

American Electric Power Company, Inc.  
Kentucky Power Company  
Liberty Utilities Co.  
KPSC Case No. 2021-00481  
Commission Staff's Third Set of Data Requests  
Dated March 8, 2022

**DATA REQUEST**

**KPSC 3\_1** Refer to Kentucky Power's response to Commission Staff's Second Request for Information to Joint Applicants (Staff's Second Request), Item 2. Provide a schedule of costs allocated to Kentucky Power in 2019, 2020, and 2021, broken out by service category. The schedule should be in Excel spreadsheet format with formulas, rows, and columns unprotected and fully accessible.

**RESPONSE**

Please see attachment JA\_R\_KPSC\_3\_1\_Attachment1, which provides the total capital and O&M costs, both allocated and directly billed, to Kentucky Power in 2019, 2020, and 2021. Note that in prior responses to AG 1-129 and KPSC 2-2, the Company inadvertently provided the 2018 amount, \$71,191,271, for 2019. The 2019 amount should be \$75,955,630. This updated amount is reflected in the attachment.

Witness: Stephan T. Haynes

American Electric Power Company, Inc.  
Kentucky Power Company  
Liberty Utilities Co.  
KPSC Case No. 2021-00481  
Commission Staff's Third Set of Data Requests  
Dated March 8, 2022

**DATA REQUEST**

**KPSC 3\_2** Confirm that, after closing, the PJM revenue requirement associated with transmission costs that are allocated to Kentucky Power will not change, and that only the allocation methodology will change from a 12 CP to a 1CP.

**RESPONSE**

Kentucky Power Company and AEP Kentucky Transmission Company, Inc. have proposed in their transmission formula rate filing in FERC Docket No. ER22-1196 that their jurisdictional rates remain unchanged for the balance of calendar year 2022. As such, the 2022 costs allocated to loads within the AEP zone will not change as a result of closing.

The allocation of those costs to Kentucky Power as a load serving entity will change from a 12CP to a 1CP allocation at closing.

Witness: Amanda R. Conner

American Electric Power Company, Inc.  
Kentucky Power Company  
Liberty Utilities Co.  
KPSC Case No. 2021-00481  
Commission Staff's Third Set of Data Requests  
Dated March 8, 2022

**DATA REQUEST**

**KPSC 3\_3** Identify the transmission-related revenue requirement costs allocated to Kentucky Power using the 12 CP method and after the closing with Liberty using the 1CP method for the years 2017–2021.

**RESPONSE**

Kentucky Power and AEP interpret this question as asking them to compare what the transmission costs assigned to Kentucky Power would be for the years 2017- 2021 under each of the 1CP and 12CP allocation methods. The approximate cost allocation for each method is provided in the table below.

Approximate Cost (\$ million)	2017	2018	2019	2020	2021
12 CP	\$ 74.4	\$ 64.9	\$ 76.8	\$ 96.0	\$ 105.7
1 CP	\$ 65.8	\$ 61.8	\$ 92.8	\$ 111.4	\$ 94.0
Difference	\$ (8.6)	\$ (3.1)	\$ 16.0	\$ 15.4	\$ (11.7)

Witness: Amanda R. Conner

American Electric Power Company, Inc.  
Kentucky Power Company  
Liberty Utilities Co.  
KPSC Case No. 2021-00481  
Commission Staff's Third Set of Data Requests  
Dated March 8, 2022

**DATA REQUEST**

**KPSC 3\_4** Identify the transmission-related revenue requirement costs currently allocated to Kentucky Power using the 12 CP method and the transmission-related revenue requirements costs that Kentucky Power would have incurred, if the Liberty purchase had been consummated with a closing date of December 31, 2016, Kentucky Power left the AEP zone and became a stand-alone transmission zone in PJM for the years 2017–2021.

**RESPONSE**

Joint Applicants are unable to perform the requested analysis. Such an analysis is not practical because there are many unknown factors that would influence the costs allocated to Kentucky Power as a stand-alone transmission zone. These include but are not limited to costs associated with investments required for Kentucky to operate its system as stand-alone and changes to DFAX results which form the basis of allocation of RTEP project costs.

Witness: Amanda R. Conner

American Electric Power Company, Inc.  
Kentucky Power Company  
Liberty Utilities Co.  
KPSC Case No. 2021-00481  
Commission Staff's Third Set of Data Requests  
Dated March 8, 2022

**DATA REQUEST**

- KPSC 3\_5** Refer to Liberty's response to Commission Staff's Second Request for Information, Item 23. Explain whether Liberty will commit to excluding the following expenses, which are regularly removed for ratemaking purposes, from the calculation of Kentucky Power's earned return on equity for 2023. If not, explain why not.
- a. Supplemental Executive Retirement Plan expenses;
  - b. 401(k) savings plan expenses for employees who also participate in a defined benefit retirement plan;
  - c. Medical insurance premiums paid above the sharing percentages provided by the Bureau of Labor Statistics;
  - d. Incentive compensation that is funded or paid based on financial performance metrics;
  - e. Lobbying expenses;
  - f. Industry association dues;
  - g. Civic organization dues that are not necessary for the provision of service; and
  - h. Advertising expenses as disallowed by 807 KAR 5:016, Section 4.

