the Commission will allow the Liberty transaction to proceed?

A. No. The Commission should consider the public interest in both proceedings and the effects on customer rates, not only from the Liberty acquisition if it is approved, but also from the subsequent sale of the Company's Mitchell Plant interest at substantially less than net book value together with an accelerated and excessive payment for future decommissioning costs. The Liberty acquisition is intertwined and inseparable from the Mitchell Plant agreements and the terms of the potential sale of those assets pending before the Commission in Case No. 2021-00421.

In Case No. 2021-00421, the AG and KIUC opposed the proposed Mitchell Plant agreements as unreasonable, not in the public interest, and inconsistent with the statutory requirements for sales or transfers among affiliate utilities, among other reasons. The AG and KIUC have not changed their positions on those agreements.

VI. CONDITIONS ARE NECESSARY TO PROTECT CUSTOMERS IF THE COMMISSION IS INCLINED TO APPROVE THE LIBERTY ACQUISITION OF THE COMPANY

Q. Are conditions necessary to protect customers if the Commission is inclined to approve the Liberty acquisition of the Company?

A. Yes. I recommend that the Commission impose the following conditions if it approves the transaction:

1. AEP should pay the Company $578 million of its $585 million acquisition premium to be recorded by the Company as a regulatory liability for the benefit of ratepayers as compensation for the risk and harms from the sale to Liberty. $42.5 million should be used to pay off the 2021 ice storm regulatory asset; $59 million should be used to pay off the Rockport regulatory asset; $75 million should be used to offset over five years the out-of-state transmission subsidies currently included in rates; and the remainder should be credited to customers over ten years.

2. Liberty should be prohibited from recovering in rates any transition or integration costs whether through an increase in the equity offset to the Rockport fixed expense savings in the PPA rider in 2023 or base rates after 2023.

3. AEP and Liberty should file and obtain Commission approval of all intercompany agreements that will affect rates before they are filed at FERC and before they are executed.

4. Resolution of the Mitchell issues should not be prematurely decided simply because that is a condition to the transaction closing.

5. Liberty should be limited to no greater than a 45% common equity ratio for rates effective in 2024, consistent with its proposal in response to discovery.[70]

6. Liberty should be required to use least cost planning for future resources and competitively bid those future resources.[71]

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[70] Response to KIUC 1-42 wherein it states: "Liberty intends to assume Kentucky Power's current capital structure of 43.25% until 2024 at which time it is assumed that the equity thickness will be modestly strengthened to 45% and remain at that level.

[71] These conditions are based on Mr. Baron's recommendations addressed in his Direct Testimony.

Q. Does this complete your testimony?

A. Yes.

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 21st day of February 2022.

Notary Public

RANDY A FUTRAL
MY COMMISSION EXPIRES
NOTARY
PUBLIC
AUGUST 26, 2024
COBB COUNTY, GEORGIA

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

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

EXHIBITS

OF

LANE KOLLEN

ON BEHALF OF

THE OFFICE OF THE ATTORNEY GENERAL OF
THE COMMONWEALTH OF KENTUCKY

AND

THE KENTUCKY INDUSTRIAL UTILITY CUSTOMERS, INC.

J. KENNEDY AND ASSOCIATES, INC.
ROSWELL, GEORGIA

FEBRUARY 2022

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)

Chartered Global Management Accountant (CGMA)

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 forty 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.

RESUME OF LANE KOLLEN, VICE PRESIDENT

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
City of Austin
Georgia Public Service Commission Staff
Florida Office of Public Counsel
Indiana Office of Utility Consumer Counsel
Kentucky Office of Attorney General
Louisiana Public Service Commission
Louisiana Public Service Commission Staff
Maine Office of Public Advocate
New York City
New York State Energy Office
South Carolina Office of Regulatory Staff
Texas Office of Public Utility Counsel
Utah Office of Consumer Services

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

**Expert Testimony Appearances
of
Lane Kollen
As of January 2022**

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.
2/88	10064	KY	Kentucky Industrial Utility	Louisville Gas &	Revenue requirements, O&M expense, capital

**Expert Testimony Appearances
of
Lane Kollen
As of January 2022**

Date	Case	Jurisdict.	Party	Utility	Subject
			Customers	Electric Co.	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.
6/89	881602-EU 890326-EU	FL	Talquin Electric Cooperative	Talquin/City of Tallahassee	Economic analyses, incremental cost-of-service, average customer rates.

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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.
5/91	9945	TX	Office of Public Utility Counsel of Texas	El Paso Electric Co.	Financial modeling, economic analyses, prudence of Palo Verde 3.

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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.
12/92	U-19949	LA	Louisiana Public Service Commission Staff	South Central Bell	Affiliate transactions, cost allocations, merger.

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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.
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.

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Date	Case	Jurisdict.	Party	Utility	Subject
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.
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.

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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.
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.

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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.
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.

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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.
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.

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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.
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.

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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.
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.

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Date	Case	Jurisdict.	Party	Utility	Subject
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.
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.

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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.
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.

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Date	Case	Jurisdict.	Party	Utility	Subject
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.
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.

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Date	Case	Jurisdict.	Party	Utility	Subject
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.
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	GA	Georgia Public Service	Atmos Energy Corp.	Affiliate transactions, cost allocations, capitalization,

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Date	Case	Jurisdict.	Party	Utility	Subject
	Panel with Victoria Taylor		Commission Adversary Staff		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.
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.

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Date	Case	Jurisdict.	Party	Utility	Subject
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.
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.

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Date	Case	Jurisdict.	Party	Utility	Subject
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.
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.

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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.
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.

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Date	Case	Jurisdict.	Party	Utility	Subject
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.
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.

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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.
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.

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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.
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.

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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.
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.

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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.
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.

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Date	Case	Jurisdict.	Party	Utility	Subject
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.
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.

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Date	Case	Jurisdict.	Party	Utility	Subject
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.
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.

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Date	Case	Jurisdict.	Party	Utility	Subject
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.
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.

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Date	Case	Jurisdict.	Party	Utility	Subject
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.
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.

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Date	Case	Jurisdict.	Party	Utility	Subject
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.
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.

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Date	Case	Jurisdict.	Party	Utility	Subject
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	West Virginia Energy Users Group	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.
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.

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Date	Case	Jurisdict.	Party	Utility	Subject
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.
01/19	2018-00281	KY	Attorney General	Atmos Energy Corp.	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.

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Date	Case	Jurisdict.	Party	Utility	Subject
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.
06/20	20190038-EI	FL	Office of Public Counsel	Gulf Power Company	Hurricane Michael costs.
07/20 09/20	PUR-2020-00015 Direct Surrebuttal	VA	Old Dominion Committee for Fair Utility Rates	Appalachian Power Company	Coal Amortization Rider, storm damage, prepaid pension and OPEB assets, return on joint-use assets.
07/20 09/20	2019-226-E Direct Surrebbutal	SC	Office of Regulatory Staff	Dominion Energy South Carolina	Integrated Resource Plan.
10/20	2020-00160	KY	Attorney General	Water Service Corporation of Kentucky	Return on rate base v. operating ratio.
10/20	2020-00174	KY	Attorney General and Kentucky Industrial Utility Customers, Inc.	Kentucky Power Company	Rate base v. capitalization, Rockport UPA, prepaid pension and OPEB, cash working capital, incentive compensation, Rockport 2 depreciation expense, EDIT, AMI, grid modernization rider.
11/20 12/20	2020-125-E Direct Surrebuttal	SC	Office of Regulatory Staff	Dominion Energy South Carolina	Summer 2 and 3 cancelled plant and transmission cost recovery; TCJA; regulatory assets.
12/20	2020172-EI	FL	Office of Public Counsel	Florida Power & Light Company	Hurricane Dorian costs.
12/20	29849 (Panel with Philip Hayet, Tom Newsome)	GA	Georgia Public Service Commission Staff	Georgia Power Company	VCM23, Vogtle 3 and 4 rate impact analyses.
02/21 04/21	2019-224-E 2019-225-E Direct Surrebuttal	SC	Office of Regulatory Staff	Duke Energy Carolinas, LLC, Duke Energy Progress, LLC	Integrated Resource Plans.
03/21	51611	TX	Steering Committee of Cities Served by Oncor	Sharyland Utilities, L.L.C.	ADIT, capital structure, return on equity.

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Date	Case	Jurisdict.	Party	Utility	Subject
03/21	2020-00349 2020-00350	KY	Attorney General and Kentucky Industrial Utility Customers, Inc.	Kentucky Utilities Company and Louisville Gas and Electric Company	Rate base v. capitalization, retired plant costs, depreciation, securitization, staffing + payroll, pension + OPEB, AMI, off-system sales margins.
04/21 Direct 07/21	18-857-EL-UNC 19-1338-EL-UNC 20-1034-EL-UNC 20-1476-EL-UNC Supplemental Direct	OH	The Ohio Energy Group	First Energy Ohio Companies	Significantly Excessive Earnings Test; legacy nuclear plant costs.
05/21 06/21	2021-00004 Direct Supplemental Direct	KY	Attorney General and Kentucky Industrial Utility Customers, Inc.	Kentucky Power Company	CPCN for CCR/ELG Projects at Mitchell Plant.
06/21	29849 (Panel with Philip Hayet, Tom Newsome)	GA	Georgia Public Service Commission Staff	Georgia Power Company	VCM24, Vogtle 3 and 4 rate impact analyses.
06/21	2021-00103	KY	Attorney General and Nucor Steel Gallatin	East Kentucky Power Cooperative, Inc.	Revenues, depreciation, interest, TIER, O&M, regulatory asset.
07/21 08/21 10/21	U-35441 Direct Cross-Answering Surrebuttal	LA	Louisiana Public Service Commission Staff	Southwestern Electric Power Company	Revenues, O&M expense, depreciation, retirement rider.
09/21	2021-00190	KY	Attorney General	Duke Energy Kentucky	Revenues, O&M expense, depreciation, capital structure, cost of long-term debt, government mandate rider.
09/21	43838	GA	Public Interest Advocacy Staff	Georgia Power Company	Vogtle 3 base rates, NCCR rates; deferrals.
09/21	2021-00214	KY	Attorney General	Atmos Energy Corp.	NOL ADIT, working capital, affiliate expenses, amortization EDIT, capital structure, cost of debt, accelerated replacement Aldyl-A pipe, PRP Rider, Tax Act Adjustment Rider.
01/22	2021-00358	KY	Attorney General	Jackson Purchase Energy Corporation	Revenues, nonrecurring expenses, normalized expenses, interest expense, TIER.
01/22	2021-00421	KY	Attorney General and Kentucky Industrial Utility Customers, Inc.	Kentucky Power Company	Proposed Mitchell Plant Operations and Maintenance and Ownership Agreements; sale of Mitchell Plant interest.

EXHIBIT___(LK-2)

American Electric Power Company, Inc.
Kentucky Power Company
Liberty Utilities Co.
KPSC Case No. 2021-00481
KIUC's First Set of Data Requests
Dated January 13, 2022

DATA REQUEST

KIUC 1_77 In a December 14, 2021 presentation by Algonquin, Chief Operating Officer Anthony Johnston referred to "bringing on an estimated $2.2 billion of rate base" at the "close" of the acquisitions of Kentucky Power and Kentucky Transco in "mid-2022." This $2.2 billion figure was also cited in Algonquin's October 26, 2021 investor presentation.

a. Please provide the calculation of the $2.2 billion in rate base separated between Kentucky Power and Kentucky Transco, and with Kentucky Power separated into base, environmental surcharge, retirement rider (Big Sandy), and each other rider with rate base, if any.
b. Confirm that Liberty agreed to pay AEP $2.846 billion, including the assumption of $1.221 billion in debt. Confirm this statement means that Liberty will pay AEP $1.625 billion for its equity ownership in the acquired companies. If this is not correct, then provide a corrected statement and explain why the assertion in the question was incorrect.
c. Provide all reasons why Algonquin is willing to pay $2.846 billion for $2.2 billion in rate base.
d. Explain how Algonquin plans to recover the $646 million premium over the estimated rate base.

RESPONSE

a. See attached excel DR_KIUC 1-77 for rate base calculation. The $2.2Bn of rate base is an estimate at closing. There are no documents responsive to the request for a breakdown of rate base between base, environmental surcharge, retirement rider or other riders, however, rate base split between Kentucky Power and Kentucky Transco has been attached.

b. Confirmed.

c. In most merger and acquisition transactions, a premium is typically paid to the sellers of its business. This is in recognition of the scarcity of the assets being acquired, the skilled labor associated with the business, and other intangible factors. Liberty, as well as many other utility companies, have paid amounts above the book value of the acquired companies in recent history.

d. Liberty does not plan to recover the premium over the estimated rate base, and is not seeking to recover any such amounts from customers.

Witness: Peter Eichler

American Electric Power Company, Inc.
Kentucky Power Company
Liberty Utilities Co.
KPSC Case No. 2021-00481
KIUC's Second Set of Data Requests
Dated February 4, 2022

DATA REQUEST

KIUC 2_30 Refer to the Application in this proceeding at pdf 517, which is the liability side of the Company's balance sheet at December 31, 2020 and December 31, 2019 in its 2020 Annual Report. The common equity shown at December 31, 2020 is $823 million.

a. Confirm that Liberty agreed to pay AEP $2,846 million for the Company and the Kentucky Transco, including the assumption of $1,200 million in long-term debt, pursuant to the terms set forth in the Stock Purchase Agreement attached as Exhibit 5 to the Application in this proceeding.
b. Confirm that Liberty agreed to pay $1,646 million for the Company's and Kentucky Transco's common equity.
c. Provide a calculation of the acquisition premium for the common equity of each Company in live Excel format with all formulas intact.

RESPONSE

a. Confirmed, subject to the terms set forth in the Stock Purchase Agreement.

b. Confirmed, subject to the terms set forth in the Stock Purchase Agreement.

c. Liberty does not have a document that is responsive to this request. Please also see the response to KIUC 2-12.

Witness: Peter Eichler

EXHIBIT___(LK-3)

DATA REQUEST

KPSC 1_37 Refer to Eichler Direct Testimony, page 7, regarding the purchase price. Provide a breakout of the purchase price attributed to Kentucky Power and to Kentucky Transco, and quantify the transaction premium and transaction cost in the purchase price for Kentucky Power and Kentucky Transco, respectively.