**RESPONSE**

It is Liberty's understanding that the Settlement Agreement in Case No. 2017-00179, and specifically the language on the issue of Rockport UPA expense deferral and the 2023 Rockport Offset, contemplated book return on equity with no adjustments to be used for the calculation of Kentucky Power's 2023 earned ROE. This is further confirmed by the calculation presented in Exhibit 2 to the approved Settlement Agreement. As a result, Liberty believes that the explicit language of the Settlement Agreement, which did not contemplate any such adjustments, governs. Notwithstanding, Liberty commits to excluding any one time transition costs that may occur from the Transaction.

Witness: Peter Eichler

American Electric Power Company, Inc.  
Kentucky Power Company  
Liberty Utilities Co.  
KPSC Case No. 2021-00481  
Commission Staff's Third Set of Data Requests  
Dated March 8, 2022

**DATA REQUEST**

**KPSC 3\_6** Refer to Liberty's response to Staff's Second Request, Item 4, in which Liberty was asked to explain how maintaining Kentucky Transco as a separate entity from Kentucky Power was in the public interest and Liberty responded that it had not previously considered the feasibility and implications of this issue. Explain in specific detail why it is in the public interest to maintain Kentucky Transco as a separate entity and why the public interest is not better served by merging Kentucky Transco and Kentucky Power. If Liberty cannot answer this request by the March 17, 2022 due date for this response, explain what steps Liberty has taken to consider this issue and be prepared at the March 28–29, 2022 hearing to address this issue.

**RESPONSE**

Liberty understands that the matters of Kentucky Transco's status and mandate, and by extension, the related considerations of public interest have been addressed by the Commission in its past decisions. As contemplated, the transaction does not propose any changes to the status of Kentucky Transco. Liberty is not aware of any specific changes in Kentucky Transco's circumstances that would warrant reconsideration of the status quo in the matter suggested by the data request. When contemplating the purchase of Kentucky Transco in the context of the larger transaction with AEP, Liberty's motivation was to acquire and retain a foundation and additional flexibility for future commercial opportunities (such as future inter-state transmission needs) that may not be directly related to Kentucky Power and its customer base. While merging the two entities could advance public interest from the immediate perspective of Kentucky Power's customers, future interstate transmission opportunities could have a positive impact on public interest in terms of additional economic activity in the region. On balance of these considerations, at this juncture, Liberty is not prepared to forgo these potential opportunities.

Witness: Peter Eichler

VERIFICATION

The undersigned, Stephan T. Haynes, being duly sworn, deposes and says he is Senior Vice President of Strategy & Transformation for American Electric Power Service Corporation that he has personal knowledge of the matters set forth in the forgoing responses and the information contained therein is true and correct to the best of his information, knowledge and belief after reasonable inquiry.

Stephan Haynes  
Signed on 2022/03/17 07:15:18 -8:00

Stephan T. Haynes

COMMONWEALTH OF KENTUCKY


)

) Case No. 2021-00481

COUNTY OF BOYD

)

Subscribed and sworn to before me, a Notary Public in and before said County and State, by Stephan T. Haynes, this 17 day of March 2022.

  
Signed on 2022/03/17 07:15:18 -8:00

Notary Public

Notary ID Number:   KYNP31964  

My Commission Expires:   6/21/2025  

**JENNIFER A. YOUNG**  
ONLINE NOTARY PUBLIC  
STATE AT LARGE KENTUCKY  
**Commission # KYNP31964**  
My Commission Expires Jun 21, 2025  
Notary Stamp 2022/03/17 07:15:18 PST 848D42C79389

Notarial act performed by audio-visual communication

41475D0E-1C20-4151-9909-FA84F207D9AF --- 2022/03/17 05:52:35 -8:00 --- Remote Notary



VERIFICATION

The undersigned, Stephan T. Haynes, being duly sworn, deposes and says he is Senior Vice President of Strategy & Transformation for American Electric Power Service Corporation that he has personal knowledge of the matters set forth in the forgoing responses and the information contained therein is true and correct to the best of his information, knowledge and belief after reasonable inquiry.

Stephan Haynes  
Signed on 2022/03/17 07:15:18 -8:00

Stephan T. Haynes

COMMONWEALTH OF KENTUCKY

)

) Case No. 2021-00481

COUNTY OF BOYD

)

Subscribed and sworn to before me, a Notary Public in and before said County and State, by Stephan T. Haynes, this 17 day of March 2022.

*JAY*  
Signed on 2022/03/17 07:15:18 -8:00

Notary Public

Notary ID Number: KYNP31964

My Commission Expires: 6/21/2025

**JENNIFER A. YOUNG**  
ONLINE NOTARY PUBLIC  
STATE AT LARGE KENTUCKY  
Commission # KYNP31964  
My Commission Expires Jun 21, 2025  
Notary Stamp 2022/03/17 07:18:18 PST 048042C79359

Notarial act performed by audio-visual communication

41475D0E-1C20-4151-9909-FA84F207D9AF --- 2022/03/17 05:52:35 -8:00 --- Remote Notary







**KY Discovery Verification - Haynes.docx**

DocVerify ID: 41475D0E-1C20-4151-9909-FA84F207D9AF  
Created: March 17, 2022 05:52:35 -8:00  
Pages: 1  
Remote Notary: Yes / State: KY

This document is a DocVerify VeriVaulted protected version of the document named above. It was created by a notary or on the behalf of a notary, and it is also a DocVerify E-Sign document, which means this document was created for the purposes of Electronic Signatures and/or Electronic Notary. Tampered or altered documents can be easily verified and validated with the DocVerify veriCheck system. This remote online notarization involved the use of communication technology.

Go to [www.docverify.com](http://www.docverify.com) at any time to verify or validate the authenticity and integrity of this or any other DocVerify VeriVaulted document.

**E-Signature Summary**

**E-Signature 1: Stephan Haynes (STH)**

March 17, 2022 07:15:18 -8:00 [2381386ECD6D] [167.239.75.249]  
sthaynes@aep.com (Principal) (Personally Known)

**E-Signature Notary: Jennifer Young (JY)**

March 17, 2022 07:15:18 -8:00 [B48D42C793B9] [167.239.221.103]  
jayoung1@aep.com  
I, Jennifer Young, did witness the participants named above electronically sign this document.



DocVerify documents cannot be altered or tampered with in any way once they are protected by the DocVerify VeriVault System. Best viewed with Adobe Reader or Adobe Acrobat. All visible electronic signatures contained in this document are symbolic representations of the persons signature, and not intended to be an accurate depiction of the persons actual signature as defined by various Acts and/or Laws.



VERIFICATION

The undersigned, Amanda R. Conner, being duly sworn, deposes and says she is Vice President of FERC & TRO Strategy & Policy for American Electric Power Service Corporation that she has personal knowledge of the matters set forth in the forgoing responses and the information contained therein is true and correct to the best of her information, knowledge and belief after reasonable inquiry.

Amanda R Conner  
Signed on 2022/03/17 05:44:09 -8:00  
Amanda R. Conner

COMMONWEALTH OF KENTUCKY

)

) Case No. 2021-00481

COUNTY OF BOYD

)

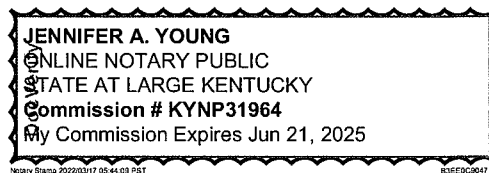
Subscribed and sworn to before me, a Notary Public in and before said County and State, by Amanda R. Conner, this 17th day of March 2022.

J. Young  
Signed on 2022/03/17 05:44:09 -8:00

Notary Public

Notary ID Number:   KYNP31964  

My Commission Expires:   6/21/2025  



Notarial act performed by audio-visual communication

159B6238-6E60-4494-84AF-247D8A89CE99 --- 2022/03/17 05:39:53 -8:00 --- Remote Notary





## KY Discovery Verification - Conner.docx

DocVerify ID: 159B6238-6E60-4494-84AF-247D8A89CE99  
Created: March 17, 2022 05:39:53 -8:00  
Pages: 1  
Remote Notary: Yes / State: KY

This document is a DocVerify VeriVaulted protected version of the document named above. It was created by a notary or on the behalf of a notary, and it is also a DocVerify E-Sign document, which means this document was created for the purposes of Electronic Signatures and/or Electronic Notary. Tampered or altered documents can be easily verified and validated with the DocVerify verCheck system. This remote online notarization involved the use of communication technology.

Go to [www.docverify.com](http://www.docverify.com) at any time to verify or validate the authenticity and integrity of this or any other DocVerify VeriVaulted document.

### E-Signature Summary

#### E-Signature 1: Amanda R Conner (ARC)

March 17, 2022 05:44:09 -8:00 [E2F78697054F] [167.239.221.102]  
arconner@aep.com (Principal) (Personally Known)

#### E-Signature Notary: Jennifer Young (JY)

March 17, 2022 05:44:09 -8:00 [B3EE0C904715] [167.239.221.103]  
jayoung1@aep.com

I, Jennifer Young, did witness the participants named above electronically sign this document.



**CERTIFICATION**

The undersigned, Peter Eichler, being duly sworn, deposes and says that he is the Senior Vice President, Regulatory Strategy and Central Services for Liberty Utilities (Canada) Corp., that he has personal knowledge of the matters set forth in the foregoing responses and the information contained therein is true and accurate to the best of his information, knowledge and belief after reasonable inquiry.

A handwritten signature in black ink, appearing to read "P. Eichler", written in a cursive style.

---

Peter Eichler