RESPONSE

A separate purchase price was not calculated for Kentucky Power and Kentucky Transco; however, based on the relative size of the businesses, utilizing 2020 year end utility plant numbers (including net regulatory assets and deferred taxes) Kentucky Power's rate base is $1,916,000,000 and Kentucky Transco's rate base was approximately $133,000,000. Therefore, approximately 93.6% of the purchase price can be attributed to Kentucky Power and 6.4% can be attributed to Kentucky Transco.

This means that of the total purchase price of $2,846,000,000 approximately $2,663,856,000 can be estimated to be attributed to Kentucky Power and $182,144,000 can be estimated to be attributed to Kentucky Transco. Since the book value of the assets at the time of closing is not yet known, the purchase price premium ($2,846,000,000 minus the book value of the assets) is also not yet able to be calculated.

Witness: Peter Eichler

EXHIBIT___(LK-4)

American Electric Power Company, Inc.
Kentucky Power Company
Liberty Utilities Co.
KPSC Case No. 2021-00481
KIUC's Second Set of Data Requests
Dated February 4, 2022

DATA REQUEST

KIUC 2_1 In Case No. 2011-00124, the Applicants, including Duke Energy Kentucky ("DEK"), sought approval of revisions to certain affiliate agreements pursuant to the requirements of KRS 278.2207, as described by DEK in its Application and recapped by the Commission in its Order in that case as follows:

Duke Kentucky and many of its affiliates are parties to Commission-approved service agreements that permit transactions to occur between the parties under defined pricing terms and conditions. The Applicants are requesting approval of revisions that reflect the addition of Progress as a party to the following affiliate agreements: (1) Service Company Utility Service Agreement; (2) Operating Companies Service Agreement; (3) Utility Money Pool Agreement; (4) Intercompany Asset Transfer Agreement; and (5) Tax Sharing Agreement.

a. Provide a list of all existing Kentucky Power Company affiliate agreements, including any agreements that already have been terminated in anticipation of the sale of the Company. For each agreement that already has been terminated or is in the process of termination, describe what actions were or will be taken to terminate the agreement and all filings made or that will be made with the Commission, other state commissions, and/or the FERC to terminate or revise the agreement.
b. Refer to the response to part (a) of this question. Provide a copy of each existing Kentucky Power Company affiliate agreements, including all agreements that already have been terminated or are in the process of termination in anticipation of the sale of the Company.
c. Refer to the response to part (a) of this question. Identify each agreement that has been approved by the Commission. Provide a case reference to the most recent approval for each approved affiliate agreement.
d. Refer to the response to part (a) of this question. Indicate if Kentucky Power Company and/or the Joint Applicants seek approval to terminate any or all of the existing affiliate agreements. If not, explain why not. If so, provide a list of all agreements that have been or will be terminated and provide a reference to the request(s) in the Application and/or witness testimonies.

e. Indicate if Liberty and/or the Joint Applicants in this proceeding seek approval of any new affiliate agreements. If not, explain why not. If so, list all affected agreements, provide a copy of each of the agreements, and provide a reference to the request(s) in the Application and/or witness testimonies.
f. If not provided in response to part (e) of this question, provide a copy of each new affiliate agreement between Kentucky Power Company and each other Liberty affiliate.

RESPONSE

a. Please see JA_R_KIUC_2_01_Attachment1.pdf for the requested information.

b. Please see JA_R_KIUC_2_01_Attachment2.pdf for the requested information.

c. Of the Agreements identified in JA_R_KIUC_2_01_Attachment1, the Grid Assurance LLC Amended and Restated Subscription Agreement dated April 2, 2019 was approved by the Commission on November 15, 2018 in Case No. 2018-00287.

d. No, Joint Applicants do not seek approval in this proceeding to terminate any of the existing affiliate agreements. Commission approval is not required to terminate any of the existing affiliate agreements.

e. No, Liberty is not seeking approval of any affiliate agreements because, to the extent Kentucky Power will enter into affiliate agreements, they will be in compliance with a FERC approved cost allocation method and thus meets the requirements of KRS 278.2207.

f. Not Applicable.

Witness: Stephan T. Haynes

Witness: Peter Eichler

EXHIBIT___(LK-5)

American Electric Power Company, Inc.
Kentucky Power Company
Liberty Utilities Co.
KPSC Case No. 2021-00481
Commission Staff's First Set of Data Requests
Dated January 13, 2022

DATA REQUEST

KPSC 1_2 Refer to the commitments and assurances set forth in the Application, Direct Testimony of Peter Eichler (Eichler Direct Testimony), and the Application, Exhibit 5, Stock Purchase Agreement (Purchase Agreement). Provide a single document containing the commitments and assurances set forth in the Application, Eichler Direct Testimony, and Purchase Agreement.

RESPONSE

See attached document: "Commitments of Liberty," JA_R_STAFF_1_02_Attachment Commitments of Liberty 2.pdf.

Witness: Peter Eichler

Commitments Made by Liberty Utilities Co.

Commitments made in Application and Testimony of Peter Eichler

- Maintain Kentucky Power's head office in the service territory.
- Localize upwards of 100 utility operations jobs back to Kentucky Power.
- Within 2 years of the close of the transaction, Kentucky Power will evaluate the benefits and costs of its participation in the PJM, and to the extent appropriate, explore alternatives.
- Reopen a customer walk-in center in Ashland and at least one other community.
- Establish and maintain a Kentucky Power Company board of directors comprised of a majority of independent non-management members with at least one seat reserved for a business and/or community leader from Kentucky Power's service territory.
- Assume all regulatory commitments currently in force from prior Commission Orders for Kentucky Power.
- Not seek recovery of the transaction premium or transaction costs in Kentucky Power's rates.
- Continue to work with local and state governmental entities.
- Continue to promote economic development in Kentucky.
- The transaction will not impact or affect contractual relationships with municipal or wholesale customers of Kentucky Power.
- Obtain Commission approval before transferring Kentucky Power property, plant and equipment, consistent with KRS requirements.
- There will be no cross subsidization between Liberty's regulated businesses and Algonquin's non-regulated businesses.
- Kentucky Power will not transfer stock without Commission approval.

Commitments made in Stock Purchase Agreement[1]

- Indemnify, defend and hold harmless past and present directors, officers, and employees of the Kentucky Power and Kentucky Transco for a period of 6 years, as set forth in more detail Section 4.12.

- Assume all obligations under the NSR Consent Decree relating to the Mitchell Interest and Big Sandy, as set forth in more detail in Section 4.13.

- For a period of no less than five years from the Closing Date, cause Kentucky Power to maintain its existing corporate headquarters in Kentucky and, other than in the ordinary course of its business, maintain its existing offices and service centers in Kentucky, as set forth in Section 4.21.

- Kentucky Power and Kentucky Transco employees, whether members of a collective bargaining agreement or not, who are employed by such company immediately prior to the closing will continue to be employed upon closing and will remain employed for a period of two years following the closing, as set forth in more detail in Section 5.3 or otherwise provide such employees severance as set forth in more detail in Section 5.6.

- Employees of Kentucky Power and Kentucky Transco will receive substantially similar, in the aggregate (provided base salary must be at least equal to the current base salary/wage rate), base salary or hourly wages, incentive compensation opportunities, retirement benefits, welfare benefits, and severance benefits as the same exist immediately prior to closing, as set forth in more detail in Section 5.4.

- Provide employees benefits regarding welfare plans, severance, continuing health care coverage, service credit, defined contribution plans, incentive awards, seller benefit plans, and workers compensation benefits, as set forth in more detail in Sections 5.5 through 5.13.

- Kentucky Power must maintain itself as a "Load Serving Entity" under the PJM Market Rules and remain included in the "AEP Zone" until the completion of all remaining "Planning Periods" or which Kentucky Power has committed to jointly participate in a "Fixed Resource Requirement Alternative" as set forth in more detail in Section 4.8(c).

- Kentucky Power and Kentucky Transco must within three business days cease using, and within 120 days remove, all trademarks and service marks of AEP within 120 days of closing as set forth in more detail in Section 4.10.

[1] For purposes of this document, the term "Commitment" as used in relationship to the Stock Purchase Agreement, is intended to mean commitments and assurances agreed to by Liberty Utilities Co. related to the post-acquisition operation of Kentucky Power. Nothing herein is intended to supersede or contradict the contractual obligations of the parties to the Stock Purchase Agreement.

Commitments made in response to KPSC 1-03

- All costs associated with the proposed transaction will not have the effect of increasing Kentucky Power's rates for electric service.

- Kentucky Power's ratepayers will not incur any additional costs, liability, or obligations, directly or indirectly, in conjunction with the proposed transaction. Provided however that Kentucky Power will enter into affiliate service agreements with Algonquin Power & Utilities Corp., Liberty Utilities (Canada) Corp., Liberty Utilities Co. and Liberty Service Corp. for the provision of certain services, and in that respect, will incur new liabilities. The costs of these services, however, will not result in any increase in costs to Kentucky Power customers.

- Kentucky Power will not incur any additional indebtedness or pledge any assets to finance any part of the purchase price paid by Liberty to acquire control of Kentucky Power.

- Kentucky Power's current level of community involvement, charitable contributions, low-income funding, and economic development in Kentucky Power's service territory will be maintained for two years following the close of the transaction so that the Company can best evaluate how to continue to support the community.

- Kentucky Power's customers will not be asked to contribute to costs associated with operating any Liberty subsidiary or affiliates.

- Kentucky Power will not guarantee the credit of any affiliate if the proposed transaction is approved.

- Kentucky Power will not be required to pledge any of its assets to finance the debt or any purchases of any affiliates if the proposed transaction is approved.

- Kentucky Power will not be required to grant liens or encumbrances, or otherwise pledge any of its assets, to finance any or all of the costs of the proposed transaction.

- Liberty will not utilize push-down accounting in any manner arising from the proposed transaction.

- Kentucky Power will give clear and conspicuous notice to Kentucky Power's customers prior to any change in service resulting from the proposed transaction.

- Liberty will commit to ring-fencing of Kentucky Power such that Kentucky Power would be insulated from Liberty's non-utility lines of business. To define "ring-fencing": Liberty will commit that Kentucky Power: (i) will not assume liability for the debts issued by Algonquin Power & Utilities Corp., Liberty Utilities Co., or any of their subsidiaries or affiliates; (ii) will maintain corporate officers who have a fiduciary duty to Kentucky Power, and; (iii) will maintain separate books and records of Kentucky Power, all to provide sufficient ring fencing to Kentucky Power to insulate it from potential liability of from other affiliates.

EXHIBIT___(LK-6)

American Electric Power Company, Inc.
Kentucky Power Company
Liberty Utilities Co.
KPSC Case No. 2021-00481
KIUC's First Set of Data Requests
Dated January 13, 2022

DATA REQUEST

KIUC 1_7 Please provide all analyses and studies performed by or on behalf of any of the Joint Applicants (AEP, Kentucky Power, or Liberty) analyzing the costs and/or benefits to ratepayers of the proposed acquisition of Kentucky Power as compared to the costs and/or benefits to ratepayers that would result if no acquisition of Kentucky Power takes place.

RESPONSE

The Joint Applicants have not performed any analysis responsive to the request. As the Joint Applicants do not intend to seek recovery of the transaction costs from Kentucky customers, the cost of the acquisition will have no customer impact.

Witness: Brian K. West

Witness: Stephan T. Haynes

Witness: Peter Eichler

EXHIBIT___(LK-7)

DATA REQUEST

KIUC 1_8 Please provide all analyses and studies performed by or on behalf of any of the Joint Applicants (AEP, Kentucky Power, or Liberty) analyzing the impact on retail rates of the proposed acquisition of Kentucky Power as compared to the retail rates that would result if no acquisition of Kentucky Power takes place.

RESPONSE

The Joint Applicants did not conduct a comparative rate impact analysis between the scenarios contemplated in this question. Given that Kentucky Power's base retail rates are set through to January 1, 2024, Liberty's operating assumption was that base rates would remain unchanged for nearly two years from the transaction's anticipated close. For information on Liberty's research into the status quo of Kentucky Power's rates, please refer to the response to AG 1-120.

Witness: Brian K. West

Witness: Stephan T. Haynes

Witness: Peter Eichler

EXHIBIT___(LK-8)

American Electric Power Company, Inc.
Kentucky Power Company
Liberty Utilities Co.
KPSC Case No. 2021-00481
KIUC's First Set of Data Requests
Dated January 13, 2022

DATA REQUEST

KIUC 1_51 Indicate whether the acquired Kentucky Power and/or Kentucky Transco will record an acquisition or transaction premium on their accounting books. If so, confirm that whether to record an acquisition or transaction premium on the acquired company's or the acquiring company's accounting books is at the discretion of the acquiring company pursuant to GAAP. If this is not the case, then provide a corrected statement and a copy of all authorities relied on for the corrected statement.

RESPONSE

The acquisition premium will be recorded as a fair value adjustment and recorded in the holding company. Liberty will not apply pushdown accounting.

Witness: Peter Eichler

EXHIBIT___(LK-9)

American Electric Power Company, Inc.
Kentucky Power Company
Liberty Utilities Co.
KPSC Case No. 2021-00481
KIUC's Second Set of Data Requests
Dated February 4, 2022

DATA REQUEST

KIUC 2_1 In Case No. 2011-00124, the Applicants, including Duke Energy Kentucky ("DEK"), sought approval of revisions to certain affiliate agreements pursuant to the requirements of KRS 278.2207, as described by DEK in its Application and recapped by the Commission in its Order in that case as follows:

Duke Kentucky and many of its affiliates are parties to Commission-approved service agreements that permit transactions to occur between the parties under defined pricing terms and conditions. The Applicants are requesting approval of revisions that reflect the addition of Progress as a party to the following affiliate agreements: (1) Service Company Utility Service Agreement; (2) Operating Companies Service Agreement; (3) Utility Money Pool Agreement; (4) Intercompany Asset Transfer Agreement; and (5) Tax Sharing Agreement.

a. Provide a list of all existing Kentucky Power Company affiliate agreements, including any agreements that already have been terminated in anticipation of the sale of the Company. For each agreement that already has been terminated or is in the process of termination, describe what actions were or will be taken to terminate the agreement and all filings made or that will be made with the Commission, other state commissions, and/or the FERC to terminate or revise the agreement.
b. Refer to the response to part (a) of this question. Provide a copy of each existing Kentucky Power Company affiliate agreements, including all agreements that already have been terminated or are in the process of termination in anticipation of the sale of the Company.
c. Refer to the response to part (a) of this question. Identify each agreement that has been approved by the Commission. Provide a case reference to the most recent approval for each approved affiliate agreement.
d. Refer to the response to part (a) of this question. Indicate if Kentucky Power Company and/or the Joint Applicants seek approval to terminate any or all of the existing affiliate agreements. If not, explain why not. If so, provide a list of all agreements that have been or will be terminated and provide a reference to the request(s) in the Application and/or witness testimonies.

e. Indicate if Liberty and/or the Joint Applicants in this proceeding seek approval of any new affiliate agreements. If not, explain why not. If so, list all affected agreements, provide a copy of each of the agreements, and provide a reference to the request(s) in the Application and/or witness testimonies.

f. If not provided in response to part (e) of this question, provide a copy of each new affiliate agreement between Kentucky Power Company and each other Liberty affiliate.

RESPONSE

a. Please see JA_R_KIUC_2_01_Attachment1.pdf for the requested information.

b. Please see JA_R_KIUC_2_01_Attachment2.pdf for the requested information.

c. Of the Agreements identified in JA_R_KIUC_2_01_Attachment1, the Grid Assurance LLC Amended and Restated Subscription Agreement dated April 2, 2019 was approved by the Commission on November 15, 2018 in Case No. 2018-00287.

d. No, Joint Applicants do not seek approval in this proceeding to terminate any of the existing affiliate agreements. Commission approval is not required to terminate any of the existing affiliate agreements.

e. No, Liberty is not seeking approval of any affiliate agreements because, to the extent Kentucky Power will enter into affiliate agreements, they will be in compliance with a FERC approved cost allocation method and thus meets the requirements of KRS 278.2207.

f. Not Applicable.

Witness: Stephan T. Haynes

Witness: Peter Eichler

LIST OF AFFILIATE AGREEMENTS TO WHICH KENTUCKY POWER COMPANY IS CURRENTLY A PARTY

1. Unit Power Agreement dated August 1, 1984 between Kentucky Power and AEP Generating Company.

2. Amended and Restated Cook Coal Terminal Transfer Agreement dated December 16, 2013 among Kentucky Power, AEP Generating Company, Appalachian Power Company and Indiana Michigan Power Company.

3. Service Agreement dated June 15, 2000 between Kentucky Power and AEPSC.[1]

4. System Integration Agreement dated June 15, 2000, as amended June 1, 2015, among Kentucky Power, Wheeling Power Company, Appalachian Power Company, Indiana Michigan Power Company, Public Service Company of Oklahoma, Southwestern Electric Power Company and AEPSC, as amended (including cancellation of the certificate of concurrence).[2]

5. Transmission Agreement dated April 1, 1984, as amended November 1, 2010, among Kentucky Power, Wheeling Power Company, Ohio Power Company, Appalachian Power Company, Indiana Michigan Power Company, Kingsport Power Company and AEPSC Transmission Agreement dated April 1, 1984, as amended November 1, 2010, among Kentucky Power, Wheeling Power Company, Ohio Power Company, Appalachian Power Company, Indiana Michigan Power Company, Kingsport Power Company and AEPSC.[3]

6. PJM Transmission Formula Rate – Attachment H-14 (Kentucky Power) and H-20 (Kentucky TransCo) of PJM Open Access Transmission Tariff ("OATT") among Kentucky Power, Wheeling Power Company, Ohio Power Company, Appalachian Power Company, Indiana Michigan Power Company, Kingsport Power Company and AEPSC.[4]

7. AEP Open Access Transmission Tariff (OATT) dated June 20, 2017 among Kentucky Power, Wheeling Power Company, Ohio Power Company, Appalachian Power Company, Indiana Michigan Power Company, Kingsport Power Company, AEP Texas Inc. (formed via merger of AEP Texas Central Company and AEP Texas North Company), Public Service Company of Oklahoma, Southwestern Electric Power Company and AEPSC (including cancellation of the certificate of concurrence).[5]

[1] Kentucky Power will withdraw from the agreement at closing.
[2] This Agreement will either be cancelled or Kentucky Power will withdraw from the agreement at closing..
[3] A 205 filing will be made at FERC to withdraw Kentucky Power from the agreement.
[4] A 205 filing will be made at FERC to withdraw Kentucky Power from the agreement.
[5] A 205 filing will be made at FERC to withdraw Kentucky Power from the agreement.

8. Bridge Agreement dated January 1, 2014 among Kentucky Power, Ohio Power Company, Appalachian Power Company, Indiana Michigan Power Company and AEPSC (including cancellation of the certificate of concurrence).[6]

9. Affiliated Transactions Agreement dated December 31, 1996 by and among AEPSC, Appalachian Power Company, Indiana Michigan Power Company, Kentucky Power, Kingsport Power Company, Ohio Power Company and Wheeling Power Company.[7]

10. Affiliated Transactions Agreement for Sharing Capitalized Spare Parts dated January 1, 2014 among AEP Generation Resources Inc. and AEPSC, as agent for Kentucky Power, Appalachian Power Company, Indiana Michigan Power Company and AEP Generating Company.[8]

11. Affiliated Transactions Agreement for Sharing Materials and Supplies dated January 1, 2014 among AEP Generation Resources Inc. and AEPSC, as agent for Kentucky Power, Appalachian Power Company, Indiana Michigan Power Company, Ohio Power Company and AEP Generating Company.[9]

12. Affiliated Transactions Agreement for Sharing Materials, Equipment, Supplies, and Capitalized Spare Parts dated May 13, 2021 among (a) Appalachian Power Company, Wheeling Power Company, Indiana Michigan Power Company, Kentucky Power, Kingsport Power Company, Ohio Power Company; (b) Public Service Company of Oklahoma, Southwestern Electric Power Company, and AEP Oklahoma Transmission Company; and (c) American Electric Power Service Corporation, as agent.[10]

13. Affiliated Transactions Agreement for Sharing Transmission Assets dated May 13, 2021 among (a) AEP Ohio Transmission Company, Inc., AEP West Virginia Transmission Company, Inc., AEP Appalachian Transmission Company, Inc., AEP Indiana Michigan Transmission Company, Inc., and Kentucky TransCo; (b) Appalachian Power Company, Wheeling Power Company, Indiana Michigan Power Company, Kentucky Power, Kingsport Power Company, Ohio Power Company; and (c) American Electric Power Service Corporation, as agent.[11]

14. Barge Transportation Agreement dated May 1, 1986 between certain operating companies of the American Electric Power System, including Kentucky Power, and Indiana Michigan Power Company, as amended by Amendment No. 1 dated September 12, 2013, as further amended by Amendment No. 2 dated May 9, 2019.[12]

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[6] This Agreement will either be cancelled or Kentucky Power will withdraw from the agreement at closing.
[7] Kentucky Power will withdraw from the agreement at closing.
[8] A filing will be made notifying FERC of Kentucky Power's withdrawal from the agreement.
[9] A filing will be made notifying FERC of Kentucky Power's withdrawal from the agreement.
[10] Kentucky Power will withdraw from the agreement at closing.
[11] Kentucky Power will withdraw from the agreement at closing.
[12] Kentucky Power will withdraw from the agreement at closing.

15. Central Machine Shop Agreement dated January 1, 1979 among Kentucky Power, Appalachian Power Company, Indiana Michigan Power Company, Kingsport Power Company, AEP Generating Company and AEP Generation Resources Inc.[13]

16. Reactive Supply and Voltage Control from Generation Service Tariff dated June 1, 2015 among Kentucky Power, Wheeling Power Company, Appalachian Power Company and Indiana Michigan Power Company (to remove the Kentucky Power portion of Mitchell Plant and Big Sandy Plant from the AEP Reactive Revenue Requirement in addition to withdrawal of Kentucky Power).[14]

17. AEP Operating Companies Market Based Rate Tariff among Kentucky Power, Wheeling Power Company, Ohio Power Company, Appalachian Power Company, Indiana Michigan Power Company, Kingsport Power Company and AEPSC (including termination of the certificate of concurrence).[15]

18. Existing Mitchell Operating Agreement effective December 31, 2014 among Kentucky Power, Wheeling Power Company and American Electric Power Service Corporation, as agent.[16]

19. Existing Power Coordination Agreement effective June 1, 2015 among Appalachian Power Company, Indiana Michigan Power Company, Kentucky Power, Wheeling Power Company, and American Electric Power Service Corporation, as agent.[17]

20. Amended and Restated Urea Handling Agreement dated December 16, 2013 among Indiana Michigan Power Company, Kentucky Power and Appalachian Power Company.[18]

21. AEP System Rail Car Use Agreement dated April 1, 1982 among Indiana Michigan Power Company, Appalachian Power Company, Ohio Power Company, Southwestern Electric Power Company, Public Service Company of Oklahoma and Kentucky Power, as amended by Amendment No. 1 dated July 1, 2006, as further amended by Amendment No. 2 dated September 12, 2013.[19]

22. American Electric Power Company, Inc. and its Consolidated Affiliates Tax Agreement under Title 17, Chapter II of the Code of Federal Regulations Paragraph (C) of Section 250.45 Regarding Method of Allocating Consolidated Income Taxes.[20]

23. Rail Car Maintenance Agreement dated August 1, 2013 among AEP Generating

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[13] A filing will be made notifying FERC of Kentucky Power's withdrawal from the agreement.
[14] A 205 filing will be made at FERC to withdraw Kentucky Power from the tariff.
[15] A 205 filing will be made at FERC to withdraw Kentucky Power from the tariff.
[16] Will be terminated and replaced with the Mitchell Plant Ownership Agreement and the Mitchell Plant Operations and Maintenance Agreement as of the date of its regulatory approval.
[17] A 205 filing will be made at FERC to withdraw Kentucky Power from the tariff.
[18] Kentucky Power will withdraw from the agreement at closing.
[19] Kentucky Power will withdraw from the agreement at closing.
[20] Kentucky Power will withdraw from the agreement at closing.

Company, Ohio Power Company, Appalachian Power Company, Public Service Company of Oklahoma and Southwestern Electric Power Company.[21]

24. Agreement between Kentucky Power and AEP Energy Services, Inc. dated July 7, 1983.[22]

25. Purchase Contract dated March 31, 1975 between Kentucky Power and Indiana Franklin Realty, Inc.[23]

26. Purchase Contract dated June 7, 1963 between Kentucky Power and The Franklin Real Estate Company.[24]

27. Assignment to Kentucky Power dated December 15, 2013 of Ohio Power Company's interest in Gypsum and Purge Stream Waste Disposal Agreement dated November 16, 2007 between Appalachian Power Company and Ohio Power Company.[25]

28. Agreement between Kentucky Power and AEP Energy Solutions, Inc. dated September 27, 1996.[26]

29. Amended and Restated Utility Money Pool Agreement dated December 9, 2004 by and among AEP and certain other affiliates, including Kentucky Power, as amended by Amendment Nos. 1 through 7.[27]

30. Gypsum Side Letter Agreement dated December 31, 2013 among Kentucky Power, Cardinal Operating Company, Buckeye Power, Inc. and AEP Generation Resources Inc.

31. Grid Assurance LLC Amended and Restated Subscription Agreement dated April 2, 2019 among Grid Assurance LLC, Kentucky Power, and Kentucky TransCo and several other Affiliates, as amended. Kentucky Power participated in the Grid Assurance program in accordance with an Order entered on November 15, 2018 in Case No. 2018-00287 by the KPSC.[28]

32. Interconnection Services Agreement dated December 31, 2013 between Kentucky Power and Appalachian Power Company (for Mitchell).[29]

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[21] Kentucky Power will withdraw from the agreement at closing.
[22] Kentucky Power will withdraw from the agreement at closing.
[23] Kentucky Power will withdraw from the agreement at closing.
[24] Kentucky Power will withdraw from the agreement at closing.
[25] Kentucky Power will withdraw from the agreement at closing.
[26] Kentucky Power will withdraw from the agreement at closing.
[27] A filing will be made notifying FERC of Kentucky Power's withdrawal from the agreement.
[28] Kentucky Power will withdraw from the agreement at closing.
[29] A 205 filing will be made at FERC to withdraw Kentucky Power from the tariff (and substitute Wheeling Power, as plant operator).

33. Third Amended and Restated Purchase Agreement between Kentucky Power and AEP Credit, Inc. dated August 25, 2004, as amended.[30]

[30] Kentucky Power will withdraw from the agreement at closing.

SERVICE AGREEMENT

THIS SERVICE AGREEMENT, made as of the 15th day of June, 2000, between American Electric Power Service Corporation, a New York corporation ("Service Corporation") and Kentucky Power Company, a Kentucky corporation ("Client").

WITNESSETH:

WHEREAS, both Service Corporation and Client are associate companies in the American Electric Power System (the "AEP System"), which is comprised of American Electric Power Company, Inc. ("American") and its subsidiary companies; and

WHEREAS, Service Corporation is a wholly-owned subsidiary of American and is approved by the Securities and Exchange Commission (the "Commission") as a subsidiary service company pursuant to the provisions of Section 13 of the Public Utility Holding Company Act of 1935, as amended (the "1935 Act"); and

WHEREAS, Service Corporation maintains an organization of employees who are experienced in the operations of public utilities and related businesses, together with appropriate facilities and equipment, through which it is prepared to provide various management, administrative, financial, technical and other services, as hereinafter provided, to Client and to other member companies in the AEP System (Client, together with such other member companies, are hereinafter referred to collectively as "Clients"); and

WHEREAS, such services will be rendered at cost, determined in accordance with the applicable rules and regulations of the Commission under the 1935 Act, and the allocation of such costs among Clients will be made in accordance with the authority granted by the Commission in HCAR No. 27186 in File No. 70-9381 (June 14, 2000);

NOW, THEREFORE, in consideration of the premises and of the mutual agreements herein contained, Service Corporation and Client hereby agree as follows:

1. Agreement to Provide Services. Service Corporation agrees to provide to Client from time to time, upon the terms and conditions hereinafter set forth, such of the following services as may properly be rendered by Service Corporation to Client (within the meaning and intent of the 1935 Act and any other applicable statutes and the orders, rules and regulations of the Commission and any other governmental bodies having jurisdiction) at such times, for such periods and in such manner as Client may from time to time require and which Service Corporation is equipped to perform:

(a) Consultation, analysis, advice and performance of services in connection with matters relating to operations, management, financing and financial planning, engineering, system planning, law, corporate communications, corporate development, energy production, energy delivery and pricing, environmental requirements, marketing, governmental and general business problems or questions;

(b) Consultation, analysis, advice and performance of services in connection with human relations and employee benefit plans;

(c) Tax services relating to the preparation and filing of returns for federal, state and local taxes, including consolidated tax returns;

(d) Assistance in connection with any audits of such tax returns by Internal Revenue Service and other taxing bodies or authorities;

(e) Consultation, analysis, advice and performance of services in connection with accounting matters and financial reporting; and

(f) Electronic data processing services, including establishing and operating a data processing center, processing of customer billings, revenues and statistics, payrolls, property accounting, general accounting, cash forecasts, load flow studies, and various other business and engineering applications as may from time to time be in the best interest of Client.

Service Corporation will render all services performed under this Service Agreement at cost, determined in accordance with Rule 91 of the Rules and Regulations of the Commission.

Service Corporation will also provide Client with such other services, in addition to those specified above, as may be requested by Client and which Service Corporation concludes it is equipped to perform. In providing such services, Service Corporation may arrange, where it deems appropriate, for the services of experts, consultants, advisers and other persons with necessary qualifications as are required for or pertinent to the rendition of such services.

2. Agreement to Take Services. Client agrees to take from Service Corporation such of the services described in Section 1 hereof and such additional general and special services, whether or not now contemplated, as are requested from time to time by Client and which Service Corporation is equipped to perform.

3. Compensation and Allocation. As compensation for the services to be rendered hereunder, Client agrees to pay to Service Corporation all costs which reasonably can be identified and related to particular transactions or services performed by Service Corporation on Client's behalf. Where more than one Client is involved in or has received benefits from a transaction or service performed, costs will be allocated and billed among such Clients on the basis most directly related to the transaction or service performed. Allocated costs will be billed using appropriate attribution bases as authorized by the Commission.

As soon as practicable after the close of each month, Service Corporation shall render a monthly statement to Client which shall reflect the billing information necessary to identify the costs and allocations made and charged for that month. Client agrees to remit to Service Corporation all charges billed to Client within 30 days after receipt of the monthly statement.

4. Termination of Prior Agreement. This Service Agreement supersedes the agreement dated January 1, 1980, between the parties hereto, providing for the rendition of services by Service Corporation to Client.

5. Term and Termination. This Service Agreement shall become effective upon the fifteenth day of June, 2000, and shall continue in full force and effect until terminated by either party hereto upon not less than ninety (90) days' prior written notice to the other party. This Service Agreement shall also be subject to termination or modification at any time if and to the extent its performance may or shall conflict with (i) any rule, regulation or order of the Commission pursuant to the provisions of the 1935 Act, whether issued before or after the effective date of this Service Agreement, or (ii) any rule, regulation or order of any other governmental body having jurisdiction.

IN WITNESS WHEREOF, the parties hereto have caused this Service Agreement to be executed as of the date first above written.

AMERICAN ELECTRIC POWER SERVICE CORPORATION

H. W. Fayne, Vice President

KENTUCKY POWER COMPANY

H. W. Fayne, Vice President

EXHIBIT___(LK-10)

AMERICAN ELECTRIC POWER COMPANY, INC. AND ITS CONSOLIDATED AFFILIATES TAX AGREEMENT UNDER TITLE 17, CHAPTER II OF THE CODE OF FEDERAL REGULATIONS PARAGRAPH (C) OF SECTION 250.45 REGARDING METHOD OF ALLOCATING CONSOLIDATED INCOME TAXES

The below listed affiliated companies, joining in the annual filing of a consolidated federal income tax return with American Electric Power Company, Inc., agree to allocate the consolidated annual net current federal income tax liability and/or benefit to the members of the consolidated group in accordance with the following procedures:

(1) The consolidated regular federal income tax, exclusive of capital gains and preference taxes and before the application of general business credits including foreign tax credits, shall be apportioned among the members of the consolidated group based on corporate taxable income. Loss companies shall be included in the allocation, receiving a negative tax allocation which is similar to a separate return carryback refund, before considering general business credits, which would have resulted had the loss company historically filed a separate return.

(2) The corporate taxable income of each member of the group shall be first reduced by its proportionate share of American Electric Power Company, Inc.'s (the holding company) tax loss (excluding the effects of extraordinary items which do not apply to the regulated business) in arriving at adjusted corporate taxable income for each member of the group with positive taxable income.

(3) To the extent that the consolidated and corporate taxable incomes include material items taxed at rates other than the statutory tax rate (such as capital gains and preference items), the portion of the consolidated tax attributable to these items shall be apportioned directly to the members of the group giving rise to such items.

(4) General business credits, other tax credits, and foreign tax credits shall be equitably allocated to those members whose investments or contributions generates the tax credit.

(5) If the tax credits can not be entirely utilized to offset the consolidated tax liability, the tax credit carryover shall be equitably allocated to those members whose investments or contributions generated the credit.

(6) Should the consolidated group generate a net operating tax loss for a calendar year, the tax benefits of any resultant carryback refund shall be allocated proportionately to member companies that generated corporate tax losses in the year the consolidated net operating loss was generated. Any related loss of general business credits, shall be allocated to the member companies that utilized the credits in the prior year in the same proportion that the credit lost is to the total credit utilized in the prior year. A consolidated net operating tax loss carryfoward shall be allocated proportionately to member companies that generated the original tax losses that gave rise to the consolidated net operating tax loss carryforward.

(7) A member with a net positive tax allocation shall pay the holding company the net amount allocated, while a tax loss member with a net negative tax allocation shall receive current payment from the holding company in the amount of its negative allocation. The payment made to a member with a tax loss should equal the amount by which the consolidated tax is reduced by including the member's net corporate tax loss in the consolidated tax return. The holding company shall pay to the Internal Revenue Service the consolidated group's net current federal income tax liability from the net of the receipts and payments.

(8) No member of the consolidated group shall be allocated a federal income tax which is greater than the federal income tax computed as if such member had filed a separate return.

(9) Prior to the 1991 tax year, CSW Leasing, Inc. and CSW Energy Inc. were excluded from the tax allocation pursuant to Rule 45(c)(4) and the tax benefits attributable to such companies' losses and credits were allocated to the Central and South West Corporation. These excluded companies retain separate return carryover rights for the losses and credits availed of by the parent corporation through the consolidated return. On future consolidated tax allocations, Central and South West Corporation shall pay such companies for the previously allocated tax benefits to the extent the companies are able to offset separate return corporate taxable income with such carryovers.

(10) In the event the consolidated tax liability is subsequently revised by Internal Revenue Service audit adjustments, amended returns, claims for refund, or otherwise, such changes shall be allocated in the same manner as though the adjustments on which they are based had formed part of the original consolidated return using the tax allocation agreement which was in effect at that time.

Any current state tax liability and/or benefit associated with a state tax return involving more than one member of the consolidated group, shall be allocated to such members following the principles set forth above for current federal income taxes. Due to certain states utilizing a unitary approach, the consolidated return liability may exceed the sum of the liabilities computed for each company on a separate return basis. If this occurs, the excess of the consolidated liability over the sum of the separate return liabilities shall be allocated proportionally based on each member's contribution to the consolidated apportionment percentage. If additional tax is attributable to a significant transaction or event, such additional tax shall be allocated directly to the members who are party to said transaction or event.

This agreement is subject to revision as a result of changes in federal and state tax law and relevant facts and circumstances.

The above procedures for apportioning the consolidated annual net current federal and state tax liabilities and expenses of American Electric Power Company, Inc. and its consolidating affiliates have been agreed to by each of the below listed members of the consolidated group as evidenced by the signature of an officer of each company.

COMPANY	OFFICER'S SIGNATURE
American Electric Power Company, Inc.	/S/ W.L. Scott
American Electric Power Service Corporation	/S/ W.L. Scott
AEP C&I Company, LLC	/S/ Timothy A. King
AEP Communications, Inc.	/S/ W.L. Scott
AEP Communications, LLC	/S/ Jeffrey D. Cross
AEP Credit, Inc.	/S/ W.L. Scott
AEP Delaware Investment Company	/S/ Mark A. Pyle
AEP Delaware Investment Company II	/S/ Mark A. Pyle
AEP Energy Management, LLC	/S/ Jeffrey D. Cross
AEP Energy Services, Inc.	/S/ W.L. Scott

AEP Energy Services Gas Holding Company	/S/ Mark A. Pyle
AEP Energy Services Investments, Inc.	/S/ Mark A. Pyle
AEP Energy Services Ventures, Inc.	/S/ Mark A. Pyle
AEP Energy Services Ventures II, Inc.	/S/ Mark A. Pyle
AEP Energy Services Ventures III, Inc.	/S/ Mark A. Pyle
AEP Fiber Ventures, LLC	/S/ Timothy A. King
AEP Gas Power GP, LLC	/S/ Timothy A. King
AEP Gas Power System GP, LLC	/S/ Jeffrey D. Cross
AEP Generating Company	/S/ W.L. Scott
AEP Investments, Inc.	/S/ W.L. Scott
AEP Ohio Commercial & Industrial Retail Co.	/S/ Timothy A. King
AEP Ohio Retail Energy, LLC	/S/ Jeffrey D. Cross
AEP Power Marketing, Inc.	/S/ Thomas Ashford
AEP Pro Serv, Inc.	/S/ W.L. Scott
AEP Resources, Inc.	/S/ W.L. Scott
AEP Resources Services, LLC	/S/ Jeffrey D. Cross

AEP Retail Energy, LLC	/S/ Jeffrey D. Cross
AEP T & D Services, LLC	/S/ Timothy A. King
AEP Texas Commercial & Industrial Retail GP	/S/ Timothy A. King
AEP Texas Retail GP, LLC	/S/ Timothy A. King
Appalachian Power Company	/S/ W.L. Scott
Ash Creek Mining Company	/S/ W.L. Scott
Blackhawk Coal Company	/S/ W.L. Scott
Cedar Coal Company	/S/ W.L. Scott
Central and South West Corporation	/S/ W.L. Scott
Central and South West Services, Inc.	/S/ W.L. Scott
Central Appalachian Coal Company	/S/ W.L. Scott
Central Coal Company	/S/ W.L. Scott
Central Ohio Coal Company	/S/ W.L. Scott
Central Power and Light Company	/S/ W.L. Scott
Colomet, Inc.	/S/ W.L. Scott
Columbus Southern Power Company	/S/ W.L. Scott

Conesville Coal Preparation Company	/S/ W.L. Scott
C3 Communications, Inc.	/S/ W.L. Scott
CSW Development-I, Inc.	/S/ Mark A. Pyle
CSW Development-II, Inc.	/S/ Mark A. Pyle
CSW Development-3, Inc.	/S/ Mark A. Pyle
CSW Eastex GP I, Inc.	/S/ Mark A. Pyle
CSW Eastex GP II, Inc.	/S/ Mark A. Pyle
CSW Eastex LP I, Inc.	/S/ Mark A. Pyle
CSW Eastex LP II, Inc.	/S/ Mark A. Pyle
CSW Energy, Inc.	/S/ W.L. Scott
CSW Energy Services, Inc.	/S/ Thomas Ashford
CSW Frontera GP I, Inc.	/S/ Timothy A. King
CSW Frontera GP II, Inc.	/S/ Timothy A. King
CSW Frontera LP I, Inc.	/S/ Timothy A. King
CSW Frontera LP II, Inc.	/S/ Timothy A. King
CSW Ft. Lupton, Inc.	/S/ Mark A. Pyle

CSW International, Inc.	/S/ W.L. Scott
CSW International (U.K.), Inc.	/S/ Mark A. Pyle
CSW International Two, Inc.	/S/ Mark A. Pyle
CSW International Three, Inc.	/S/ Mark A. Pyle
CSW Leasing, Inc.	/S/ W.L. Scott
CSW Mulberry, Inc.	/S/ Mark A. Pyle
CSW Mulberry II, Inc.	/S/ Mark A. Pyle
CSW Nevada, Inc.	/S/ Mark A. Pyle
CSW Northwest GP, Inc.	/S/ Mark A. Pyle
CSW Northwest LP, Inc.	/S/ Mark A. Pyle
CSW Orange, Inc.	/S/ Mark A. Pyle
CSW Orange II, Inc.	/S/ Mark A. Pyle
CSW Power Marketing, Inc.	/S/ Mark A. Pyle
CSW Services International, Inc.	/S/ Mark A. Pyle
CSW Sweeny GP I, Inc.	/S/ Mark A. Pyle
CSW Sweeny GP II, Inc.	/S/ Mark A. Pyle

CSW Sweeny LP I, Inc.	/S/ Mark A. Pyle
CSW Sweeny LP II, Inc.	/S/ Mark A. Pyle
CSWC Southwest Holding, Inc.	/S/ Mark A. Pyle
CSWC TeleChoice, Inc.	/S/ Mark A. Pyle
CSWC TeleChoice Management, Inc.	/S/ Mark A. Pyle
Datapult, LLC	/S/ Timothy A. King
DECCO II, LLC	/S/ Mark A. Pyle
Diversified Energy Contractors Co., LLC	/S/ Mark A. Pyle
Enershop, Inc.	/S/ Mark A. Pyle
Envirotherm, Inc.	/S/ Mark A. Pyle
Franklin Real Estate Company	/S/ W.L. Scott
Indiana Franklin Realty, Inc.	/S/ W.L. Scott
Indiana Michigan Power Company	/S/ W.L. Scott
Industry and Energy Associates, LLC	/S/ Mark A. Pyle
Kentucky Power Company	/S/ W.L. Scott
Kingsport Power Company	/S/ W.L. Scott

Latin American Energy Holding, Inc.	/S/ Mark A. Pyle
LIG, Inc.	/S/ Mark A. Pyle
LIG Chemical Company	/S/ Mark A. Pyle
LIG Liquids Company, LLC	/S/ Mark A. Pyle
LIG Pipeline Company	/S/ Mark A. Pyle
Louisiana Intrastate Gas Company, LLC	/S/ Mark A. Pyle
Mutual Energy, LLC	/S/ Timothy A. King
Mutual Energy Service Company, LLC	/S/ Timothy A. King
Newgulf Power Venture, Inc.	/S/ Mark A. Pyle
Noah I Power G.P., Inc.	/S/ Mark A. Pyle
Ohio Power Company	/S/ W.L. Scott
Price River Coal Company, Inc.	/S/ W.L. Scott
Public Service Company of Oklahoma	/S/ W.L. Scott
Simco, Inc.	/S/ W.L. Scott
Southern Appalachian Coal Company	/S/ W.L. Scott
Southern Ohio Coal Company	/S/ W.L. Scott

Southwest Arkansas Utilities Corp.	/S/ W.L. Scott
Southwestern Electric Power Company	/S/ W.L. Scott
Southwestern Wholesale Electric Company	/S/ Mark A. Pyle
Tuscaloosa Pipeline Company	/S/ Mark A. Pyle
Ventures Lease Co., LLC	/S/ Timothy A. King
West Texas Utilities Company	/S/ W.L. Scott
West Virginia Power Company	/S/ W.L. Scott
Wheeling Power Company	/S/ W.L. Scott
Windsor Coal Company	/S/ W.L. Scott

EXHIBIT___(LK-11)

American Electric Power Company, Inc.
Kentucky Power Company
Liberty Utilities Co.
KPSC Case No. 2021-00481
KIUC's Second Set of Data Requests
Dated February 4, 2022

DATA REQUEST

KIUC 2_40 Describe all actions taken by each of the major credit rating agencies with respect to the Company's debt subsequent to the announcement last year that AEP had entered into an agreement to sell the Company to Liberty. Indicate whether the rating agencies considered the sale to Liberty credit negative or credit positive. Cite and provide a copy of all relevant credit rating agencies releases and/or reports.

RESPONSE

Moody's: No action was taken. The transaction was considered credit neutral to AEP given the small size of the Kentucky companies and the use of substantially all of the cash proceeds to replace $1.4 billion of AEP's planned equity financing in 2022.

S&P: Revised the CreditWatch implications on Kentucky Power to negative. The revised CreditWatch placement reflects the announced sale of Kentucky Power to lower-rated Algonquin Power & Utilities Corp., which is below S&P's issuer credit rating on Kentucky Power. CreditWatch with negative implications reflects their expectation that they will likely downgrade Kentucky Power by one notch as APUC, the acquiring entity, is currently rated 'BBB', and they expect to align their ratings on Kentucky Power with those of APUC.

Fitch: Downgraded AEP's Long-Term Issuer Default Rating and senior unsecured ratings to 'BBB' from 'BBB+'. The downgrade reflected the Company's announcement that the $.1.45B cash proceeds from the planned sale of Kentucky Power to Algonquin Power & Utilities will be used to offset forecasted equity needs in 2022. As a result, Fitch expects the Company's credit metrics (FFO Leverage) to continue to exceed the stated downgrade threshold for a 'BBB+' rating.

Referenced reports can be found in JA_R_KIUC_2_40_ConfidentialAttachment1.pdf and in JA_R_KIUC_2_40_Attachment2.pdf and JA_R_KIUC_2_40_Attachment3.pdf.

Witness: Stephan T. Haynes

JA_R_KIUC_2_40_PublicAttachment1 has been redacted in its entirety.

S&P Global
Ratings

RatingsDirect®

Research Update:

Kentucky Power Co. CreditWatch Implications Revised To Negative From Developing On AEP Sale Agreement

October 28, 2021

Rating Action Overview

- American Electric Power Co. Inc. (AEP) announced that it has reached an agreement to sell Kentucky Power Co. (KPCo) and a Kentucky transmission entity to Algonquin Power & Utilities Corp. (APUC) for about $2.85 billion, including assumed debt of about $1.2 billion. The transaction is expected to close by the end of the second quarter of 2022.
- We revised the CreditWatch implications on KPCo to negative from developing on our 'BBB+' issuer credit rating and issue-level ratings on its senior unsecured debt. We previously placed the ratings on CreditWatch with developing implications on April 28, 2021.
- The revised CreditWatch placement reflects the announced sale of KPCo to lower-rated APUC, which is below our issuer credit rating on KPCo.

PRIMARY CREDIT ANALYST

Gerrit W Jepsen, CFA
New York
+ 1 (212) 438 2529
gerrit.jepsen
@spglobal.com

SECONDARY CONTACTS

Omar El Gamal
Toronto
omar.elgamal
@spglobal.com

Daria Babitsch
New York
917-574-4573
daria.babitsch1
@spglobal.com

Rating Action Rationale

We revised the CreditWatch implications on KPCo to negative from developing. The CreditWatch with negative implications reflects our expectation that we will likely downgrade KPCo by one notch as APUC, the acquiring entity, is currently rated 'BBB', and we expect to align our ratings on KPCo with those on APUC.

Our assessment of KPCo's stand-alone credit profile (SACP) remains 'bbb'. We continue to assess the company's business risk as strong and its financial risk as significant. Our business risk assessment reflects the regulatory support KPCo receives in Kentucky. The company was under a three-year base rate stay-out through 2020. The recent increase in KPCo's revenue supports its credit quality because it will enable it to recover a higher level of its capital and operating expenses. The company has a small customer base of about 170,000 and limited geographic diversity given that it operates almost entirely in Kentucky. That said, KPCo's service territory demonstrates modest growth. The company derives about half of its energy sales from industrial customers, which leads to less stability in its operating cash flow than if its customer base was entirely residential. KPCo continues to be exposed to energy transition risks because of its coal-fired generation, which accounts for most of its generation capacity.

We assess the company's financial risk profile as significant, which reflects its financial measures, including our expectation for funds from operations (FFO) to debt of 16%-17% through 2023. Our assessment of KPCo's financial risk profile incorporates its recently approved rate case, which will strengthen its financial risk. We use our medial volatility table benchmarks to assess KPCo's financial risk, which are more relaxed benchmarks than those we use for typical corporate issuers. This reflects the company's steady cash flows, low-risk rate-regulated utility operations, and effective management of regulatory risk.

Our assessment of KPCo's group status as moderately strategic lifts our issuer credit rating on the company by one notch above its SACP to account for its limited group support.

CreditWatch

The CreditWatch placement reflects AEP's announced sale of KPCo to lower-rated APUC. We expect to remove the CreditWatch and lower the ratings on KPCo to align with the lower-rated parent as the acquiring company nears or completes the transaction.

Ratings Score Snapshot

Issuer Credit Rating: BBB+/Watch Neg/--

Business risk: Strong

- Country risk: Very low
- Industry risk: Very low
- Competitive position: Satisfactory

Financial risk: Significant

- Cash flow/leverage: Significant

Anchor: bbb

Modifiers

- Diversification/portfolio effect: Neutral (no impact)
- Capital structure: Neutral (no impact)
- Financial policy: Neutral (no impact)
- Liquidity: Adequate (no impact)
- Management and governance: Satisfactory (no impact)
- Comparable rating analysis: Neutral (no impact)

Stand-alone credit profile: bbb

- Group credit profile: a-
- Entity status within group: Moderately strategic (+1 notch from SACP)

Related Criteria

- General Criteria: Environmental, Social, And Governance Principles In Credit Ratings, Oct. 10, 2021
- General Criteria: Group Rating Methodology, July 1, 2019
- Criteria | Corporates | General: Corporate Methodology: Ratios And Adjustments, April 1, 2019
- Criteria | Corporates | General: Reflecting Subordination Risk In Corporate Issue Ratings, March 28, 2018
- Criteria | Corporates | General: Methodology And Assumptions: Liquidity Descriptors For Global Corporate Issuers, Dec. 16, 2014
- General Criteria: Methodology: Industry Risk, Nov. 19, 2013
- General Criteria: Country Risk Assessment Methodology And Assumptions, Nov. 19, 2013
- Criteria | Corporates | Utilities: Key Credit Factors For The Regulated Utilities Industry, Nov. 19, 2013
- Criteria | Corporates | General: Corporate Methodology, Nov. 19, 2013
- General Criteria: Methodology: Management And Governance Credit Factors For Corporate Entities, Nov. 13, 2012
- General Criteria: Principles Of Credit Ratings, Feb. 16, 2011

Ratings List

Ratings Unchanged; CreditWatch Action

	To	From
Kentucky Power Co.		
Issuer Credit Rating	BBB+/Watch Neg/--	BBB+/Watch Dev/--
Senior Unsecured	BBB+/Watch Neg	BBB+/Watch Dev

Certain terms used in this report, particularly certain adjectives used to express our view on rating relevant factors, have specific meanings ascribed to them in our criteria, and should therefore be read in conjunction with such criteria. Please see Ratings Criteria at www.standardandpoors.com for further information. Complete ratings information is available to subscribers of RatingsDirect at www.capitaliq.com. All ratings affected by this rating action can be found on S&P Global Ratings' public website at www.standardandpoors.com. Use the Ratings search box located in the left column.

FitchRatings

RATING ACTION COMMENTARY

Fitch Downgrades AEP's L-T IDR to 'BBB' and S-T IDR to 'F3'; Affirms Kentucky Power

Thu 28 Oct, 2021 - 11:24 AM ET

Fitch Ratings - New York - 28 Oct 2021: Fitch Ratings has downgraded American Electric Power Company, Inc.'s (AEP) Long-Term Issuer Default Rating (IDR) and senior unsecured ratings to 'BBB' from 'BBB+'. Fitch has also downgraded AEP's Short-Term IDR and CP to 'F3' from 'F2'. Additionally, Fitch has affirmed Kentucky Power Co.'s (KPCo) Long-Term IDR at 'BBB' and senior unsecured rating at 'BBB+'. The Rating Outlook for AEP has been revised to Stable from Negative. The Rating Outlook for KPCo is Stable.

The downgrade of AEP's Long-Term IDR reflects the company's announcement that the $1.45 billion cash proceeds from the planned sale of KPCo to Algonquin Power & Utilities (APUC, BBB/Stable) will be used to offset forecasted equity needs in 2022. As a result, Fitch expects the company's credit metrics to continue to exceed the stated downgrade threshold for a 'BBB+' rating. The downgrade of AEP's Short-Term IDR reflects Fitch's assessment of AEP's financial structure, flexibility and operating environment, which results in the assignment of the lower of the two short-term options for the current long-term rating.

The affirmation of KPCO's Long-Term IDR reflects the company's weak, but expected to improve credit metrics and the anticipation that new ownership will continue to support KPCo in a manner that will be consistent with its current 'BBB' rating. Additionally, Fitch expects any conditions imposed by the Kentucky Public Service Commission (KPSC) will not be a deterrent to improved credit metrics at KPCo. The sale also includes KPCo's ownership of AEP Kentucky Transco, which is currently owned by AEP Transmission Company, LLC (AEP Transco, A-/Stable). AEP Transco is not impacted by the transaction, given AEP Kentucky Transco's small size.

KEY RATING DRIVERS

American Electric Power Company, Inc.

KPCo Strategic Review Outcome: AEP announced on Oct. 26, 2021 that it has reached an agreement to sell KPCo to Liberty Utilities (LU, BBB/Stable) the regulated business subsidiary of APUC in a transaction valued at $2.846 billion, including the assumption of $1.3 billion in debt. The sale announcement is the result of a strategic review process announced in April 2021. The sale includes KPCo's Federal Energy Regulatory Commission (FERC) regulated assets, both at KPCo and AEP Transco. The transaction is expected to close 2Q22 and will require the approval of the KPSC and FERC, as well as federal clearance under the Hart-Scott-Rodino Act and the Committee on Foreign Investment in the U.S.

Separately, the parties are negotiating a new operating agreement for the coal-fired Mitchell plant, which is currently operated by KPCo, but jointly-owned by KPCo and AEP subsidiary Wheeling Power Co. (WPCo, NR). Under the new agreement WPCo will assume operational responsibility. Additionally, the agreement is expected to resolve Mitchell's disposition past 2028. The new agreement will require approval by KPSC, Public Service Commission of West Virginia, and FERC. Approval of the new Mitchell operating agreement is required for the transaction to close.

Sale Proceeds to Offset Equity: AEP has announced that the $1.45 billion after tax cash proceeds from the sale of KPCo will be used to offset forecasted equity needs in 2022. As a result, Fitch expects the company's FFO leverage to average 5.4x over the forecast period exceeding the stated downgrade threshold for a 'BBB+' rating of FFO leverage of 5.0x. Fitch's calculations include the effect and assumed favorable regulatory treatment of approximately $1 billion in additional fuel or purchased power costs amassed in February 2021 at PSO and SWEPCO as a result of Winter Storm Uri.

Capex Largely Debt Funded. AEP's 2021-2023 capex plan is 18% larger than the previous three-year plan, and will result in a 7.4% average annual rate base growth from 2019. Over recent years, the company has increasingly debt financed its capex leading to higher leverage. As of TTM June 30, 2021, cash from operations financed only 50% of capex. On a positive note, AEP's capex is almost exclusively geared to expanding the regulated rate base, with 43% planned for transmission assets, the majority of which are regulated by FERC. Management expects that nearly 70% of the company's capital plan will be recoverable under reduced lag mechanisms. Fitch estimates AEP's parent-level debt will account for approximately 20%-25% of AEP's total debt load over the forecast period, versus 25%-30% at its most of its peers.

Balanced Regulatory Construct: Fitch views the state regulatory constructs within AEP's 11-state (soon to be 10 state) service territory as balanced. Authorized state ROEs are close to the industry average in most jurisdictions and include provisions to mitigate commodity and environmental regulation risks. AEP's transmission entities, most of which are subsidiaries of AEP Transco, operate under a tariff approved by the FERC. The FERC tariff provides timely recovery of capital and operating costs as well as favorable ROEs (10.35% and 10.50%) and robust capital structures. Fitch expects consolidated earned ROE, which was 9.0% for the LTM ended June 30, 2021, to average around 9.0% in 2021-2023.

Improving Asset Base: As a result of the companies' focus on transmission investment, AEP Transco is currently AEP's second largest subsidiary in terms of equity investment, and is expected to be the largest by the end of the forecast period. Fitch expects that the favorably FERC-regulated entity will account for almost 20% of AEP's consolidated EBITDA, resulting in a lower risk profile for the combined company. Additionally, the company plans to continue reducing its reliance on coal-fired generation and increase renewable capacity through construction of rate-based assets and power purchase agreements (PPAs). Hydro, wind, solar and pumped storage generation currently constitutes 19% of the generation capacity, and is expected to increase to almost 52% over the next 10 years.

Parent-Subsidiary Rating Linkage: AEP and its regulated subsidiaries have operational, financial and functional ties, resulting in moderate rating linkage. The treasury function is centrally managed and all regulated subsidiaries depend on AEP for short-term liquidity and participate in AEP's money pool. The money pool allows the utilities to manage working capital needs and provides short-term financing. Legal ties are weak, as the parent does not guarantee the debt obligations of its regulated subsidiaries.

AEP and most of its subsidiaries have limitations on capital structure from covenants in the bank credit agreement (debt/total capitalization that does not exceed 67.5%), and from regulatory requirements to maintain a specific equity ratio. No cross-default provisions exist among AEP and its subsidiaries. Due to these linkages, Fitch typically limits the notching difference between AEP and its subsidiaries to one or two notches.

Fitch applied a bottom-up approach in rating AEP's utility subsidiaries. Regulated subsidiaries are rated lower and/or higher than AEP, reflecting the strength of their balance sheets, quality of their service areas, and the constructiveness of their regulatory environments. Fitch rates AEP on a consolidated basis. Fitch expects AEP will adjust dividends from subsidiaries as needed and/or inject equity into subsidiaries to maintain regulatory capital structures and support credit metrics. Fitch applies a one-notch uplift to Kentucky Power Company's (BBB/Stable) ratings as a reflection of the implied support from the stronger parent company. Fitch expects that APUC will continue to support KPCo in a manner that will be consistent with the subsidiary's current 'BBB'.

Kentucky Power Co.

KPSC Merger Process: The sale of KPCo will require approval by the KPSC, which is expected to take up to 120 days once the case is filed. Fitch does not anticipate that merger conditions will be onerous. The KPSC will evaluate if the acquiror has the financial, technical, and managerial abilities to operate KPCo, and that the merger is consistent with the public interest. The KPSC commenced an investigation of KPCo on Sept. 15, 2021, likely in anticipation of the sale of the entity. Previously, the commission had expressed concern about spending for transmission and Mitchell environmental capex. Lower capex spending would benefit KPCo's credit metrics.

Constructive Regulatory Environment: Absent the KPSC's prior stated concerns about KPCo's capex spending, Fitch views the regulatory compact in Kentucky as generally constructive. A variety of cost recovery mechanisms, including fuel, purchased power, environmental compliance and infrastructure replacement clauses are in place that mitigate the impact of regulatory lag. On Jan. 13, 2021, the KPSC granted KPCo a revenue increase of $52.4 million effective Jan. 14, 2021. The rate increase was based on a 9.30% ROE and 43.25% equity capitalization and a March 31, 2020 test year.

Challenged Service Territory: KPCo's service area is primarily driven by coal mining, which has seen significant contraction in recent years. KPCo's residential customer count has declined about 6% over the last decade, while large commercial and industrial customer numbers have declined almost 20%. Growth in oil and gas extraction mitigates some of the effects of the secular decline in the coal industry. However, Fitch remains concerned that lower sales volumes will continue to pressure metrics and earned returns in the medium term.

Weaker Credit Metrics: KPCo's credit metrics have weakened significantly over the past couple years due to capex, a prior rate freeze, effects of the coronavirus, and continued service territory weakness. KPCo has been a perennially under earning asset, with 5.9% earned ROE as of TTM June 30, 2021 compared to 9.0% for AEP consolidated. Fitch expects that new ownership will likely trim KPCo's capex budget, which was $579 million in 2021-2023, a 5% increase from the prior three years. Additionally, KPCo's FFO leverage is expected to improve in 2023 with the expiration of Rockport PPA.

DERIVATION SUMMARY

AEP's business mix compares favorably with other large multistate utility holding companies, given the company's improved risk profile after its 2017 merchant fossil generation exit. Over the forecast period, AEP is expected to derive approximately 90% of its EBITDA from regulated assets, compared with 100% at Xcel Energy Inc. (XEL: BBB+/Stable), 86% at Southern Company (SO; BBB+/Stable) and 85%-90% at Dominion Energy, Inc. (DEI: BBB+/Stable). However, AEP's consolidated credit metrics are weaker, owing to significant capex. Fitch expects AEP's FFO leverage to average around 5.4x over the forecast period, which is weaker than Xcel, SO, and DEI.

Fitch expects Xcel's FFO leverage to be 5.0x over the forecast period, SO's consolidated FFO leverage to average 5.0x through the forecast, and DEI's consolidated FFO leverage to be 5.0x. AEP is unique among the large multistate entities for its limited parent-level debt. Fitch currently estimates AEP parent-level debt will account for approximately 20%-25% of AEP's total debt load over the forecast period, this is lower than the 25%-35% at its peers.

KEY ASSUMPTIONS

Fitch's Key Assumptions Within The Rating Case for the Issuer:

--Consolidated capital expenditures of $22.3 billion over 2021-2023;

--Sale of KPCo competed 2Q22, after tax proceeds of $1.45 billion used to offset equity needs;

--Common dividends of $1.4 billion in 2021, $1.5 billion in 2022, $1.5 billion in 2023 as per managements publicly stated forecast;

--Equity Issuances of $100 million in 2023 as per managements publicly stated forecast;

--Conversion of $805 million equity units in 2022 and $850 million equity units in 2023;

--Rate case filings or resolutions there of over the forecast period in Arkansas, Ohio, Oklahoma and Texas.

RATING SENSITIVITIES

American Electric Power

Factors that could, individually or collectively, lead to positive rating action/upgrade:

--Sustained FFO leverage at or below 5.0x;

--Continued balanced jurisdictional rate regulation across AEP's service territory;

--Continued strategic focus on relatively low risk utility and transmission businesses.

Factors that could, individually or collectively, lead to negative rating action/downgrade:

--Sustained FFO leverage exceeding 5.5x on a sustained basis;

--Renewed emphasis on non-regulated or uncontracted investments;

--Significant unexpected regulatory developments at any of the regulated operating companies.

Kentucky Power

Factors that could, individually or collectively, lead to positive rating action/upgrade:

--Sustained FFO leverage at or below 4.5x;

--Continued balanced jurisdictional rate regulation.

Factors that could, individually or collectively, lead to negative rating action/downgrade:

--Sustained FFO leverage exceeding 5.5x on a sustained basis;

--Unexpected regulatory development.

BEST/WORST CASE RATING SCENARIO

International scale credit ratings of Non-Financial Corporate issuers have a best-case rating upgrade scenario (defined as the 99th percentile of rating transitions, measured in a positive direction) of three notches over a three-year rating horizon; and a worst-case rating downgrade scenario (defined as the 99th percentile of rating transitions, measured in a negative direction) of four notches over three years. The complete span of best- and worst-case scenario credit ratings for all rating categories ranges from 'AAA' to 'D'. Best- and worst-case scenario credit ratings are based on historical performance. For more information about the methodology used to determine sector-specific best- and worst-case scenario credit ratings, visit https://www.fitchratings.com/site/re/10111579.

LIQUIDITY AND DEBT STRUCTURE

AEP has a $4.0 billion committed revolving credit facility maturing in March 2026 and a $1 billion committed facility maturing in March 2023, both of which serve as a backstop for AEP's CP program and LOC. AEP must maintain a ratio of debt/total capitalization that does not exceed 67.5%, under the covenants to its credit agreement. This contractually-defined percentage was 59.3% as of Sept. 30, 2021. As of Sept. 30, 2021, AEP had $3.746 billion available on its revolving credit facility (giving effect for CP issuance) and cash of $1.373 billion.

AEP has parent level corporate maturities as follows: $400 million in 2021, $1.605 billion in 2022, and $1.900 billion in 2023, $300 million in 2024. AEP has $805 million of equity units issued in 2019 and $850 million issued in 2020 for which Fitch does not give equity credit. The notes are expected to be remarketed in 2022 and 2023, respectively, at which time the interest rate will reset at the then current market rate and forward equity purchase contract associated with the units will be settled with the issuance of equity. If either remarketing is unsuccessful, investors have the right to put their notes to AEP at a price equal to the principal. Fitch assumes successful remarketings for the equity units.

AEP's regulated subsidiaries use a pool of corporate borrowing to meet short-term funding needs. The money pool operates according to regulators' approved terms and conditions, and includes maximum authorized borrowing limits for individual companies.

ISSUER PROFILE

AEP is a utility holding company of regulated electric utility subsidiaries serving portions of Arkansas, Indiana, Kentucky, Louisiana, Michigan, Ohio, Oklahoma, Tennessee, Texas, Virginia and West Virginia. Additionally, the company has significant investments in FERC regulated transmission assets.

SUMMARY OF FINANCIAL ADJUSTMENTS

As of Dec. 31, 2020, Fitch has made the following adjustments:

--$716 million of securitized debt has been removed from Fitch's AEP consolidated debt calculation;

REFERENCES FOR SUBSTANTIALLY MATERIAL SOURCE CITED AS KEY DRIVER OF RATING

The principal sources of information used in the analysis are described in the Applicable Criteria.

RATING ACTIONS

ENTITY/DEBT	RATING			PRIOR
American Electric Power Company, Inc.	LT IDR	BBB Rating Outlook Stable	Downgrade	BBB+ Rating Outlook Negative
	ST IDR	F3	Downgrade	F2
• senior unsecured	LT	BBB	Downgrade	BBB+
• senior unsecured	ST	F3	Downgrade	F2
Kentucky Power Company	LT IDR	BBB Rating Outlook Stable	Affirmed	BBB Rating Outlook Stable

VIEW ADDITIONAL RATING DETAILS

FITCH RATINGS ANALYSTS

Barbara Chapman, CFA
Senior Director
Primary Rating Analyst
+1 646 582 4886
barbara.chapman@fitchratings.com

Fitch Ratings, Inc.
33 Whitehall Street New York, NY 10004

Ivana Ergovic
Director
Secondary Rating Analyst
+1 212 908 0354
ivana.ergovic@fitchratings.com

Shalini Mahajan, CFA
Managing Director
Committee Chairperson
+1 212 908 0351
shalini.mahajan@fitchratings.com

MEDIA CONTACTS

Sandro Scenga
New York
+1 212 908 0278
sandro.scenga@thefitchgroup.com

Additional information is available on www.fitchratings.com

PARTICIPATION STATUS

The rated entity (and/or its agents) or, in the case of structured finance, one or more of the transaction parties participated in the rating process except that the following issuer(s), if any, did not participate in the rating process, or provide additional information, beyond the issuer's available public disclosure.

APPLICABLE CRITERIA

Parent and Subsidiary Linkage Rating Criteria (pub. 26 Aug 2020)

Corporate Hybrids Treatment and Notching Criteria (pub. 12 Nov 2020)

Corporates Recovery Ratings and Instrument Ratings Criteria (pub. 09 Apr 2021) (including rating assumption sensitivity)

Corporate Rating Criteria (pub. 15 Oct 2021) (including rating assumption sensitivity)

APPLICABLE MODELS

Numbers in parentheses accompanying applicable model(s) contain hyperlinks to criteria providing description of model(s).

Corporate Monitoring & Forecasting Model (COMFORT Model), v7.9.0 (1)

ADDITIONAL DISCLOSURES

Dodd-Frank Rating Information Disclosure Form

Solicitation Status

Endorsement Policy

ENDORSEMENT STATUS

American Electric Power Company, Inc.	EU Endorsed, UK Endorsed
Kentucky Power Company	EU Endorsed, UK Endorsed

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The manner of Fitch's factual investigation and the scope of the third-party verification it obtains will vary depending on the nature of the rated security and its issuer, the requirements and practices in the jurisdiction in which the rated security is offered and sold and/or the issuer is located, the availability and nature of relevant public information, access to the management of the issuer and its advisers, the availability of pre-existing third-party verifications such as audit reports, agreed-upon procedures letters, appraisals, actuarial reports, engineering reports, legal opinions and other reports provided by third parties, the availability of independent and competent third- party verification sources with respect to the particular security or in the particular jurisdiction of the issuer, and a variety of other factors. 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SOLICITATION STATUS

The ratings above were solicited and assigned or maintained by Fitch at the request of the rated entity/issuer or a related third party. Any exceptions follow below.

ENDORSEMENT POLICY

Fitch's international credit ratings produced outside the EU or the UK, as the case may be, are endorsed for use by regulated entities within the EU or the UK, respectively, for regulatory purposes, pursuant to the terms of the EU CRA Regulation or the UK Credit Rating Agencies (Amendment etc.) (EU Exit) Regulations 2019, as the case may be. Fitch's approach to endorsement in the EU and the UK can be found on Fitch's Regulatory Affairs page on Fitch's website. The endorsement status of international credit ratings is provided within the entity summary page for each rated entity and in the transaction detail pages for structured finance transactions on the Fitch website. These disclosures are updated on a daily basis.

Corporate Finance Utilities and Power North America United States

EXHIBIT___(LK-12)

American Electric Power Company, Inc.
Kentucky Power Company
Liberty Utilities Co.
KPSC Case No. 2021-00481
KIUC's First Set of Data Requests
Dated January 13, 2022

DATA REQUEST

KIUC 1_48 Please refer to the testimony of Mr. Swain at page 6.

a. Please provide the "long-term strategic plan" for Kentucky Power.
b. Please provide the capital and O&M budgets prepared by senior management for Kentucky Power.
c. Please provide an example of the "annual scorecard" that will used for evaluating the operations of Kentucky Power.

RESPONSE

a. Since Liberty is not yet the owner of Kentucky Power, it would be premature to have developed a long term strategic plan. It is anticipated that the plan would be developed once Liberty is the owner and is entrenched in the community and the Company's operations.

b. Liberty's plan regarding Kentucky Power's O&M and capital plans is to adopt the current company forecasts at the time of closing, and immediately begin to focus on identifying opportunities to contain or reduce O&M to the benefit of Kentucky customers.

c. Please see below an example of the 2021 scorecard measures from Liberty's Central Region where Empire District Electric Company is located.

Area	**Metric**
Health & Safety	Lost Time Injury Rate
Health & Safety	Recordable Injury Rate
Health & Safety	At Fault Motor Vehicle Accident Rate
Health & Safety	Completion of 2021 Priority Actions
Physical/Cyber Security	Completion of 2021 Priority Actions
Reliability	Electric - SAIDI
Reliability	Electric - SAIFI
Reliability	Gas - Response Time
Reliability	Gas - Leak Rate
Reliability	Gas - Damage Prevention

Reliability	Water - Unplanned Disruption
Reliability	Water - Leak Rate
Operational Excellence	Completion of 2021 Priority Actions, with Central Focus on Electric Modality
Operational Excellence	JD Power scores
Operational Excellence	Call Response times
Operational Excellence	Completion of 2021 Priority Actions
Operational Excellence	Customer First - Timeline
Operational Excellence	Customer First - Business Support/Change Network
Operational Excellence	Customer First - Training
Operational Excellence	Business Group Profit
Operational Excellence	Rate Case Filings
Operational Excellence	Regulatory Outreach
Operational Excellence	New Regulatory Framework
Growth	Capital Plan Delivery with Capital Policy
Growth	Compounded Annual Growth Rate
Growth	Customer Savings Plan
Growth	Grid Modernization
Growth	Bolivar Acquisition
Growth	Acquisition Support
Growth	New Customers
Growth	New GPM
Growth	Tuck Ins
Growth	Innovation Spend
Sustainability	2020 Engagement plans delivered
Sustainability	Engagement scores
Sustainability	2021 Engagement plans developed
Sustainability	Ensure all managers and above have up to date development plans
Sustainability	Execute on succession plan
Sustainability	Hiring managers completing interview training
Sustainability	Execute plan-attract diversity candidates
Compliance	Completion of 2021 Priority Actions
ESG	Completion of 2021 Priority Actions

Witness: David Swain

EXHIBIT___(LK-13)

American Electric Power Company, Inc.
Kentucky Power Company
Liberty Utilities Co.
KPSC Case No. 2021-00481
KIUC's Second Set of Data Requests
Dated February 4, 2022

DATA REQUEST

KIUC 2_41 Provide a list of and describe all insurance policies and/or coverage provided by all "captive insurers" obtained by AEP and/or AEPSC to insure or reinsure the Company's risk exposures. Confirm that each of the policies/coverages will cease on or before the closing. Provide the annual cost to the Company for each such policy/coverage. Provide a list of and describe the insurance policies/coverage that will be obtained by Liberty for each of the Company's risk exposures and the forecast annual cost to the Company for each such policy/coverage.

RESPONSE

Please see JA_R_KIUC_2_41_Attachment1.xlsx for the list and description of all insurance policies and/or coverage provided by all "captive insurers" obtained by AEP and/or AEPSC to insure or reinsure the Company's risk exposures and Kentucky Power's annual premium for each.

It is confirmed that the current coverages will cease at closing and Liberty will add Kentucky Power Company to its existing policies upon close. Liberty does not yet have quotes from its insurers for this coverage. Insurance policies currently in place will respond as normal for incidents prior to closing.

Witness: Stephan T. Haynes

Witness: Peter Eichler

EXHIBIT___(LK-14)

American Electric Power Company, Inc.
Kentucky Power Company
Liberty Utilities Co.
KPSC Case No. 2021-00481
Commission Staff's First Set of Data Requests
Dated January 13, 2022

DATA REQUEST

KPSC 1_5 Kentucky Power currently sells its receivables to AEP Credit, Inc. If the proposed transaction is approved, explain, if known, whether Kentucky Power will continue to sell its receivables and, if so, identify the entity to which the receivables will be sold.

RESPONSE

Should the proposed acquisition be approved, Kentucky Power Company will no longer sell its receivables.

Witness: Peter Eichler

American Electric Power Company, Inc.
Kentucky Power Company
Liberty Utilities Co.
KPSC Case No. 2021-00481
Attorney General's Second Set of Data Requests
Dated February 4, 2022

DATA REQUEST

AG 2_21 Reference the response to KIUC-DR-1-18. Explain whether Liberty is willing to commit to continue KPCo's current practice of factoring accounts receivable. If not, explain why not.

RESPONSE

Liberty is not willing to commit to continuing Kentucky Power's current practice of factoring accounts receivable. Please see Liberty's response to KPSC 2-6. Liberty will continue to evaluate whether benefits of factoring become available in the future and is amenable to revisiting this commitment in the future.

Witness: Peter Eichler

EXHIBIT___(LK-15)

American Electric Power Company, Inc.
Kentucky Power Company
Liberty Utilities Co.
KPSC Case No. 2021-00481
KIUC's First Set of Data Requests
Dated January 13, 2022

DATA REQUEST

KIUC 1_18 Please provide all analyses and studies performed by or on behalf of any of the Joint Applicants regarding the impacts to ratepayers of terminating Kentucky Power's sale of receivables to AEP Credit, Inc.

RESPONSE

The Joint Applicants have not performed such studies and have no documents responsive to this request.

Terminating Kentucky Power's sale of receivables to AEP Credit is not expected to have a major impact on customers and if necessary, the receivables will be financed with short term debt. The cost of short-term debt for Liberty through the money pool for the 9 months ending September 30, 2021 was 0.27%, which is the Commercial Paper rate that Liberty incurs externally.

Witness: Stephan T. Haynes

Witness: Michael Mosindy

EXHIBIT___(LK-16)

Kentucky Power Company
KPSC Case No. 2021-00421
AG/KIUC First Set of Data Requests
Dated December 15, 2021

DATA REQUEST

AG-KIUC 1-24 Provide KPCo's federal taxable income or loss, NOL carryforward and NOL ADIT before reimbursement by AEP pursuant to the AEP Tax Allocation Agreement, and NOL carryforward and NOL ADIT after reimbursement by AEP pursuant to the AEP Tax Allocation Agreement at December 31 for each year 2016 through 2021.

RESPONSE

Please see KPCO_R_AG_KIUC_1_24_Attachment1.

Witness: Allyson L. Keaton

Kentucky Power Company
Net Operating Loss Schedule
AG 1-24 Attachment 1

		Taxable Income/(Loss)	2016	2017	2018	2019	2020	2021	Total
	Prior Balances	(90,681,208)			10,685,671	2,356,998			(77,638,539)
	2016	(11,839,011)							(11,839,011)
	2017	(28,876,901)							(28,876,901)
	2018	10,685,671			(10,685,671)				-
	2019	2,356,998				(2,356,998)			-
	2020	(42,427,944)							(42,427,944)
(1)	2021	(74,929,069)							(74,929,069)
		(235,711,464)	0	0	0	0	0	0	(235,711,464)

(1) The 2021 Fiscal Year is not yet complete and this represents a forecast of taxable income/(loss).
(2) 2014 Tax Return was amended after filing which increased KYPCO's Taxable Income by $51,008.
(3) IRS Revenue Agent Reports (RAR) required an adjustment to taxable income for KYPCO for years 2011, 2012, 2013 and 2014.

	Before Reimbursement	After Reimbursement
	NOL Carryforward	
2016	(102,520,219)	
2017	(131,397,120)	
2018	(120,711,449)	
2019	(118,354,451)	
2020	(160,782,395)	
2021	(235,711,464)	
	NOL ADIT	
2016	(21,529,246)	-
2017	(27,593,395)	(1,889,518)
2018	(25,349,404)	(856,567)
2019	(24,854,435)	(856,641)
2020	(33,764,303)	-
2021	(49,499,408)	(25,985,961) **(1)**

EXHIBIT___(LK-17)

American Electric Power Company, Inc.
Kentucky Power Company
Liberty Utilities Co.
KPSC Case No. 2021-00481
KIUC's First Set of Data Requests
Dated January 13, 2022

DATA REQUEST

KIUC 1_59 Please provide a copy of the Liberty Tax Allocation Agreement.

a. Indicate if the Liberty Tax Allocation Agreement has a provision similar to that of the AEP Tax Allocation Agreement whereby Liberty reimburses the members of the affiliate consolidated group for the income tax effect of taxable losses, thereby reducing or eliminating any net operating loss carryforward ADIT.

b. Indicate if Liberty files a consolidated US federal income tax return. If so, indicate if Kentucky Power will be a member of the affiliate consolidated group.

RESPONSE

a.-b. Liberty does not have a tax allocation agreement in place. After the proposed transaction, Kentucky Power would be a member in Liberty Utilities (America) Co. & Subs consolidated group for U.S. federal income tax purposes.

Witness: Michael McCuen

EXHIBIT___(LK-18)

American Electric Power Company, Inc.
Kentucky Power Company
Liberty Utilities Co.
KPSC Case No. 2021-00481
KIUC's Second Set of Data Requests
Dated February 4, 2022

DATA REQUEST

KIUC 2_16 Refer to the response to KIUC 1-59, which states that Liberty does not have a tax allocation agreement in place.

a. Explain why Liberty does not have a tax allocation agreement.
b. Explain how the Commission will be able to review and assess the tax treatment that will be afforded the Company if the acquisition closes and it is no longer a member of the AEP affiliate group or subject to the AEP Tax Allocation Agreement.
c. Indicate if Liberty plans to draft and execute a tax allocation agreement. If not, explain why not.
d. Describe the Liberty tax allocation process, including the inputs and outputs, given that there is no writing to document it. Provide an illustration of the tax allocation, including the inputs and outputs, and identify the sources of the inputs and the accounting for the outputs.
e. Confirm that the Liberty tax allocation process does not include reimbursement of the tax effects of net operating losses of the Liberty subsidiaries, which will include the Company if the acquisition closes.

RESPONSE

a. Tax allocation agreements are not required. Liberty follows all the relevant ASC 740 guidance and the Internal Revenue Code of 1986, as amended.

b. The Company's tax records will be recorded on a standalone basis. The Commission will have access to the underlying books and records of the Company in order to assess the tax treatment as needed.

c. Liberty may draft and execute a tax allocation agreement in the future.

d. The Company would be treated as a stand-alone company for income tax purposes and would retain its attributes. If Liberty decides to create a tax allocation agreement, we will create a tax allocation document to outline the process.

e. The Company would be treated as a standalone company for income tax purposes and would retain its attributes.

Witness: Michael McCuen

EXHIBIT___(LK-19)

American Electric Power Company, Inc.
Kentucky Power Company
Liberty Utilities Co.
KPSC Case No. 2021-00481
KIUC's First Set of Data Requests
Dated January 13, 2022

DATA REQUEST

KIUC 1_16 No studies have been performed by or on behalf of either AEP or Kentucky Power regarding the impacts to ratepayers of terminating Kentucky Power's participation in in the AEP System Tax Allocation Agreement.

RESPONSE

The Joint Applicants have not performed such analyses and have no documents responsive to this request.

Witness: Allyson L. Keaton

Witness: Michael McCuen

EXHIBIT___(LK-20)

American Electric Power Company, Inc.
Kentucky Power Company
Liberty Utilities Co.
KPSC Case No. 2021-00481
KIUC's First Set of Data Requests
Dated January 13, 2022

DATA REQUEST

KIUC 1_74 Identify all commitments offered by Liberty to protect customers from potential cost increases due to the following:

a. Loss of economies of scale due to AEPSC provision of centralized services to Kentucky Power and Kentucky Transco.

b. Loss of benefits, including economies and/or other savings and revenues, due to the termination of AEP intercompany agreements, including, but not limited to, the AEP Credit, Inc. agreement to purchase Kentucky Power's receivables on a daily basis and the AEP Tax Allocation Agreement.

c. Increase in local employment in lieu of AEPSC provision of centralized services.

RESPONSE

a.-c. While Liberty does not expect any of the hypothetical scenarios implied in the question to materialize, the Company would not be able to pass the costs described onto customers without the Commission's explicit approval in any case. Liberty is willing to agree to reasonable regulatory commitments, such as those agreed to and set forth in response to Staff 1-02. However, the reasonableness of any commitment is highly fact specific and may be impacted by other factors, including obligations and the testimony of the parties in this case. Accordingly, additional commitments are best considered in totality, such as in discussions of a global settlement or through a final order of the Commission. Liberty believes it would be premature to make commitments in addition to those set forth in Staff 1-02 at this time.

Witness: Peter Eichler

EXHIBIT___(LK-21)

American Electric Power Company, Inc.
Kentucky Power Company
Liberty Utilities Co.
KPSC Case No. 2021-00481
KIUC's Second Set of Data Requests
Dated February 4, 2022

DATA REQUEST

KIUC 2_4 Refer to the Company's response to KIUC 1-16.

a. Confirm that Liberty is aware that the Company historically has incurred tax losses and that AEP has compensated the Company for the tax effect of the tax losses through the AEP Tax Agreement for the asset NOL ADIT that otherwise would be recorded on the Company's accounting books.
b. Confirm that the Company will not be compensated in the same manner or in any manner by Liberty for the tax effects of the Company's tax net operating losses that are carried forward.
c. Confirm that if the Liberty acquisition closes, the Company will record asset NOL ADIT amounts if it incurs tax net operating losses that are carried forward. If this is correct, then confirm that this will result in an increase in the Company's future revenue requirements if the NOL ADIT is included in rate base. If denied, then explain why this is not correct.
d. Indicate whether Liberty is willing to hold harmless the Company's customers from the increase in the revenue requirement if there is an NOL ADIT. If not, explain why it is not willing to do so.

RESPONSE

a. Liberty is aware that Kentucky Power was part of AEP's Tax Agreement.

b. Liberty cannot confirm that Kentucky Power will not be compensated in the same manner or in any manner by Liberty for the tax effect of Kentucky Power's tax net operating losses that are carried forward.

c. Liberty intends to record Kentucky Power's tax results on a stand-alone basis. Kentucky Power will record asset NOL ADIT amounts if it incurs tax net operating losses that are carried forward. On a stand-alone basis Kentucky Power would record NOL and include it in rate base as required by the Internal Revenue Code of 1986, as amended ("IRS rules"). This increase is offset by a decrease in working capital in rate base and should result in no overall change.

d. Liberty follows all relevant IRS rules including normalization requirements. If a utility is in a NOL position it was usually caused by accelerated depreciation. Therefore, the

NOL ADIT is offset by the Deferred Tax Liability created by the accelerated depreciation and both are required to be included in rate base.

Witness: Michael McCuen

EXHIBIT___(LK-22)

American Electric Power Company, Inc.
Kentucky Power Company
Liberty Utilities Co.
KPSC Case No. 2021-00481
KIUC's First Set of Data Requests
Dated January 13, 2022

DATA REQUEST

KIUC 1_14 Please provide all analyses and studies performed by or on behalf of any of the Joint Applicants regarding the impacts to ratepayers of terminating Kentucky Power's participation in the Affiliated Transactions Agreement for Sharing Material and Supplies (dated January 1, 2014) among AEP Generation Resources Inc. and AEPSC, as agent for Kentucky Power, Appalachian Power Company, Indiana Michigan Power Company, Ohio Power Company, and AEP Generating Company.

RESPONSE

The Joint Applicants have not performed such analyses and have no documents responsive to this request.

Witness: Stephan T. Haynes

Witness: Peter Eichler

EXHIBIT___(LK-23)

American Electric Power Company, Inc.
Kentucky Power Company
Liberty Utilities Co.
KPSC Case No. 2021-00481
KIUC's First Set of Data Requests
Dated January 13, 2022

DATA REQUEST

KIUC 1_50 Refer to the definition of "transaction expenses" set forth at Appendix I-13 to the Stock Purchase Agreement, which states as follows:
"Transaction Expenses" means all fees, costs and expenses, solely to the extent that any Acquired Company has or will have any Liability in respect thereof, in each case, to the extent (a) incurred or payable in connection with the negotiation, preparation and execution of this Agreement and the Ancillary Agreements or the consummation of the transactions contemplated hereby or thereby on or prior to Closing and (b) not paid prior to the Reference Time, including, for the avoidance of doubt, (i) amounts payable to legal counsel, accountants, advisors, investment banks, brokers and other Persons advising any Seller or the Acquired Companies in connection with the transactions contemplated hereby or by any Ancillary Agreement, (ii) all bonuses and change in control payments payable in connection with the execution of this Agreement or any Ancillary Agreement or the consummation of the transactions contemplated hereby or by any Ancillary Agreement and (iii) the amount of the employer portion of any payroll, social security, Medicare, unemployment or similar or related Taxes payable with respect to the amounts set forth in the immediately preceding clause (ii).

a. Refer to the Direct Testimony of Mr. Eichler at 7, wherein he lists various commitments by "Liberty's management," including that it will "[n]ot seek recovery of the transaction premium or transaction costs in Kentucky Power's rates." Provide the definitions of the terms "transaction premium" and "transaction costs" and source the definitions to the Stock Purchase Agreement or the source that was or will be relied on to determine the scope of this commitment. If none, then so state.
b. Confirm that the term "transaction expenses" as that term is defined in the Stock Purchase Agreement does not cover "fees, costs and expenses" that are incurred before and after the acquisition date to implement the terms set forth in the Stock Purchase Agreement, (e.g. the requirement that Liberty purchase directors and officers tail insurance, among others), and/or that are incurred before and after the acquisition date to integrate the acquired companies into Liberty, (e.g., IT systems integration, local employee hiring expenses, relocation expenses, rents or other expenses/costs to acquire office space to house new local

employees, removing AEP signage and replacing with Liberty signage, among others).

i. If confirmed, then indicate whether Liberty agrees that it will not seek recovery of such "transition" and/or "integration" "fees, costs, and expenses."

ii. If Liberty does not agree that it will not seek recovery of such "transition" and/or "integration" "fees, costs, expenses," then provide all reasons why it will not agree to do so and why these "fees, costs, expenses" should be recovered from the utility's customers.

iii. If Liberty agrees that it will not seek recovery of such "transition" and/or "integration" "fees, costs, expenses," then provide an affirmative commitment to that effect and provide a list all such "fees, costs, and expenses" or categories of such "fees, costs, and expenses" subject to that commitment.

RESPONSE

a. The term "transaction premium" as used on page 6 of Witness Eichler's Testimony is intended to mean the difference between the value of Kentucky Power and the actual price paid to acquire the company pursuant to the Stock Purchase Agreement.

The term "transaction costs" as used on page 6 of Witness Eichler's Testimony encompasses the term "Transaction Expenses" as used in the Stock Purchase Agreement as set forth above.

b. Liberty cannot commit at this time to not seek recovery of an undefined set of costs, described only as "fees, costs, and expenses incurred after the acquisition to implement the terms set forth in the Stock Purchase Agreement" as many of the terms of the Stock Purchase Agreement are related to the ongoing, normal and necessary operation of Kentucky Power. However, Liberty cannot recover any such "fees, costs and expenses" until after a thorough review as part of a future rate case.

Witness: Peter Eichler

EXHIBIT___(LK-24)

American Electric Power Company, Inc.
Kentucky Power Company
Liberty Utilities Co.
KPSC Case No. 2021-00481
Attorney General's First Set of Data Requests
Dated January 13, 2022

DATA REQUEST

AG 1_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.

RESPONSE

Liberty utilizes a slightly different taxonomy than that suggested in the question. In place of cost-to-achieve cost savings, given that synergies are not the motivating factor for the transaction, no cost category has been identified to achieve such savings; rather, Liberty has identified one-time costs to complete the transition as "Transition Costs," which is defined below. In terms of "costs-to-achieve" the Transaction, those costs more closely align with "Transaction Costs" as defined below:

- Transaction Costs - internal and external costs of due diligence, legal and other professional support to evaluate and execute the transaction, and carry out the requisite regulatory approvals; and

- Transition Costs - costs to enable the handover of operational control from the buyer to the seller). This category is further separated into:
    - One-Time Transition Costs - costs of staff required to work on the transitioning of the business from AEP to Liberty, IT support and external services between agreement to the sale and closing; and
    - Long Lived Transition Costs – capital investments to enable day-to-day operations continuity, particularly where sellers retain some or all of the pre-existing systems.

Transition investments in the context of the current sale arise due to Kentucky Power not being a standalone utility but rather one integrated with AEP's technology systems that cannot be "carved out" from AEP and thus require replacement with Liberty's systems. Liberty expects the cost of these investments to be absorbed by the existing rate funding for AEP's systems that will be removed from the rate base as the transition period winds down.

The following responses to parts a.-d. are based on Liberty's nomenclature described above applied to the equivalent terms (to the extent practicable) in the question:

a. Liberty does not allocate any Transaction Costs to its customers; these costs are borne exclusively by shareholders. AEP-incurred costs associated with the sale of Kentucky Power are not being charged to Kentucky ratepayers.
b. Neither Transaction Costs nor one-time Transition Costs will be allocated to customers. The impact of the Long Lived Transition Costs will replace similar costs that may currently be in Kentucky Power's rates that will no longer be in the rate base after the next rate case
c. Liberty does not allocate any Transaction Costs or One-Time Transitions Costs in M&A transactions involving regulated companies to its unregulated affiliates as they are not implicated by this Transaction. This is consistent with situations where the purchase of unregulated assets has no impact on the regulated utilities and therefore has no allocations to regulated entities. AEP-incurred costs associated with the sale of Kentucky Power are not being charged to Kentucky ratepayers.
d. Please see the response to item c.

Witness: Stephan T. Haynes

Witness: Peter Eichler

EXHIBIT___(LK-25)

American Electric Power Company, Inc.
Kentucky Power Company
Liberty Utilities Co.
KPSC Case No. 2021-00481
KIUC's Second Set of Data Requests
Dated February 4, 2022

DATA REQUEST

KIUC 2_3 Refer to the response to KIUC 1-8 wherein the Applicants state that they did not perform a comparative rate analysis.

a. Indicate whether Liberty performed a rate forecast using a financial model or other methodology. If so, then describe the rate forecast and the basis for the forecast and provide a copy of all such analyses in live Excel format with all formulas intact, along with all assumptions, data and source documents and all other materials relied on for this purpose.
b. Confirm that to the extent Liberty incurs transition and/or integration costs in 2023, then these costs will reduce the Company's per book return on equity and reduce the fixed costs savings from the termination of the Rockport UPA that otherwise will flow through the PPA rider and inure to the Company's customers in 2023.
c. Indicate if Liberty is willing to forego the recovery of the transition and/or integration costs through the PPA rider rates in 2023. If not, provide all reasons why not.
d. Refer to the Commission's Order in Case 2020-00174 wherein it states:

Therefore, the Commission finds that Kentucky Power's request to amortize the Rockport regulatory asset over five years beginning in 2022 for recovery through Tariff PPA is premature at this time, and the Commission will defer the determination of the appropriate amortization period and recovery mechanism to a subsequent matter the Commission will initiate on its own motion. As part of this subsequent matter, the Commission will also review and clarify items related to provisions of the final Order in Case No. 2017-00179 regarding Kentucky Power's ability to use the savings from the expiration of the Rockport UPA to earn its Commission-approved ROE in calendar year 2023.

i. Confirm that Liberty is aware of the Commission's plan to "review and clarify items related to . . . Kentucky Power's ability to use the savings from the expiration of the Rockport UPA to earn its Commission-approved ROE in calendar year 2023."
ii. Confirm that Liberty is aware that if it does not agree to forego the recovery of the transition and/or integration

costs, that this may be an area the Commission may "review and clarify" in a subsequent matter if it does not do so in this proceeding.

RESPONSE

a. Liberty has not performed a rate forecast; however, an indicative rate analysis is available in Attachment Staff 1-68, page 54.

b. Partially not confirmed. Please refer to Liberty's Response to AG-1-55 for a discussion of transaction and transition cost components for which Liberty will not seek recovery.

c. Liberty will not be recovering any One-Time Transition Costs from customers, while the Long-Lived Transition costs are capital in nature and will not affect the 2023 earned ROE calculation given their nature and anticipated in-service timing.

d.

(i) Confirmed

(ii) Confirmed

Witness: Peter Eichler

EXHIBIT___(LK-26)

American Electric Power Company, Inc.
Kentucky Power Company
Liberty Utilities Co.
KPSC Case No. 2021-00481
KIUC's First Set of Data Requests
Dated January 13, 2022

DATA REQUEST

KIUC 1_76

1. Refer to various presentations wherein Algonquin and Liberty have discussed their "playbook" for extracting value from the acquisitions of Kentucky Power and Kentucky Transco.
   a. Confirm that Algonquin and Liberty have publicly identified the following "plays" that it will run from the Algonquin/Liberty "playbook," including the following:
      i. "Greening the Fleet" through significant ***rate base*** investments in renewables (Analyst/Investor Day 12.14.21 transcript).
      ii. Improving the reliability and resiliency of the system through significant rate base investments.
      iii. Abandoning AEP's use of historic test years and transitioning to forecast test years.
      iv. Sharply increasing the common equity (equity ratio) used to finance rate base compared to AEP's historic levels.
      v. Seeking additional revenues through riders (see Analyst/Investor Day 12.14.21 transcript).

   b. Identify and describe all other "plays" that Algonquin and Liberty plan to run in order to extract value from the acquisitions of Kentucky Power and Kentucky Transco.

RESPONSE

As a general matter, it is important to note that Liberty's references to the items discussed below have been made in an attempt to balance customer affordability and provide benefits to customers, and implicit in all statements is that any projects or investment opportunities will be the subject to the approval of the KPSC.

a.

i. Liberty acknowledges that "Greening the Fleet" initiatives give rise to significant upfront investments. However, as was the case in Liberty's Central Region, investments of approximately $600 million in renewable energy resulted in estimated customer savings of $125 million over 20 years. Given the KPSC's order to retire Mitchell for ratemaking purposes by 2028, Liberty sees similar opportunity to provide customer savings while making investments in Kentucky Power. Liberty at all times has assumed that any such investment will be the subject of scrutiny and discussion by affected stakeholders and will be subject to the approval of the KPSC.

ii. In the course of its due diligence work, Liberty established that Kentucky Power's ratio of annual capital additions to depreciation expense is substantially below those of other large utilities and is substantially below the 2.0 multiple that is seen in the industry as a minimal measure of capital replenishment for a power utility. At the same time, Liberty's due diligence work saw that Kentucky Power's reliability is substantially below the industry standards and aside from the most recent year, has shown a declining trend. Assessing these two observations in tandem, Liberty made a working assumption that capital underinvestment is a driver behind Kentucky Power's reliability performance, and is an area Liberty intends to explore further. -

iii. Liberty believes that future test years allow utility operators to better manage costs in accordance with those allowed by regulatory agencies. Since future test years are permitted in Kentucky, Liberty plans to utilize this approach.

iv. Please see response to KIUC 1-42.

v. Confirmed, to the extent additional riders that provide both shareholder and customer benefits are identified, Liberty will seek utilization of such riders. Historically, it has been Liberty's experience that riders can provide benefits to both customers and shareholders by reducing volatility of costs, smoothing out capital expenditures, and helping with affordability.

b. Liberty will plan to operate Kentucky Power as a prudent operator of utilities as it does within its current portfolio and believes that value will only be achieved by balancing the needs of the customer base with shareholders; and therefore, if any initiatives are identified, it is Liberty's intent to discuss them with key stakeholders (including intervenor groups) to seek input.

Witness: Peter Eichler

EXHIBIT___(LK-27)

DATA REQUEST

KIUC 1_61 Please provide the following estimated amounts for the forecast years available, including, but not limited to, a copy of all Excel and/or other files in live format with all formulas intact and a copy of all other source documents relied on for your response:

a. Kentucky Power and Kentucky Transco non-fuel operation and maintenance expense by function and account, administrative and general expense by account, and other operating expenses by account and type of expense if the Liberty acquisition does not close. Separate the expenses into Kentucky Power and Kentucky Transco directly-incurred expenses and indirectly-incurred expenses charged by AEPSC to each of the acquired companies.
b. Kentucky Power and Kentucky Transco non-fuel operation and maintenance expense by function and account, administrative and general expense by account, and other operating expenses by account and type of expense if the Liberty acquisition closes. Separate the expenses into Kentucky Power and Kentucky Transco directly-incurred expenses, indirectly-incurred expenses charged by AEPSC to Kentucky Power and Kentucky Transco pursuant to the Transition Services Agreement, and indirectly-incurred expenses charged by Liberty and other Liberty affiliates' to Kentucky Power and Kentucky Transco.

RESPONSE

a. There are no documents responsive to this request.

b. There are no documents responsive to this request.

Witness: Brian West

Witness: Peter Eichler

FEBRUARY 14, 2022 SUPPLEMENTAL RESPONSE:

(a) The Joint Applicants object to this request on the basis that it seeks information that is outside the scope of this proceeding and that is neither relevant to this proceeding or calculated to lead to the discovery of admissible evidence. In support of this objection the Joint Applicants state that information concerning Kentucky Transco is not relevant to this proceeding as the transfer of Kentucky Transco is not at issue in this proceeding. Subject to and without waiving this objection, please see JA_SR_KIUC_1_61_Attachment1 through JA_SR_KIUC_1_61_Attachment3 for the requested information.

Witness: Brian K. West

Project Nickel - Capital Expenditures by Function
2022 - 2030 Forecast
$000's

	Year 2022	Year 2023	Year 2024	Year 2025	Year 2026	Year 2027	Year 2028	Year 2029	Year 2030
Capital Expenditures									
Kentucky Power									
Steam	49,989	41,627	13,977	9,521	7,747	125,072	123,737	6,112	5,326
Transmission	85,474	108,595	146,058	191,981	151,356	105,336	123,864	65,950	66,081
Distribution	77,802	77,471	83,167	119,467	98,574	105,265	100,789	78,150	72,127
General	783	785	796	848	891	897	898	894	890
Intangible	14,505	14,972	15,277	15,896	18,227	18,020	18,617	19,179	18,143
Renewables	83,832	167,481	701,876	980,928	167,673	167,840	83,993	-	-
Total KPCO Expenditures	**312,385**	**410,931**	**961,152**	**1,318,642**	**444,469**	**522,431**	**451,896**	**170,285**	**162,567**